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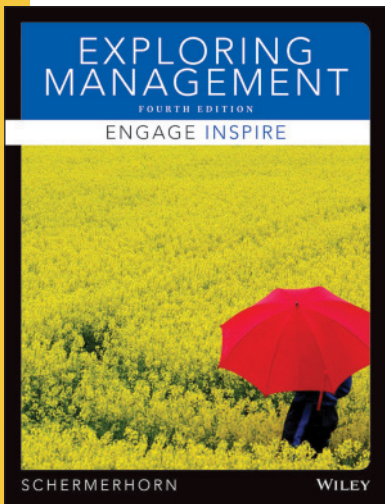
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For each topic, students can either **STUDY**, or **PRACTICE**. Study directs students to the specific topic they choose in *WileyPLUS*, where they can read from the e-textbook or use the variety of relevant resources available there. Students can also practice, using questions and feedback powered by ORION's adaptive learning engine. Based on the results of their diagnostic and ongoing practice, ORION will present students with questions appropriate for their current level of understanding, and will continuously adapt to each student to help build proficiency.



ORION includes a number of reports and ongoing recommendations for students to help them **MAINTAIN** their proficiency over time for each topic.

Students can easily access ORION from multiple places within *WileyPLUS*. It does not require any additional registration, and there will not be any additional charge for students using this adaptive learning system.

## ABOUT THE ADAPTIVE ENGINE

*ORION* includes a powerful algorithm that feeds questions to students based on their responses to the diagnostic and to the practice questions. Students who answer questions correctly at one difficulty level will soon be given questions at the next difficulty level. If students start to answer some of those questions incorrectly, the system will present questions of lower difficulty. The adaptive engine also takes into account other factors, such as reported confidence levels, time spent on each question, and changes in response options before submitting answers.

The questions used for the adaptive practice are numerous and are not found in the *WileyPLUS* assignment area. This ensures that students will not be encountering questions in ORION that they may also encounter in their *WileyPLUS* assessments.

ORION also offers a number of reporting options available for instructors, so that instructors can easily monitor student usage and performance.

**WileyPLUS with ORION helps students learn by learning about them.™**

**{** FOURTH EDITION

# Exploring Management

**John R. Schermerhorn, Jr.**

**Ohio University**

with contributions from

Susan Berston

City College of San Francisco

**WILEY**

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■ *I once again dedicate this book to the person who lovingly helps me explore and appreciate life's wonders: My wife, Ann.*

*J.R.S.*

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## ■ About the Author



DR. JOHN R. SCHERMERHORN JR. is the Charles G. O'Brien Emeritus Professor of Management in the College of Business at Ohio University where he teaches undergraduate and MBA courses in management, organizational behavior, and Asian business. He earned a PhD degree in organizational behavior from Northwestern University, after receiving an MBA degree (with distinction) in management and international business from New York University and a BS degree in business administration from the State University of New York at Buffalo.

Dr. Schermerhorn's teaching and writing bridges the gap between the theory and practice of management. He has won awards for teaching excellence at Tulane University, The University of Vermont, and Ohio University, where he was named a *University Professor*, the university's leading campus-wide award for undergraduate teaching. He also received the excellence in leadership award for his service as Chair of the Management Education and Development Division of the Academy of Management.

Dr. Schermerhorn brings a unique global dimension to his scholarship. He holds an honorary doctorate from the University of Pécs in Hungary, awarded for his international scholarly contributions to management research and education. He served as a Visiting Fulbright Professor at the University of Botswana, Visiting Professor of Management at the Chinese University of Hong Kong, on-site Coordinator of the Ohio University MBA and Executive MBA programs in Malaysia, and Kohei Miura Visiting Professor at the Chubu University of Japan. Presently he is Adjunct Professor at the National University of Ireland at Galway, a member of the graduate faculty at Bangkok University in Thailand, and Permanent Lecturer in the PhD program at the University of Pécs in Hungary.

Educators and students alike know Dr. Schermerhorn as author of *Management 12e* (Wiley, 2013) and senior co-author of *Organizational Behavior 12e* (Wiley, 2012). His many books are available in Chinese, Dutch, French, Indonesian, Portuguese, Russian, and Spanish language editions. Dr. Schermerhorn has also published numerous articles in publications such as the *Academy of Management Journal*, *Academy of Management Review*, *Academy of Management Executive*, *Organizational Dynamics*, *Journal of Management Education*, and the *Journal of Management Development*.

Dr. Schermerhorn is a popular guest speaker. His student and faculty workshop topics include tensions and innovations in business education, high engagement teaching and the millennial generation, global perspectives and student learning, and textbook writing and scholarly manuscript development.



## { DEAR READER:

Welcome to *Exploring Management, Fourth Edition*. I hope you find it a useful and engaging learning resource for your management course. You'll quickly see that it is a bit different from traditional textbooks, hopefully in a positive way. It has all the content you expect, but . . .

- The writing voice is “personal”—you are an important part of the conversation.
- The presentation is “chunked”—short reading sections are followed by study guides.
- The content is “live”—pages are full of examples, news items, situations, and suggestions that make management real.

I like to say that *Exploring Management* reflects how much I have learned from my students about what they value, where they want to go, and how they like to study and learn. It's also a reflection of my desire as an instructor and author to bring the real world into the management class, engage students in interesting discussions of timely topics, and offer meaningful assignments and projects that promote critical thinking. In short, I want the study of management to add value to your life.

Take a minute to look at the book's design and flip some pages to get a feel for my writing style and pedagogy. Does it leave you inspired and enthusiastic about your management course? Does it cause you to think about how management affects your everyday living? Does it give you confidence that you can develop the skills needed for a successful career? And, does it help you understand how well-managed organizations can make a positive difference in society?

Please join me in using *Exploring Management, Fourth Edition*, to help make your management course a great learning opportunity, one that offers lifelong benefits. I believe you'll find the experience rich with lasting personal and professional value.

Have a great course, and enjoy working with your instructor.

Sincerely

*Prof. John R. Schermerhorn, Jr.*

Ohio University

# ■ Preface

## ||| What makes *Exploring Management* different?

Students tell me over and over again that they learn best when their courses and assignments fit well in the context of their everyday lives, career aspirations, and personal experiences. I have written *Exploring Management Fourth Edition*, to meet and engage the new generation of students in their personal spaces. It uses lots of examples, applications, visual highlights, and learning aids to convey the essentials of management. It also asks students lots of thought-provoking questions as they read. My hope is that this special approach and underlying pedagogy will help management educators find unique and innovative ways to enrich the learning experiences of their students.

### ■ *Exploring Management* offers a flexible, topic-specific presentation.

The first thing you'll notice is that *Exploring Management* presents “chunks” of material to be read and digested in short time periods. This is a direct response to my classroom experiences where I, and my students, find typical book chapters cumbersome to handle. Students never read more than several pages in *Exploring Management* before hitting a “Study Guide” that allows them to bring closure to what they have just read. This chunked pedagogy motivates students to read and study assigned material before attending class. And, it helps them perform better on tests and assignments.

Topics in the book are easily assignable and sized just right for a class session. Although presented in the traditional planning, organizing, leading, and controlling framework, chapters can be used in any order based on instructor preferences. Many options are available for courses of different types, lengths, and meeting schedules, including online and distance-learning formats. It all depends on what fits best with course objectives, learning approaches, and instructional preferences.

### ■ *Exploring Management* uses an integrated learning design.

Every chapter opens with a catchy subtitle and clear visual presentation that quickly draws students into the topic. The opening **Management Live** vignette links chapter topics with popular culture examples from movies and television. Key learning objectives are listed in **Your Chapter Takeaways** while **What's Inside** highlights five interesting and useful chapter features—Explore Yourself, Role Models, Ethics Check, Facts to Consider, and Manager's Library.

Each chapter section begins with a visual overview that poses a **Takeaway Question** followed by a list of **Answers to Come**. These answers become the subheadings that organize section content. The section ends with a **Study Guide**. This one-page checkpoint asks students to pause, and check learning before moving on to the next section. The Study Guide elements include—

- *Rapid Review*—bullet-list summary of concepts and points
- *Terms to Define*—glossary quiz for vocabulary development
- *Be Sure You Can*—checkpoint of major learning outcomes for mastery
- *Questions for Discussion*—questions to stimulate inquiry and prompt class discussions
- *Career Situation: What Would You Do?*—asks students to apply section topics to a problem-solving situation

### ■ *Exploring Management* makes “flipping” the classroom easy.

“Flipped” classrooms shift the focus from instructors lecturing and students listening, to instructors guiding and students engaging. The first step in doing the flip is getting students to read and study assigned materials before class. When they come to class prepared, the instructor has many more options for engagement. The chunked presentation, frequent Study Guides, and integrated learning design of *Exploring Management* help greatly in this regard.

Success in flipping the classroom requires a good short quiz and testing program to assure student learning. *Exploring Management* is nicely integrated with the advanced WileyPLUS online environment (see p. x) to make this easy. And, the

flipped classroom also requires the instructor to have a solid inventory of discussion activities, projects, and quick-hitting experiences that turn class time into engaged learning time. *Exploring Management* is packed with interesting features that can be used for flipped classroom activities and discussions, and for individual and team assignments.

- **Role Models**

Introduces a real person's experience and asks students to answer *What's the Lesson Here?* Examples include Ursula Burns, CEO of Xerox and the first African-American woman to head a *Fortune* 500 firm; Gary Hirshberg, social entrepreneur and co-founder of Stonyfield Farms; and online education innovator Salman Khan, founder of the Khan Academy.

- **Ethics Check**

Poses an ethical dilemma and asks students to answer *You Decide* questions. Examples include "CEO Gets \$96.1 Million Pay Package," "Cyberspace Slackers Love Company Time," "Life and Death at an Outsourcing Factory," and "Social Loafing Is Closer Than You Think."

- **Explore Yourself**

Reminds students how chapter content relates to important personal skills and characteristics, and asks them to *Get to Know Yourself Better* by taking self-assessments and completing other active learning activities. Examples include "Self-management," "Self-confidence," "Integrity," "Resiliency," and "Cultural Awareness."

- **Facts to Consider**

Briefly summarizes survey data to stimulate critical inquiry and asks students *What Are Your Thoughts?* Examples include "American Workers Talk about Biggest Fears," "Bosses Overestimate Management Skills," "Office Romance Policies Vary Widely," and "Corruption and Bribes Haunt International Business."

- **Manager's Library**

Highlights a popular book on the reading lists of managers and asks students to *Reflect and React* to its points and themes. Examples include *Delivering Happiness* by Tony Hsieh, *Lean In* by Sheryl Sandberg, *Fast Future* by David Burstein, and *The New Digital Age* by Eric Schmidt and Jared Cohen.

- **Hot Topics**

Present timely, even controversial, issues framed for debate and discussion, and ask students to participate in a *Final Faceoff* or give their *Final Take*. Examples include "Time to turn the workplace into a fun place?" "Should Parents Pay for Children's Grades?" "Move Over Old Timer, Time to Make Room for Gen Y," and, "Does Disharmony Help Build a Better Team?"

## ■ *Exploring Management* uses a conversational and interactive writing style.

The author's voice in *Exploring Management* speaks with students the way you and I do in the classroom—conversationally, interactively, and using lots of questions. Although it may seem unusual to have an author speaking directly to his audience, my goal is to be a real person and to approach readers in the spirit of what Ellen Langer calls *mindful learning*.<sup>1</sup> She describes this as engaging students from a perspective of active inquiry rather than as consumers of facts and prescriptions. I view it as a way of moving textbook writing in the same direction we are moving college teaching—being less didactic and more interactive, trying to involve students in a dialog around meaningful topics, questions, examples, and even dilemmas.

## ■ *Exploring Management* helps students earn grades and build career skills.

*Exploring Management* is written and designed to help students prepare for quizzes and tests, and earn the best possible grades. In addition to chunked reading and **Study Guides**, the end-of-chapter **Test Prep** asks students to answer multiple-choice, short response, and integration and application questions as a starting point for testing success. They are next directed to active learning and personal development activities in the end-of-book **Skill-Building Portfolio**. It offers **Self-Assessments**, **Class Exercises**, and **Team Projects** carefully chosen to match chapter content with skills development opportunities. A further selection of **Cases for Critical Thinking** engages students in analysis of timely situations and events involving real people and organizations.

<sup>1</sup>Ellen J. Langer, *The Power of Mindful Learning* (Reading, MA: Perseus, 1994).

A natural fit with the flipped classroom, *WileyPLUS* is an innovative, research-based, online environment for effective teaching and learning. It builds students' confidence by taking the guesswork out of studying and providing students with a clear roadmap for **what to do, how to do it, and if they did it right**. The *WileyPLUS* interactive approach focuses on:

**CONFIDENCE:** Research shows that students experience a great deal of anxiety over studying. That's why we provide a structured learning environment that helps students focus on **what to do**, along with the support of immediate resources.

**MOTIVATION:** To increase and sustain motivation throughout the semester, *WileyPLUS* helps students learn **how to do it** at a pace that's right for them. Our integrated resources—available 24/7—function like a personal tutor, directly addressing each student's demonstrated needs with specific problem-solving techniques.

**SUCCESS:** *WileyPLUS* helps to assure that each study session has a positive outcome by putting students in control. Through instant feedback and study objective reports, students know **if they did it right**, and where to focus next, so they achieve the strongest results.

With *WileyPLUS*, our efficacy research shows that students improve their outcomes by as much as one letter grade. *WileyPLUS* helps students take more initiative, so you'll have greater impact on their achievement in the classroom and beyond.

### ||| **What do students receive with *WileyPLUS* for *Exploring Management*?**

- The complete digital textbook, saving students up to 60% off the cost of a printed text.
- Question assistance, including links to relevant sections in the online digital textbook.
- Immediate feedback and proof of progress, 24/7.
- Integrated, multi-media resources including the following resources and many more that provide multiple study paths and encourage more active learning.
  - Animated figures
  - CBS/BBC videos
  - Self-assessment quizzes students can use to test themselves on topics such as emotional intelligence, diversity awareness, and intuitive ability.
  - Management calendar including daily management tips
  - Flash cards
  - Hot topic modules
  - Crossword puzzles
  - Interactive self-assessments

### ||| **What do instructors receive with *WileyPLUS* for *Exploring Management*?**

**Customizable Course Plan:** *WileyPLUS* comes with a precreated Course Plan designed by a subject matter expert uniquely for this course. Simple drag-and-drop tools make it easy to assign the course plan as-is or modify it to reflect your course syllabus.

**Precreated Activity Types Include:**

- Questions
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- Lecture Notes PowerPoint Slides
- Classroom Response System (Clicker) Questions
- Image Gallery
- Instructor's Manual
- Question Assignments: all end-of-chapter problems
- Testbank

- Pre- and Post-Lecture Quizzes
- Web Quizzes
- Video Teaching Notes—includes questions geared toward applying text concepts to current videos.

[www.wileyplus.com](http://www.wileyplus.com)

### ■ WileyPLUS inside Blackboard Learn™

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Digital content in higher education is advancing rapidly—moving from static content to dynamic digital assets that provide for personalized, interactive learning. That's why Blackboard and Wiley have partnered to deliver all the benefits of WileyPLUS within the familiar Blackboard Learn™ experience. Tested by instructors and students, this best-in-class integration is designed to meet varying levels of digital usage.

With direct access to WileyPLUS inside Blackboard Learn™, you can create a unified learning experience for your students. You'll have everything you need for teaching and learning all in one place:

- Single sign-on provides faculty and students with direct access to all WileyPLUS content with the convenience of one login.
- Direct links to WileyPLUS readings and assignments give faculty greater control over how they deliver information and allow students to conveniently access their course work.
- Gradebook synchronization ensures all grades appear in the Blackboard Grade Center, saving instructors time and increasing student accountability.
- Student data privacy compliance means student data is always protected and secure.

It's easy to get Started with WileyPLUS and Blackboard. The free WileyPLUS Building Block is available now on Behind the Blackboard for U.S. and international higher education institutions that license Blackboard Learn 9.1, Service Pack 5 and higher. Download the Building Block today.

### ■ WileyPLUS with ORION

Helping you learn by learning about you™.

**WileyPLUS with ORION** is an adaptive, personal learning experience that helps students find their way as they make new discoveries about how they learn. Highlighting both strengths and problem areas, **WileyPLUS with ORION** is the guide that helps all types of learners navigate through their studies to get optimal results in the most efficient amount of time.

**WileyPLUS with ORION** provides students with a personal, adaptive learning experience so they can build their proficiency on topics and use their study time most effectively. ORION helps students learn by learning about them.

- Unique to ORION, students **begin** by taking a quick diagnostic for any chapter. This will determine each student's baseline proficiency on each topic in the chapter. Students see their individual diagnostic report to help them decide what to do next with the help of ORION's recommendations.
- For each topic, students can either **Study** or **Practice**. Study directs students to the specific topic they choose in *WileyPLUS*, where they can read from the e-textbook or use the variety of relevant resources available there. Students can also practice, using questions and feedback powered by ORION's adaptive learning engine. Based on the results of their diagnostic and ongoing practice, ORION presents students with questions appropriate for their current level of understanding. The system continuously adapts to each student so that he or she can build proficiency.
- *WileyPLUS with ORION* includes a number of reports and ongoing recommendations for students to help them **maintain** their proficiency over time for each topic.

## ■ Student and Instructor Resources

### ||| What additional special materials does *Exploring Management* offer to both students and instructors?

My colleagues at John Wiley & Sons have worked hard to design supporting materials that extend the goals of this book.

- **Companion Web Site** The Companion Web site for *Exploring Management* at [www.wiley.com/college/schermerhorn](http://www.wiley.com/college/schermerhorn) contains myriad tools and links to aid both teaching and learning, including nearly all the resources described in this section.

- **Annotated Instructor's Edition** With teaching notes prepared by Susan Berston, City College of San Francisco, the Annotated Instructor's Edition includes a brief *Teaching Note* for each section of the book. These notes are designed to stimulate deeper discussion, energize the class, and improve learning through reinforcement and application.
- **Instructor's Resource Guide** Also prepared by Susan Berston, the Instructor's Resource Guide includes a *Conversion Guide*, *Chapter Outlines*, *Chapter Objectives*, *Lecture Notes*, *Teaching Notes*, and *Suggested Answers* for all quiz, test, and case questions.
- **Test Bank** The Test Bank prepared by Amit Shah, Frostburg State University, consists of nearly 80 true/false, multiple-choice, and short-answer questions per chapter. It was specifically designed so that the questions vary in degree of difficulty, from straightforward recall to challenging, to offer instructors the most flexibility when designing their exams. The *Computerized Test Bank*, includes a test-generating program that allows instructors to customize their exams.
- **PowerPoint Slides** A set of interactive PowerPoint slides prepared by Shelley Smith includes lecture notes and talking points. An *Image Gallery*, containing jpg files for all of the figures in the text, is also provided for instructor convenience.
- **Personal Response System** PRS or "Clicker" content for each chapter will spark additional discussion and debate in the classroom. For more information on PRS, please contact your local Wiley sales representative.
- **Web Quizzes** This resource, prepared by Amit Shah, Frostburg State University, is available on the student portion of the *Exploring Management* companion Web site. It offers online quizzes with questions varying in level of difficulty, designed to help students evaluate their individual progress through a chapter.
- **Management Weekly Updates** These timely updates keep you and your students updated and informed on the very latest in business news stories. Each week you will find links to five new articles, video clips, business news stories, and so much more with discussion questions to elaborate on the stories in the classroom. <http://wileymanagementupdates.com>
- **Videos and Video Teaching Guide** This set of short video clips from current news programming provides an excellent starting point for lectures or for general classroom discussion. The *Video Teaching Guide*, prepared by Susan Berston, includes video summaries, approaches for using video in the classroom, and assessment questions for each video clip.
- **Darden Business Cases** Through the Wiley Custom Select Web site, you can choose from thousands of cases from Darden Business Publishing to create a book with any combination of cases, Wiley textbook chapters, and original material. Visit <http://www.customselect.wiley.com/collection/dardencases> for more information.

## ■ Acknowledgments

*Exploring Management, Fourth Edition*, is a "concept" book, which began, grew, and found life and form in its first three editions over many telephone conversations, conference calls, e-mail exchanges, and face-to-face meetings. It has since matured and been refined in content, style, and direction as a fourth edition through the useful feedback provided by many satisfied faculty and student users and reviewers.

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My special thanks go to two colleagues who helped make *Exploring Management 4/e* a true resource for student engagement. Susan Berston of City College of San Francisco edited the portfolio of *Cases for Critical Thinking*, contributed to chapter features, and prepared the instructor's guide and resource package. Robert E. (Lenie) Holbrook of Ohio University contributed *Management Live* features that introduce each chapter and authored the creative supplement *Art Imitates Life*.

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### Skill-Building Portfolio SB-1

**Self-Assessments**

- |                              |                            |                                  |
|------------------------------|----------------------------|----------------------------------|
| 1. Personal Career Readiness | 3. Terminal Values Survey  | 6. Internal/External Control     |
| 2. Managerial Assumptions    | 4. Intuitive Ability       | 7. Handling Facts and Inferences |
|                              | 5. Time Management Profile | 8. Empowering Others             |

- |                                     |   |  |
|-------------------------------------|---|--|
| 9. Tolerance for Ambiguity          | 6. Stakeholder Maps                     | 3. Organizational Commitment to Sustainability |
| 10. Performance Review Assumptions  | 7. Strategic Scenarios                  | 4. Crisis Management Realities                 |
| 11. Least Preferred Co-Worker Scale | 8. Organizational Metaphors             | 5. Personal Career Planning                    |
| 12. Stress Test                     | 9. Force-Field Analysis                 | 6. After Meeting/Project Review                |
| 13. Two-Factor Profile              | 10. Upward Appraisal                    | 7. Contrasting Strategies                      |
| 14. Team Leader Skills              | 11. Leading by Participation            | 8. Network “U”                                 |
| 15. Feedback and Assertiveness      | 12. Job Satisfaction Preferences        | 9. Organizational Culture Walk                 |
| 16. Diversity Awareness             | 13. Why We Work                         | 10. The Future of Labor Unions                 |
| 17. Global Intelligence             | 14. Understanding Team Dynamics         | 11. Leadership Believe-It-or-Not               |
| 18. Entrepreneurship Orientation    | 15. Communication and Teamwork Dilemmas | 12. Difficult Personalities                    |
|                                     | 16. Alligator River Story               | 13. CEO Pay                                    |
|                                     | 17. American Football                   | 14. Superstars on the Team                     |
|                                     | 18. Entrepreneurs Among Us              | 15. How Words Count                            |
|                                     |   | 16. Job Satisfaction Around the World          |
|                                     |   | 17. Globalization Pros and Cons                |
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- Class Exercises**
1. My Best Manager
  2. Evidence-Based Management Quiz
  3. Confronting Ethical Dilemmas
  4. Lost at Sea
  5. The Future Workplace
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## Cases for Critical Thinking C-1

- Case 1: Trader Joe's—Managing Less to Gain More/Sidebar on Chobani's
- Case 2: Zara International—Fast Fashion's Style Maker/Sidebar on Uniqlo
- Case 3: Patagonia—Leading a Green Revolution/Sidebar on Philanthrocapitalism
- Case 4: Amazon.com—Keeping the Fire Hot/Sidebar on Netflix
- Case 5: Nordstrom—“High Touch” with “High Tech”/Sidebar on Global Supply Chains
- Case 6: Chipotle—Control Keeps Everything Fresh/Sidebar on Mint.com
- Case 7: Dunkin' Donuts—Growth Feeds a Sweet Tooth/Sidebar on Jamba Juice
- Case 8: Law Firms Try the Case for New Structures/Sidebar on Goodbye Office
- Case 9: LinkedIn—Networking for Career Opportunities/Sidebar on Gamers Welcome
- Case 10: Silicon Valley's Chief Executive Mom/Sidebar on New Workplace Perks
- Case 11: Apple, Inc.—After the Torch Was Passed/Sidebar on Women and the Double-Bind
- Case 12: Businesses in Trouble Pass the Buck on Blame/Sidebar on New Leadership IQ
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**{** FOURTH EDITION

# **Exploring Management**

**Student Edition**

*Zappos CEO Tony Hsieh is into happiness. His goal is “to set up an environment where the personalities, creativities, and individuality of all different employees come out and shine.”*



# Managers and the Management Process

# 1

Everyone Becomes a Manager Someday

## Management Live

### Self-Management and *Slumdog Millionaire*

**T**he *Times* of London called this movie an “exotic, edgy thriller,” while the *New York Times* described it as a “gaudy, gorgeous rush of color, sound and motion.” What’s your take on this rags-to-riches story of an orphan growing up in Mumbai, India, and finding his way to a TV game show offering him the chance to be a “slumdog millionaire”?

When the disgruntled game-show host has the police chief rough up the main character Jamal (Dev Patel) the night before the big show, he asks: “What the hell can a slum boy possibly know?” Facing the chief and the prospect of more mistreatment, Jamal looks him in the eye and says in return: “The answers.”

This movie is a study in discipline, confidence, and self-management—the capacity to act with a strong sense of self-awareness. As a career skill, this ability helps us stay confident, build on strengths, overcome weaknesses, and avoid viewing ourselves both more favorably or more negatively than is justified.

You have to admire the way Jamal held up under the police chief’s torture. And, he didn’t fall prey to the quiz master’s repeated attempts to deceive and pressure him into not believing his own best answers. It’s a classic case of self-management in action.

Even if you’ve already seen it, *Slumdog Millionaire* is worth another viewing. Watch for lessons on management and personal career development that you might explore with your friends and classmates.



Warner Bros/Photofest

### YOUR CHAPTER 1 TAKEAWAYS

1. Understand what it means to be a manager.
2. Know what managers do and what skills they use.
3. Recognize important career issues in the new workplace.

## WHAT'S INSIDE

### Explore Yourself

More on **self-management**

### Role Models

Ursula Burns leads Xerox with confidence and a strategic eye

### Ethics Check

Watch out for bad apples at farmers’ markets

### Facts to Consider

Employment contradictions in workforce diversity

### Manager’s Library

*Delivering Happiness: A Path to Profits, Passion, and Purpose*  
by Tony Hsieh

## Takeaway 1.1

# What Does It Mean to Be a Manager?

### ANSWERS TO COME

- Organizations have different types and levels of managers.
- Accountability is a cornerstone of managerial performance.
- Effective managers help others achieve high performance and satisfaction.
- Managers must meet multiple and changing expectations.

IN A BOOK CALLED *THE SHIFT: THE FUTURE OF WORK IS ALREADY HERE*, SCHOLAR Lynda Gratton describes the difficult times in which we live and work. “Technology shrinks the world but consumes all of our time,” she says, while “globalization means we can work anywhere, but must compete with people from everywhere; there are more of us, and we’re living longer; traditional communities are being yanked apart as people cluster in cities; and there is rising energy demand and fewer traditional resources.”<sup>1</sup>

What does all this mean in terms of planning for career entry and advancement? At a minimum there are few guarantees of long-term employment, and jobs are increasingly earned and re-earned every day through one’s performance accomplishments. Careers are being redefined along the lines of “flexibility,” “free agency,” “skill portfolios,” and “entrepreneurship.” The fact is: Career success today requires lots of initiative and self-awareness, as well as continuous learning. The question is: Are you ready?

## ||| Organizations have different types and levels of managers.

You find them everywhere, in small and large businesses, voluntary associations, government agencies, schools, hospitals, and wherever people work together for a common cause. Even though the job titles vary from team leader to department head, project leader, president, administrator, and more, the people in these jobs all share a common responsibility—helping others do their best work. We call them **managers**—persons who directly supervise, support, and help activate work efforts to achieve the performance goals of individuals, teams, or even an organization as a whole. In this sense, I think you’ll agree with the chapter subtitle: Everyone becomes a manager someday.

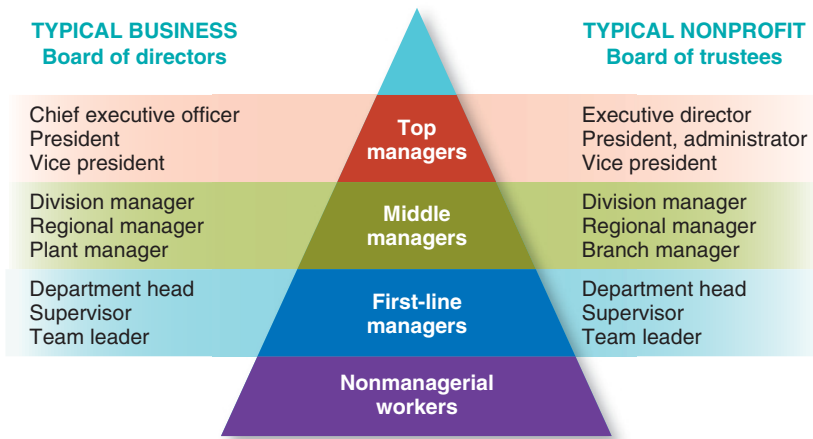
Take a good look at **Figure 1.1**. It describes an organization as a series of layers, each of which represents different levels of work and managerial responsibilities.<sup>2</sup>

### First-Line Managers and Team Leaders

“I’ve just never worked on anything that so visibly, so dramatically changes the quality of someone’s life. Some days you wake up, and if you think about all the work you have to do it’s so overwhelming, you could be paralyzed.” These are the words of Justin Fritz as he described his experiences leading a 12-member team to launch a new product at Medtronic, a large medical products company. He is a **first-line manager**—a team leader or supervisor who is formally in charge of a

A **manager** is a person who supports and is responsible for the work of others.

**First-line managers** are team leaders and supervisors in charge of people who perform nonmanagerial duties.



**FIGURE 1.1**  
What Are the Typical Job Titles and Levels of Management in Organizations?

The traditional organization is structured as a pyramid. The top manager, typically a CEO, president, or executive director, reports to a board of directors in a business or to a board of trustees in a nonprofit organization. Middle managers report to top managers, and first-line managers or team leaders report to middle managers.

small work group composed of nonmanagerial workers. About the challenge of managerial work, Fritz says: “You just have to get it done.”<sup>3</sup>

A first job in management typically involves serving as a team leader or supervisor. Typical job titles for these first-line managers include department head, team leader, and unit manager. For example, the leader of an auditing team is considered a first-line manager, as is the head of an academic department in a university. Even though most people enter the workforce as technical specialists such as auditor, market researcher, or systems analyst, sooner or later they advance to these positions of initial managerial responsibility. And they serve as essential building blocks for organizational performance.<sup>4</sup>

### Middle Managers

Look again at Figure 1.1. This time consider where Justin may be headed in his career. At the next level above team leader we find **middle managers**—persons in charge of relatively large departments or divisions consisting of several smaller work units or teams.

Middle managers usually supervise several first-line managers. Examples include clinic directors in hospitals; deans in universities; and division managers, plant managers, and regional sales managers in businesses. Because of their position “in the middle,” these managers must be able to work well with people from all parts of the organization—higher, lower, and side-to-side. As Justin moves up the career ladder to middle management, there will be more pressure and new challenges. But there should also be rewards and satisfaction.

### Top Managers

Some middle managers advance still higher in the organization, earning job titles such as chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), chief information officer (CIO), president, and vice president. These **top managers** are part of a senior management team that is responsible for the performance of an organization as a whole or for one of its larger parts. They must be alert to trends and developments in the external environment, recognize potential problems and opportunities, set strategy, craft the internal culture, build a talent pool, and overall lead the organization to success.<sup>5</sup> The best of them are future-oriented thinkers who make good decisions even in face of uncertainty and tough competition.

**Middle managers** oversee the work of large departments or divisions.

**Top managers** guide the performance of the organization as a whole or of one of its major parts.

The Container Store's co-founder and CEO, Kip Tindell, has more than met these top manager responsibilities. He has guided the firm from a \$35,000 start-up to a \$700+ million business recognized by *Fortune* magazine as one of America's best employers.<sup>6</sup> Part of this success traces to Tindell's efforts to build a corporate culture that helps Container Store hire and retain the best employees. All job candidates go through extensive screening interviews. Once hired, salespeople are paid twice the industry average and given 263 hours of training per year, far more than the industry average of eight.<sup>7</sup>

### Boards of Directors

We would like to think that all top managers are responsible and successful—always making the right decisions and doing things in their organization's best interests. But, the fact is that some don't live up to expectations and even take personal advantage of their positions, perhaps to the point of ethics failures and illegal acts. Who or what keeps CEOs and other senior managers focused and high performing?

If you look back at Figure 1.1, you'll see that even the CEO or president of an organization reports to a higher-level boss. In business corporations, this is a **board of directors**, whose members are elected by stockholders to represent their ownership interests. In nonprofit organizations, such as a hospital or university, top managers report to a *board of trustees*. These board members may be elected by local citizens, appointed by government bodies, or invited to serve by existing members.

In both business and the public sector, the basic responsibilities of a board are the same. Its members are supposed to oversee the affairs of the organization and the performance of its top management. In other words, they are supposed to make sure that the organization is always being run right. This is called **governance**, the oversight of top management by an organization's board of directors or board of trustees.

Members of a **board of directors** are elected by stockholders to represent their ownership interests.

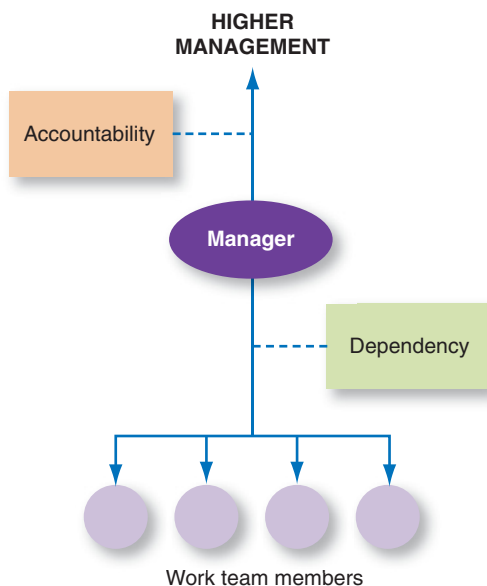
**Governance** is oversight of top management by a board of directors or board of trustees.

**Accountability** is the requirement to show performance results to a supervisor.

## Accountability is a cornerstone of managerial performance.

Throughout the workplace, not just at the top, the term **accountability** describes the requirement of one person to answer to a higher authority for performance achieved in his or her area of work responsibility. This notion of accountability is an important aspect of managerial performance. In the traditional organizational pyramid, accountability flows upward. Team members are accountable to a team leader, the team leader is accountable to a middle manager, the middle manager is accountable to a top manager, and the top manager is accountable to a board of directors.

Let's not forget that accountability in managerial performance is always accompanied by dependency. At the same time that any manager is being held accountable by a higher level for the performance results of her or his area of supervisory responsibility, the manager is dependent on others to do the required work. In fact, we might say that a large part of the study of management is all about learning how to best manage the dynamics of accountability and dependency as shown in the small figure.





## Working Mother Looks for the Best

### Great Employers Put Top Value on People

*Working Mother* magazine's annual listing of the "100 Best Companies for Working Mothers" has become an important management benchmark—both for employers who want to be among the best and for potential employees who want to work only for the best. The magazine is worth a look for topics ranging from kids to health to personal motivation and more.

Self-described as helping women "integrate their professional lives, their family lives and their inner lives," *Working Mother* mainstreams coverage of work-life balance issues and needs for women. One issue reported on moms who "pushed for more family-friendly benefits and got them." The writer described how Kristina Marsh worked to get lactation support for nursing mothers as a formal benefit at Dow Corning, and how Beth Schiavo started a Working Moms Network in Ernst & Young's Atlanta offices and then got it approved as a corporate program nationwide.

A list of best employers for multicultural women includes Allstate, American Express, Deloitte, Ernst & Young, IBM, and General Mills. *Working Mother* says: "All of our winning companies not only require manager training on diversity issues but also rate manager performance partly on diversity results, such as how many multicultural women advance."



Masterfile

### ||| Effective managers help others achieve high performance and satisfaction.

This discussion of performance accountability and related challenges may make you wonder: What exactly is an effective manager? Most people, perhaps you, would reply that an effective manager is someone who helps people and organizations perform. That's a fine starting point, but we should go a step further. I define an **effective manager** as someone who successfully helps others achieve both high performance and satisfaction in their work.

The concern for not just work performance but also job satisfaction is a central theme in our society. It calls attention to **quality of work life** (QWL) issues—the overall quality of human experiences in the workplace. Have you experienced a "high QWL" environment? Most people would describe it as a place where they are respected and valued by their employer. They would talk about fair pay, safe work conditions, opportunities to learn and use new skills, room to grow and progress in a career, and protection of individual rights. They would say everyone takes pride in their work and the organization.

Are you willing to work anywhere other than in a high QWL setting? Would you, as a manager, be pleased with anything less than helping others achieve not just high performance but also job satisfaction? Sadly, the real world doesn't always live up to these expectations. Talk to parents, relatives, and friends who go to work every day. You might be surprised. Many people still labor in difficult, sometimes even hostile and unhealthy, conditions—ones we would consider low QWL for sure.<sup>8</sup>

### ||| Managers must meet multiple and changing expectations.

As president and CEO of Cornerstone Research, Cindy Zollinger directly supervises 24 people. But she says: "I don't really manage them in a typical way; they

#### Find Inspiration

Pick up a copy of *Working Mother* magazine or browse the online version. It's a chance to learn more about the complexities of work-life balance, including the challenges faced by women blending motherhood with a career. It's also a place to learn which employers are truly great in respecting quality of work life issues.

An **effective manager** successfully helps others achieve high performance and satisfaction in their work.

**Quality of work life** is the overall quality of human experiences in the workplace.

largely run themselves. I help them in dealing with obstacles they face, or in making the most of opportunities they find.”<sup>9</sup> As Cindy’s comments suggest, we are in a time when the best managers are known more for “helping” and “supporting” than for “directing” and “order giving.” The terms “coordinator,” “coach,” and “team leader” are heard as often as “supervisor” or “boss.” The fact is that most organizations need more than managers who simply sit back and tell others what to do.

Take a moment to jot down a few notes on the behaviors and characteristics of the *best* managers you’ve ever had. My students describe theirs as leading by example, willing to do any job, treating others as equals and with respect, acting approachable, being enthusiastic, expecting outstanding performance, and helping others grow. They talk about managers who often work alongside those they supervise, spending most of their time providing advice and support so that others can perform to the best of their abilities and with satisfaction. How does this listing compare with your experiences?

**Figure 1.2** uses the notion of an **upside-down pyramid** to describe a new mindset for managers—a real expression of what it means to act as a coach rather than an order giver. The concept of the upside-down pyramid fits well with Cindy Zollinger’s description of her job as a manager, and it should also be consistent with how you described your best manager.

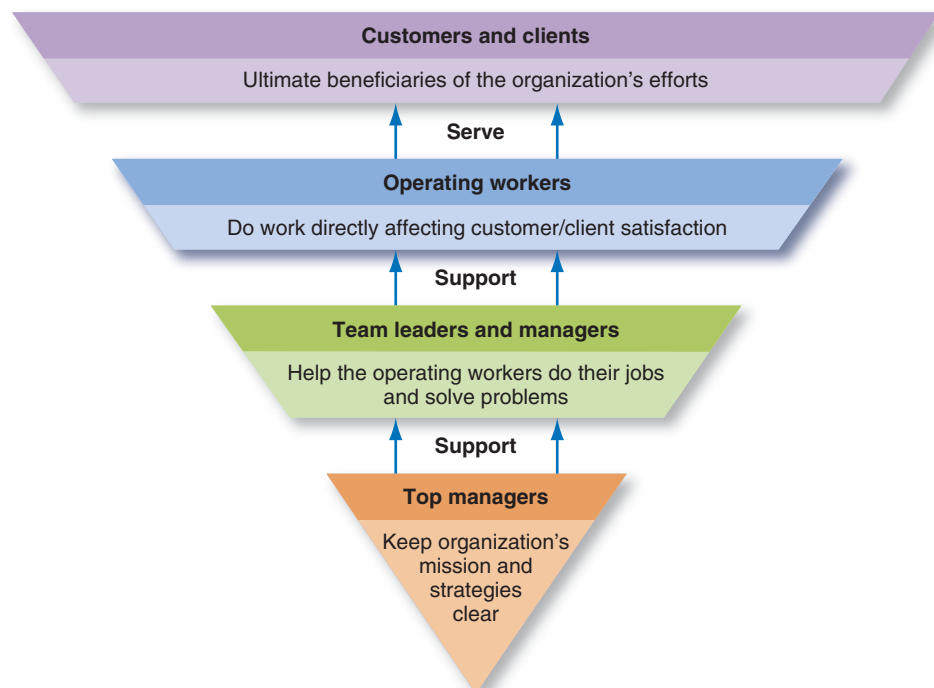
Sitting prominent at the top of the upside-down pyramid are nonmanagerial workers—people who interact directly with customers and clients or produce products and services for them. Managers are shown a level below. Their attention is concentrated on supporting these workers so they can best serve the organization’s customers.

In the upside-down pyramid view, there is no doubt that the organization exists to serve its customers. It keeps clear that managers are there to help and support the people whose work makes that possible. As the Container Store’s CEO Kip Tindell says: “If employees aren’t happy, customers aren’t happy and then shareholders won’t be happy.”<sup>10</sup> Given the success he’s had with all three, isn’t that a pretty strong endorsement for all managers to try flipping the organizational pyramid upside-down?

The **upside-down pyramid** view of organizations puts customers at the top and being served by nonmanagerial workers, who are supported by team leaders and higher-level managers.

### FIGURE 1.2 How Do Mindsets Change When the Organization Is Viewed as an Upside-Down Pyramid?

If we turn the traditional organizational pyramid upside down, we get a valuable look at how managerial work is viewed today. Managers are at the bottom of the upside-down pyramid, and they are expected to support the operating workers above them. Their goal is to help these workers best serve the organization’s customers at the top. The appropriate mindset of this supportive manager is more “coaching” and “helping” than “directing” and “order giving.”



# STUDY GUIDE

## Takeaway 1.1

### What Does It Mean to Be a Manager?

#### Terms to Define

Accountability

Board of directors

Effective manager

First-line manager

Governance

Manager

Middle managers

Quality of work life

Top managers

Upside-down pyramid

#### Rapid Review

- Managers support and facilitate the work efforts of other people in organizations.
- Top managers scan the environment and pursue long-term goals; middle managers coordinate activities among large departments or divisions; first-line managers, like team leaders, supervise and support nonmanagerial workers.
- Everyone in an organization is accountable to a higher-level manager for his or her performance accomplishments; at the highest level, top managers are held accountable by boards of directors or boards of trustees.
- Effective managers help others achieve both high performance and high levels of job satisfaction.
- New directions in managerial work emphasize “coaching” and “supporting,” rather than “directing” and “order giving.”
- In the upside-down pyramid view of organizations, the role of managers is to support nonmanagerial workers who serve the needs of customers at the top.

#### Questions for Discussion

1. Other than at work, in what situations do you expect to be a manager during your lifetime?
2. Why should a manager be concerned about the quality of work life in an organization?
3. In what ways does the upside-down pyramid view of organizations offer advantages over the traditional view of the top-down pyramid?

#### Be Sure You Can

- explain how managers contribute to organizations
- describe the activities of managers at different levels
- explain how accountability operates in organizations
- describe an effective manager
- list several ways the work of managers is changing from the past
- explain the role of managers in the upside-down pyramid

#### Career Situation: What Would You Do?

When people are promoted to become managers they often end up supervising friends and colleagues. Put yourself in this situation. As a new manager of a team full of friends, what can and should you do to quickly earn the respect of others and build a smoothly functioning work team?