Exploring Management

FIFTH EDITION

Schermerhorn • Bachrach

WILEY

Exploring Management

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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.

For Julie, Sammy, Eliana, Jakey, Jessica, Caleb, and Lilah
—I love you!

D.G.B.

About the Authors

Dr. John R. Schermerhorn Jr. is the Charles G. O'Bleness Emeritus Professor of Management in the College of Business at Ohio University. 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. At Ohio University he was named a *University Professor*, the university's leading campus-wide award for undergraduate teaching. He has also won awards for teaching excellence at Tulane University and the University of Vermont. He 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 a member of the graduate faculty at Bangkok University Thailand and Permanent Lecturer in the PhD program at the University of Pécs in Hungary.

Educators and students alike know Dr. Schermerhorn as co-author of *Management 13e* (Wiley, 2015) and co-author of *Organizational Behavior13e* (Wiley, 2014). 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 high-engagement instructional approaches, management curriculum innovations, and scholarly manuscript development and textbook writing. His latest projects include video-enhanced e-textbook development for flipped classroom environments.

Dr. Daniel G. Bachrach (Dan) is the Robert C. and Rosa P. Morrow Faculty Excellence Fellow and Professor of Management in the Culverhouse College of Commerce at the University of Alabama, where he teaches graduate and undergraduate courses in management. Dr. Bachrach earned a PhD in organizational behavior and human resource management—with a minor emphasis in strategic management—from Indiana University's Kelley School of Business, an MS in industrial/organizational psychology from the University of Wisconsin-Oshkosh, and a BA in psychology from Bates College in Lewiston Me.

A member of the Academy of Management and the Society for Industrial and Organizational Psychology, Dr. Bachrach serves on the editorial boards of the *Journal of Applied Psychology* and *Organizational Behavior and Human Decision Processes*. He is co-editor of the *Handbook of Behavioral Operations Management: Social and Psychological Dynamics in Production and Service Settings* (Oxford University Press, 2014), co-author of *Transformative Selling: Becoming a Resource Manager and a Knowledge Broker* (Axcess Capon, 2014), and senior co-author *of Becoming More Than a Showroom: How to Win Back Showrooming Customers* (Palgrave-Macmillan, 2015) *and 10 Don'ts on Your Digital Devices: The Non-Techie's Survival Guide to Digital Security and Privacy* (Apress, 2014).

Dr. Bachrach also has published extensively in a number of academic journals including *Organization Science, Journal of Applied Psychology, Strategic Management Journal, Organizational Behavior and Human Decision Processes, Personnel Psychology, Journal of Management, Leadership Quarterly, Production and Operations Management, Journal of Operations Management, Journal of Supply Chain Management,* and *the Journal of Personal Selling and Sales Management*.

Dear Colleague

Welcome to *Exploring Management, Fifth Edition*. You'll quickly see that it is a bit different from traditional textbooks, we hope in a positive way. It has all the content you expect, but . . .

- The writing voice is "personal"—students are made part of the conversation and asked to interact with the subject matter while reading.
- The presentation is "chunked"—short content sections that fit how students read are followed by study guides that check their learning and prompt career thinking.
- The content is "live"—pages are full of timely examples, news items, situations, and reflection questions that make management real and launch meaningful discussions.

Exploring Management is a reflection of how much we have learned from our students about what they value, where they hope to go, and how they like to study and learn. It's also a reflection of our desire to bring the real world into the management class, engage students in interesting discussions of important topics, and offer a variety of assignments and projects that promote critical thinking. And if you are using the flipped classroom or plan to try it, this book is tailored from experience to make "doing the flip" easy.

Instructors have had a lot of success using *Exploring Management* to bring high student engagement to their classes. Chances are that you will, too. Take a moment to review the book's design and built-in pedagogy. Browse some pages to check the writing style, visual presentation, reflection features, and study guides.

Does *Exploring Management* offer what you are looking for to build a great management course? Could it help engage your students to the point where they actually read and think about topics before coming to class?

As management educators we bear a lot of responsibility for helping students learn how to better manage their lives and careers, and help organizations make real contributions to society. *Exploring Management, Fifth Edition*, is our attempt to make it easier for you to fulfill this responsibility in your own way, with lots of instructional options, and backed by solid text content. Thanks for considering it.

Sincerely,
John Schermerhorn
Dan Bachrach

Preface

WHAT MAKES *EXPLORING MANAGEMENT* DIFFERENT?

Students tell us over and over again that they learn best when their courses and assignments fit the context of their everyday lives, career aspirations, and personal experiences. We have written *Exploring Management, Fifth Edition,* to meet and engage a 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 thought-provoking questions as they read. Our hope is that this special approach and 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 classroom experiences where our students increasingly find typical book chapters cumbersome to handle.

Students never read more than a few 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 are easily assignable and sized 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 hits a timely topic relevant to chapter material. Key learning objectives are listed in Your Chapter Takeaways, while What's Inside highlights four interesting and useful chapter features—Ethics Check, Facts to Consider, Hot Topic, and Quick Case.

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

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 presentations and frequent Study Guides in *Exploring Management*, along with its video-enhanced flipped classroom learning package, help greatly in this regard.

Dan Bachrach has prepared an extensive **Flipped Classroom Guide** that includes authors' videos that students can view before class to highlight core content for each section of every chapter. It also provides easy-to-use lesson plans for engaging students in active discussions and interesting assignments based on chapter features. Our goal with Dan's **Flipped Classroom Guide**—packaged with the pedagogy of *Exploring Management* and WileyPLUS Learning Space—is to give instructors a ready-to-go pathway to implement an active, engaged, and flipped classroom.

Success in flipping the classroom requires a good short quiz and testing program to ensure student learning. Dan has nicely integrated *Exploring Management* with the advanced WileyPLUS Learning Space online environment to make this easy. Success in flipping the classroom also requires a solid inventory of discussion activities, projects, and quick-hitting experiences that turn class and online time into engaged learning time.

Dan has also prepared instructor's guides for each feature in every chapter of *Exploring Management* so that they can be easily used for flipped classroom activities and discussions, and for individual and team assignments. Imagine the possibilities for student engagement when using features like these:

- Ethics Check—poses an ethical dilemma and challenges students with *Your Decision?*
  Examples include "Social Media Checks May Cause Discrimination in Hiring," "My Team Leader is a Workaholic," "Life and Death at an Outsourcing Factory," and "Social Loafing May Be Closer Than You Think."

- Facts to Consider—summarizes survey data to stimulate critical inquiry and asks students *What's Your Take?*
  Examples include "The "Ask Gap"—What It Takes for Women to Get Raises," "Policies on Office Romances Vary Widely," "Disposable Workers are Indispensable to Business Profits," and "Ups and Downs for Minority Entrepreneurs."

- Hot Topics—presents timely, even controversial, issues framed for debate and discussion, and asks students *How About It?*
  Examples include "The $50,000 Retail Worker," "Keep Your Career Plan Tight and Focused, or Loosen Up?" "Rewarding Mediocrity Begins at an Early Age" and, "Can Disharmony Build a Better Team?"

- Quick Case—gives students a short, real-life, scenario that puts them in a challenging work situation and asks *What Do You Do?*
  Examples include "New Dads Say it's Time for Paternity Leave," "Removing the Headphones to Show Team Spirit," "16 Hours to J-Burg," and "It's Time to Ask for a Raise."

Exploring Management uses a conversational and interactive writing style.

The authors' voice in *Exploring Management* speaks with students the way you and we do in the classroom—conversationally, interactively, and using lots of questions. Although it may seem unusual to have authors speaking directly to their audience, our goals are to be real people and approach readers in the spirit of what Ellen Langer calls *mindful learning*.[1] She describes this as engaging students from a perspective of active inquiry rather than as consumers of facts and prescriptions. We view it as a way of moving textbook writing in the same direction we are moving college teaching—being less didactic and more interactive, and doing a better job of involving students in a dialog around meaningful topics, questions, examples, and even dilemmas.

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[1] Ellen J. Langer, *The Power of Mindful Learning* (Reading, MA: Perseus, 1994).

Exploring Management helps students earn good grades and build useful career skills.

Exploring Management is written and designed to help students prepare for quizzes and tests, and build essential career and life skills. 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.

WileyPLUS LEARNING SPACE

WileyPLUS Learning Space is an innovative, research-based, online environment for effective teaching and learning. It's a place where students can learn and prepare for class while identifying their strengths and nurture core skills. WileyPLUS Learning Space transforms course content into an online learning community whose members experience learning activities, work through self-assessment, ask questions and share insights. As they interact with the course content, peers and their instructor, WileyPLUS Learning Space creates a personalized study guide for each student.

When students collaborate with each other, they make deeper connections to the content. When students work together, they also feel part of a community so that they can grow in areas beyond topics in the course. Students using WileyPLUS Learning Space become invested in their learning experience while using time efficiently and developing skills like critical thinking and teamwork.

WileyPLUS Learning Space is class tested and ready-to-go for instructors. It offers a flexible platform for quickly organizing learning activities, managing student collaboration, and customizing courses—including choice of content as well as the amount of interactivity between students. An instructor using *WileyPLUS Learning Space* is able to easily:

- Assign activities and add special materials
- Guide students through what's important by easily assigning specific content
- Set up and monitor group learning
- Assess student engagement
- Gain immediate insights to help inform teaching

Special visual reports in WileyPLUS Learning Space help identify problem areas in student learning and focus instructor attention and resources on what's most important. With the visual reports, an instructor can see exactly where students are struggling and in need of early intervention. Students can see exactly what they don't know to better prepare for exams, and gain insights into how to study and succeed in a course.

STUDENT AND INSTRUCTOR RESOURCES

Exploring Management is rich in special materials that support instructional excellence and student learning. Our colleagues at John Wiley & Sons have worked hard to design supporting materials that support our learning and engagement.

- **Companion Web Site** The Companion Web site for *Exploring Management* at 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.

- **Instructor's Resource Guide** 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 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 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.
- **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
- **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.

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Brief Contents

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Cases for Critical Thinking C-1

Online Module: Management Learning

Please visit www.wiley.com/college/schermerhorn or your WileyPLUS
Learning Space course for access to this module.

WHAT ARE THE LESSONS OF THE CLASSICAL MANAGEMENT APPROACHES?

- Taylor's scientific management sought efficiency in job performance.
- Weber's bureaucratic organization is supposed to be efficient and fair.
- Fayol's administrative principles describe managerial duties and practices.

WHAT ARE THE CONTRIBUTIONS OF THE BEHAVIORAL MANAGEMENT APPROACHES?

- Follett viewed organizations as communities of cooperative action.
- The Hawthorne studies focused attention on the human side of organizations.
- Maslow described a hierarchy of human needs with self-actualization at the top.
- McGregor believed managerial assumptions create self-fulfilling prophecies.
- Argyris suggests that workers treated as adults will be more productive.

WHAT ARE THE FOUNDATIONS OF MODERN MANAGEMENT THINKING?

- Managers use quantitative analysis and tools to solve complex problems.
- Organizations are open systems that interact with their environments.
- Contingency thinking holds that there is no one best way to manage.
- Quality management focuses attention on continuous improvement.
- Evidence-based management seeks hard facts about what really works.

Self-Assessment: Managerial Assumptions

Class Exercise: Evidence-Based Management Quiz

Team Project: Management in Popular Culture

Case Study: Zara International—Fast Fashion's Style Maker

Zappos CEO Tony Hsieh is into happiness. He strives "to set up an environment where the personalities, creativities, and individuality of all different employees come out and shine."

Managers and the Management Process

Everyone Becomes a Manager Someday

Management Live

Gaming Skills Can Be Résumé Builders

© Monalyn Gracia/Corbis Corp.

Do managing large guilds and leading raids while playing World of Warcraft belong in your résumé and online recruiting profiles? Heather Newman thinks so. In a "Leisure/Volunteer Activities" section she highlighted how gaming enhanced her skills at organizing teams of volunteers and communicating. That said, she landed a job as director of marketing and communications for a university. One hiring manager says putting gaming experience on a résumé can be a "conversation starter," but another dismisses it as "all make-believe."

YOUR THOUGHTS?

Can Newman's strategy pay off for you? What "hidden" experiences—not just gaming—might you describe as skill-builders on your résumé?

WHAT'S INSIDE

ETHICS CHECK
Social media cues may cause discrimination in hiring

FACTS TO CONSIDER
Tech industry no role model for employment diversity

HOT TOPIC
The $50,000 retail worker

QUICK CASE
Team leader faces disruptive team member

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 timely and important career issues.

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 foundation of managerial performance.
- Effective managers help others achieve high performance and satisfaction.
- Managers are coaches, coordinators, and supporters.

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."[1]

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. 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.

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

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.

> "ONE GREAT PERSON CAN EASILY DO THE BUSINESS PRODUCTIVITY OF THREE GOOD PEOPLE."

HOT TOPIC

The $50,000 Retail Worker

Courtesy The Container Store

Looking for a job in retail? Want to avoid minimum wage employers? Head for The Container Store.® Its front-line, full-time workers are paid about $50,000 per year for starters, with more coming with positive annual performance reviews. Chairman & CEO Kip Tindell says it's central to his business strategy—hire great people, extensively train them and empower them by paying 50–100% more than what other retailers might pay them. He calls it the "One Equals Three" Foundation Principle. "One great person can easily do the business productivity of three good people," he says. And, he believes other retailers should follow The Container Store's lead. "Better pay," he argues, "leads to higher profitability."

HOW ABOUT IT?

Why would CEO Kip Tindell place so much emphasis on hiring and retaining retail workers for his stores? Is the Container Store's wage policy sustainable in the ups and downs of competitive business? If better pay leads to higher productivity, why do so many employers—think fast-food industry—stick with the minimum wage?

First-Line Managers and Team Leaders

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.[2]

A first job in management typically involves serving as a team leader or supervisor in charge of a small work group. 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 positions of initial managerial responsibility. And they serve as essential building blocks for organizational performance.[3] Consider these words of Justin Fritz as he describes leading a 12-member team to launch a new product at a medical products company: "I've just never worked on anything that so visibly, so dramatically changes the quality of someone's life."[4]

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

Middle Managers

Look again at Figure 1.1. This time consider how Justin may advance 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.

Middle managers oversee the work of large departments or divisions.

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**, or C-suite executives, 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.[5] The best top managers are future-oriented thinkers who make good decisions even in face of uncertainty, risk, and tough competition.

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

Boards of Directors

It would be great if all top managers were responsible and successful—always making the right decisions and doing things in their organization's best interests. But, the fact is that

TYPICAL BUSINESS Board of directors		TYPICAL NONPROFIT Board of trustees
Chief executive officer President Vice president	Top managers	Executive director President, administrator Vice president
Division manager Regional manager Plant manager	Middle managers	Division manager Regional manager Branch manager
Department head Supervisor Team leader	First-line managers	Department head Supervisor Team leader
	Nonmanagerial workers	

FIGURE 1.1

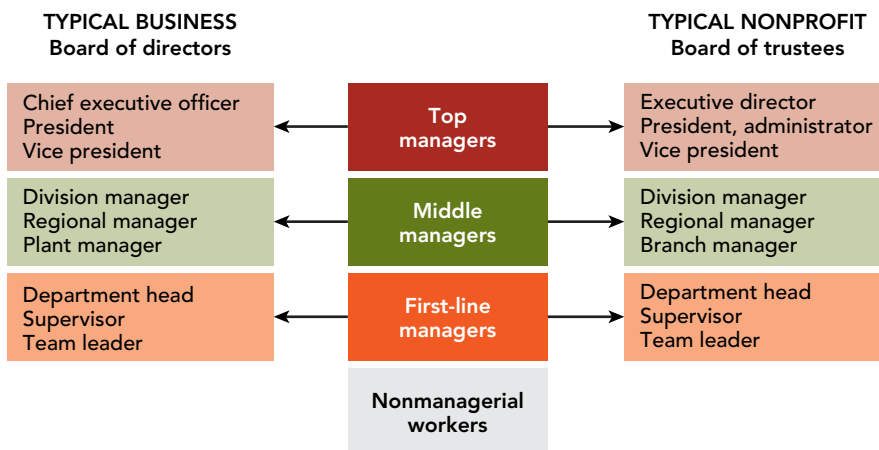**What Are the Typical Job Titles and Levels of Management in Organizations?**

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.

Ursula Burns Leads Xerox with Confidence and a Strategic Eye

"Frankness," "sharp humor," "willingness to take risks," "deep industry knowledge," "technical prowess" are all phrases used to describe Ursula Burns, CEO of Xerox Corporation. She started as a mechanical engineering intern and moved up to become the first African American woman to head a *Fortune* 500 firm. Raised by a single mom in public housing, her pride in her achievements comes across loud and clear. "I'm in this job because I believe I earned it through hard work and high performance," says Burns. "Did I get some opportunities early in my career because of my race and gender? Probably . . . I imagine race and gender got the hiring guys' attention. And the rest was really up to me."

Ramin Talale/Bloomberg/
Getty Images

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.

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.

some don't live up to expectations. They perform poorly and may 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 ethical and high performing?

Figure 1.1 shows 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 sectors, board 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 being run right. This is called **governance**, the oversight of top management by an organization's board of directors or board of trustees.[6]

ACCOUNTABILITY IS A FOUNDATION OF MANAGERIAL PERFORMANCE.

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 nearby figure.
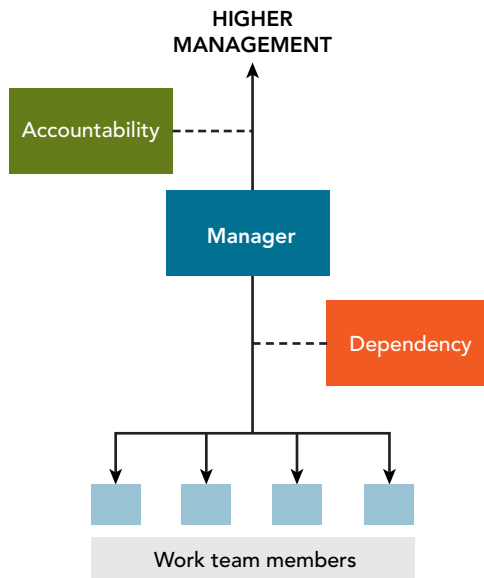
EFFECTIVE MANAGERS HELP OTHERS ACHIEVE HIGH PERFORMANCE AND SATISFACTION.

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. Why not define an **effective manager** as someone who successfully helps others achieve both high performance and satisfaction in their work?

Placing importance not just on work performance, but also on job satisfaction, 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. Too many people still labor in difficult, sometimes even hostile and unhealthy, conditions—ones we would consider low QWL for sure.[7]

MANAGERS ARE COACHES, COORDINATORS, AND SUPPORTERS.

We live and work 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.

Figure 1.2 uses the notion of an **upside-down pyramid** to describe a new mindset for managers, one guided by the key words "serve" and "support." All managers—from first-level team leaders to top level executives—should find that this mindset offers a real expression of what it means to act as a coach rather than an order giver.

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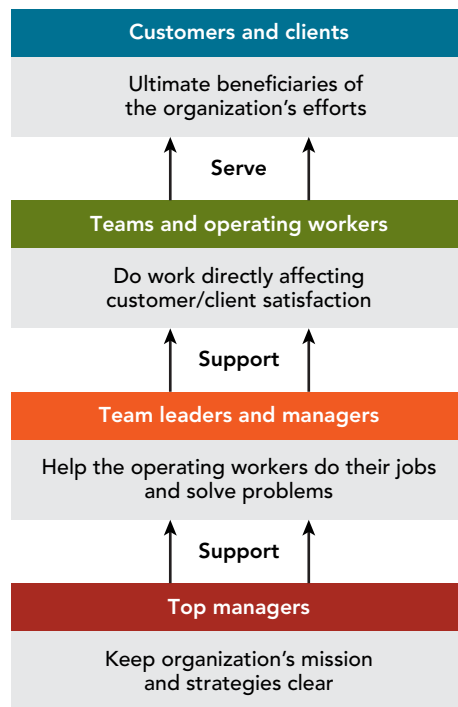
FIGURE 1.2 How Do Mindsets Change When the Organization Is Viewed as an Upside-Down Pyramind?

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 mind-set of this supportive manager is more "coaching" and "helping" than "directing" and "order giving."

Sitting prominent at the top of the upside-down pyramid are nonmanagerial workers. Performing individually and in teams, they interact directly with customers and clients or produce products and services for them. The key word driving their work is "serve." Located just below them are team leaders and managers. Their attention is focused on helping others serve the organization's customers. The key word driving their work is "support."

Top managers and executives are at the bottom of the upside-down pyramid. Their focus is on clarifying mission and crafting strategies that help team leaders and managers take care of their teams and workers. Once again, the key word driving their work is "support." Picture top managers going to work, looking up, and seeing an entire organization balanced on their outstretched hands and depending on them for vital support all day long. Wouldn't you agree this is quite a change of mindset from that of traditional managers who might view themselves standing comfortably on top of the pyramid while those below take care of them?

The upside-down pyramid view leaves no doubt that the organization exists to serve its customers. And, it leaves no doubt that team leaders, managers, and executives 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."[8]

Look again at Figure 1.2 and consider the power of the words "serve" and "support." Isn't this a pretty strong endorsement for team leaders and managers at all levels to try flipping the organizational pyramid upside-down?

Working Mother Looks for the Best

Great Employers Put Top Value on People

Masterfile

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."

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.

STUDYGUIDE

Takeaway 1.1
What Does It Mean to Be a Manager?

Terms to Define

Accountability	First-line managers	Middle managers	Upside-down pyramid
Board of directors	Governance	Quality of work life	
Effective manager	Manager	Top managers	

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?