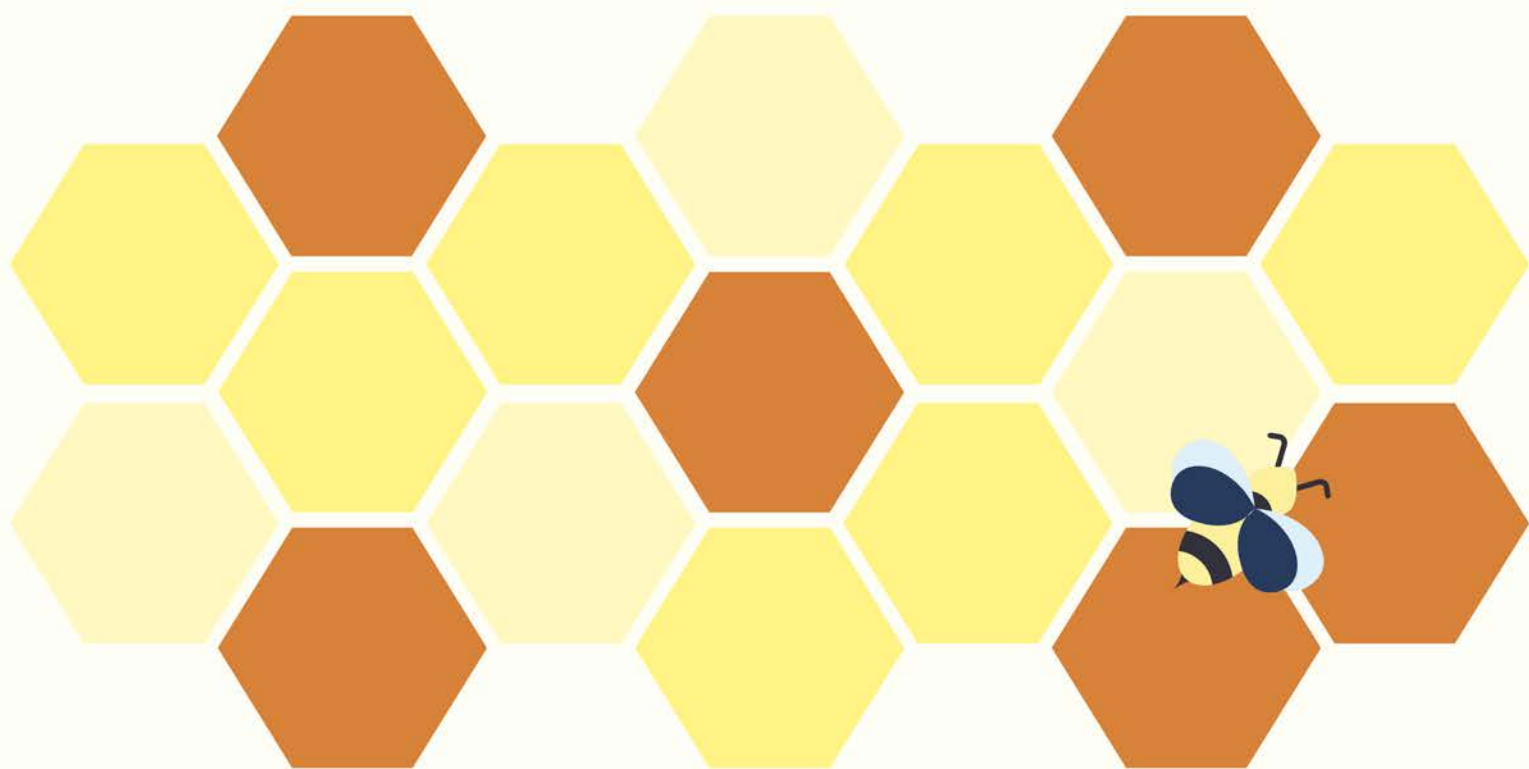


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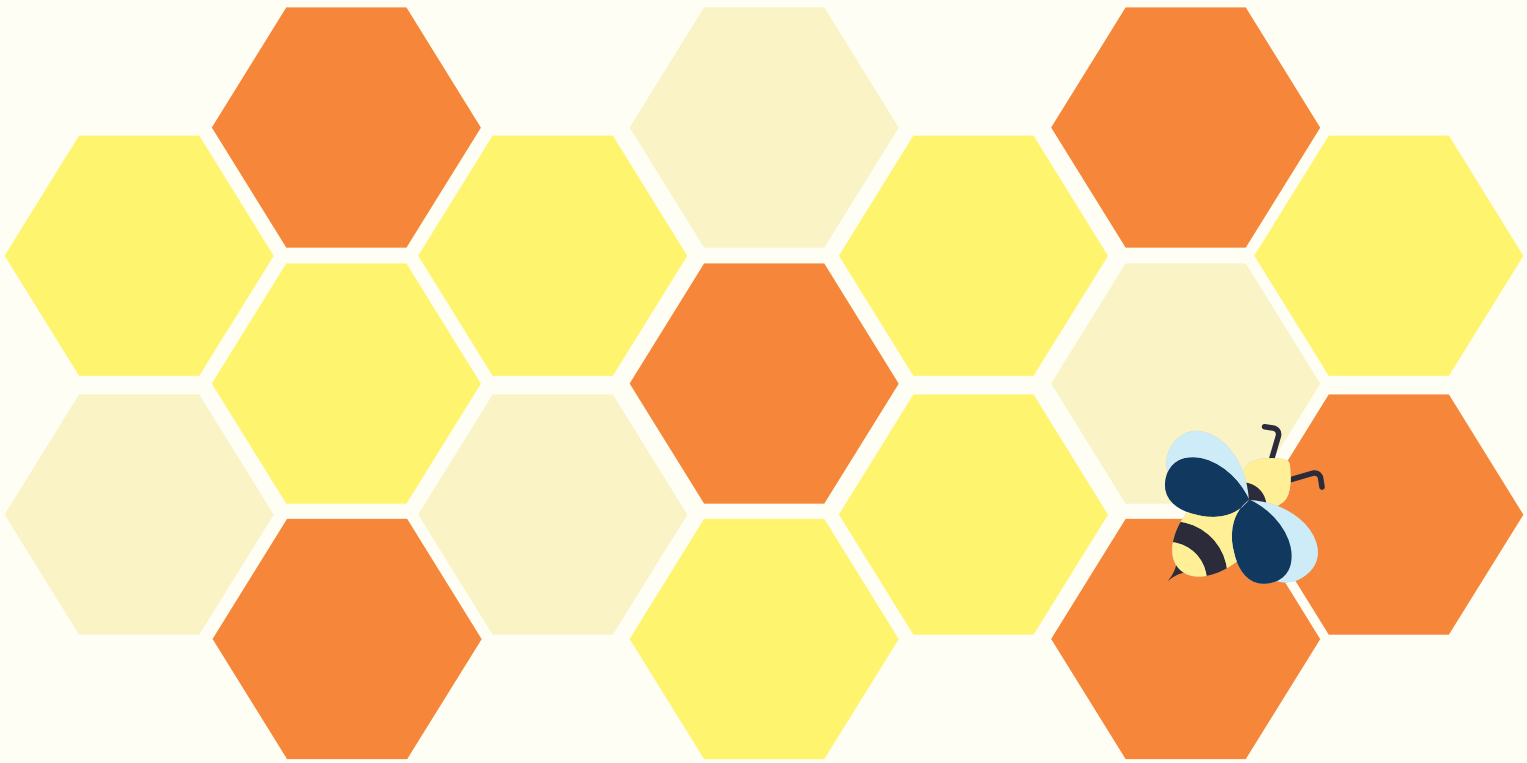
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MG MT **4**

4TH ASIA-PACIFIC EDITION



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Guide to the text

As you read this text you will find features in every chapter to enhance your study of Management and help you understand how the theory is applied in the real world.

PART OPENING FEATURES

The **Part openers** outline the chapters contained in each part for easy reference.

NEW



CHAPTER OPENING FEATURES

Identify the key concepts that the chapter will cover with the **Learning outcomes** at the start of each chapter. The Learning outcome icons throughout the chapters indicate where this content is covered.



FEATURES WITHIN CHAPTERS

MGMT in Practice boxes present practical applications of key management concepts and tips.

Smart MGMT boxes showcase examples of innovative management.

MGMT IN PRACTICE

FACTORS THAT ENCOURAGE PEOPLE TO WITHHOLD EFFORT IN TEAMS

- *The presence of someone with expertise:* team members will withhold effort when another team member is highly qualified to make a decision or comment on an issue.
- *The presentation of a compelling argument:* team members will withhold effort if the arguments for a course of action are very persuasive or similar to their own thinking.
- *A lack of confidence in one's ability to contribute:* team members will withhold effort if they are unsure about their ability to contribute to discussions, activities or decisions. This is especially so for high-profile decisions.
- *An unimportant or meaningless decision:* team members will withhold effort by mentally withdrawing or adopting a 'who cares' attitude if decisions don't affect them or their units, or if they don't see a connection between their efforts and their team's successes or failures.
- *A dysfunctional decision-making climate:* team members will withhold effort if other team members are frustrated or indifferent, or if a team is floundering or disorganised.²⁰

SMART MGMT

MISSIONS AND VISIONS – FROM THE RIDICULOUS TO THE SUBLIME

Alcoa's vision, 'to be the best company in the world', is as succinct as the Australian National University's (ANU) vision is detailed. ANU aims to be recognised worldwide for excellence.

ANU's vision statement is:

Contemporary ANU will sit among the great universities of the world, and be defined by a culture of excellence in everything that we do.

We will be renowned for the excellence of our research, which will be international in scope and quality, always measured against the best in the world. Our research investment will be strategic, taking a long-term view and focus on high-quality activities, high-impact infrastructure and areas of high national importance.

We will be renowned for the excellence of our undergraduate and graduate education: excellence in student cohort, excellence in teaching, excellence in student experience and excellence in outcomes.

We will be renowned for the quality of the contribution our research and education make to societal transformation. We will identify emerging areas of need for the nation and provide research and education that will equip Australia to cope

FEATURES WITHIN CHAPTERS

MGMT Trend boxes reveal the current and future directions of management.

TAYLOR'S REST BREAK NOW INCLUDES NAPPING

While rest breaks traditionally involve sitting or taking a brief walk, some employers now see a rest break as an opportunity for a quick snooze. Lamponed in movies, television and even the business press, napping at work is nonetheless a proven way to increase focus, memory and alertness on the job. A recent study from the University of Michigan found that a one-hour nap during the workday produced all those benefits—and more. As numerous as the benefits of napping are said to be, the challenges of napping at work are even more so. Not only is it difficult to break pace during the workday long enough to actually fall asleep, but finding a place to sleep can be challenging as well. Only 6 per cent of companies have dedicated spaces for napping, and many employees work in loud, crowded spaces with stiff, uncomfortable chairs. Sleep experts do have some advice for people working at companies that embrace workday naps. First, when deciding what time to close your eyes, figure out the midpoint of your previous night's rest and add 12 hours. (For example, if you slept from 11 p.m. to 7 a.m., then your ideal nap time the next day is 3 p.m.) Once you know when to nap, sleep either for 20 or 90 minutes—ideal times for a re-energizing nap. Anything in between or beyond those two durations will

Workplace and Community boxes present a behind the scenes look at real world management practices and their outcomes.

WANT FRIES WITH THAT?

Don't think scientific management has much to do with today's work life? Think again about the last time you were in a shop and the salesperson said, 'Have a nice day'. Service providers – particularly at restaurants – use scripts to ensure that employees are following the 'one best way' of interacting with customers. McDonald's uses a speech-only script (employees must say, 'May I help you?' instead of 'Can I help someone?'). At one popular chain of restaurants, employees must greet the table within 30 seconds of arrival, take the drink order within three minutes, suggest five items while taking the order and check back with the table three minutes after the food arrives.¹²



MGMT Fact boxes present interesting facts about contemporary and historical management.

CASH MANAGEMENT



The cash register, invented in 1879, kept sales clerks honest by recording all sales transactions on a roll of paper securely locked inside the machine. But managers soon realised that its most important contribution was better management and control of their business. For example, department stores could

REVIEW FEATURES

Review your understanding of the key chapter topics with the **Concept summary** at the end of each Part.

Chapter tear-out cards found at the back of the book provide a portable study tool, summarising each chapter for class preparation and revision.

PART 1, CHAPTERS 1-4

OVERALL
AIM OF
PART 1

To introduce management, its history and its applications in contemporary workplaces

What can you take from your progress through this part of MGMT4

1 Management

- ✓ You have developed your understanding of the four functions of management and covered the different kinds of managers – including the major roles and sub-roles that managers perform in their jobs.
- ✓ You can articulate what companies look for in managers and you will be able to describe the transition that employees go through when they are promoted to management positions.
- ✓ You understand that companies can create competitive advantage through people.
- ✓ You have learned that sometimes managers make mistakes, and you can now identify and discuss the top mistakes that managers make in their jobs.

2 History of management

- ✓ You have developed your understanding of the history of management and you have covered conceptual, theoretical and analytical aspects of management.
- ✓ You are able to discuss the origins of management, comparing them with the ideas and practices of managers today.
- ✓ You understand the history of scientific management, bureaucratic and administrative management, and you have learnt about the contributions to management theory and practice by key thinkers in the field.
- ✓ You have covered the history of human relations management and can apply the lessons learnt from

3 Organisational environments and cultures

- ✓ You have learnt how changing environments affect organisations. You can explain and provide examples of the four components of the general environment and explain the five components of the specific environment.
- ✓ You will be able to articulate and adopt certain processes that companies use to make sense of their changing environments, and expand upon how organisational cultures are created and how they can help companies be successful.

MindTap Listen to an audio summary of each chapter in the End of Part summary

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REVIEW

KEY TERMS
LEARNING OUTCOMES

Management
Getting work done through others.

Efficiency
Getting work done with a minimum of effort, expense or waste.

Effectiveness
Accomplishing tasks that help fulfil organisational objectives.

Planning
Determining organisational goals and a means for achieving them.

Organising
Deciding where decisions will be made, who will do what jobs and tasks and who will work for whom.

Leading
Inspiring and motivating workers to work hard to achieve organisational goals.

Controlling
Monitoring progress towards goal achievement and taking corrective action when needed.

Top managers
Executives responsible for the overall direction of the organisation.

Middle managers
Managers responsible for setting objectives consistent with top management's goals and for planning and implementing subunit strategies for achieving these objectives.

First-line managers
Managers who train and supervise the performance of non-managerial employees who are directly responsible for producing the company's

Leader role
The interpersonal role managers play when they motivate and encourage workers to accomplish organisational objectives.

Liaison role
The interpersonal role managers play when they deal with people outside their units.

Monitor role
The informational role managers play when they scan their environment for information.

Disseminator role
The informational role managers play when they share information with others in their departments or companies.

Spokesperson role
The informational role managers play when they share information with people outside their departments or companies.

Entrepreneur role
The decisional role managers play when they adapt themselves, their subordinates and their units to change.

Disturbance handler role
The decisional role managers play when they respond to severe problems that demand immediate action.

Resource allocator role
The decisional role managers play when they decide who gets what resources.

Negotiator role
The decisional role managers play when they negotiate schedules, projects, goals, outcomes, resources and

Management is ... Good management is working through others to accomplish tasks that help fulfil organisational objectives as efficiently as possible.

Management functions Henri Fayol's classic management functions are known today as planning, organising, leading and controlling. Planning is determining organisational goals and a means for achieving them. Organising is deciding where decisions will be made, who will do what jobs and tasks and who will work for whom. Leading is inspiring and motivating employees to work hard to achieve organisational goals. Controlling is monitoring progress toward goal achievement and taking corrective action when needed. Studies show that performing management functions well leads to better managerial performance.

Kinds of managers There are four different kinds of managers. Top managers are responsible for creating a context for change, developing attitudes of commitment and ownership, creating a positive organisational culture through words and actions and monitoring their company's business environments. Middle managers are responsible for planning and allocating resources, coordinating and linking groups and departments, monitoring and managing the performance of subunits and implementing the changes or strategies generated by top managers. First-line managers are responsible for managing the performance of non-managerial employees, teaching their workers how to do their jobs and making detailed schedules and operating plans based on middle management's intermediate-range plans. Team leaders are responsible for facilitating team performance, managing external relationships and facilitating internal team relationships.

Managerial roles Managers perform interpersonal, informational and decisional roles in their jobs. In fulfilling the interpersonal role, managers act as figureheads by performing ceremonial duties, as leaders by motivating and encouraging workers and as liaisons by dealing with people outside their units. In performing their informational role, managers act as monitors by scanning their environment for information, as disseminators by sharing

ICONS

Throughout this text, **MindTap icons** indicate an opportunity to go online and access videos, audio, quizzes and more. The highlighted text above each icon identifies the MindTap folder in which you can find it.

When companies look for employees who would be good managers, they look for individuals who have technical skills, human skills, conceptual skills and the motivation to manage.⁵⁰ Figure 1.3 shows the relative importance of these four

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Guide to the online resources

FOR THE INSTRUCTOR

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PART ONE

INTRODUCTION TO MANAGEMENT

- 1 Management
- 2 History of management
- 3 Organisational environments and cultures
- 4 Ethics and social responsibility



1 Management

LEARNING OUTCOMES

- 1 Describe what management is.
- 2 Explain the four functions of management.
- 3 Describe the different kinds of managers.
- 4 Explain the major roles and sub-roles that managers perform in their jobs.
- 5 Explain what companies look for in managers.
- 6 Discuss the top mistakes that managers make in their jobs.
- 7 Describe the transition that employees go through when they are promoted to management positions.
- 8 Explain how and why companies can create competitive advantage through people.

 CENGAGE | MINDTAP

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WHAT IS MANAGEMENT?

Management issues are fundamental to any organisation: how do we plan to get things done, organise the company to be efficient and effective, lead and motivate employees and put in place controls to make sure our plans are followed and our goals are met? Good management is basic to starting a business, growing a business and maintaining a business once it has achieved some measure of success.

Determining what constitutes good management for individual businesses is not always straightforward. Companies in Australia pay management consultants nearly \$6.5 billion¹ a year for advice on basic management issues, such as how to lead people effectively, organise the company efficiently and manage large-scale projects and processes.² This textbook will help you understand some of the basic issues that management consultants help companies resolve (and it won't cost you billions of dollars).

After reading the next two sections, you should be able to:

- describe what management is
- explain the four functions of management.

MINDTAP Get started with the media quiz: **Camp Bow Wow: Innovative Management for a Changing World**



LO1 MANAGEMENT IS ...

Many of today's managers got their start working on the factory floor, clearing dishes from tables, helping customers choose the right dress to buy or working in a supermarket. Similarly, lots of you will start at the bottom and work your way up. There's no better way to get to

know your competition, your customers and your business. However, whether you begin your career at the entry level or as a supervisor, your job is not to do the work, but to help others do theirs.

management
getting work done
through others

Management is getting work done through others. Vineet Nayar, Founder of Sampark Foundation and former CEO of IT

services company HCL Technologies, doesn't see himself as the guy who has to do everything or have all the answers. Instead, he sees himself as 'the guy who is obsessed with enabling employees to create value'. Rather than coming up with solutions himself, Nayar creates: opportunities for collaboration, peer review and employees to give feedback on ideas and work processes. Says Nayar, 'My job is to make sure everybody is enabled to do what they do well'.³

Nayar's description of managerial responsibilities suggests that managers also have to be concerned with efficiency and effectiveness in the work process.

Efficiency is getting work done with a minimum of effort, expense or waste. For example, Australia Post has

efficiency
getting work done with
a minimum of effort,
expense or waste

reduced freight costs and increased efficiency by developing a partnership with the China Post and Sai Cheng Logistics. This partnership has created an efficient supply chain between Australia and China,

allowing for direct contact between suppliers in China and consumers in Australia, subsequently reducing freight and middle-man costs.⁴



By itself, efficiency is not enough to ensure success. Managers must also strive for **effectiveness**, which is accomplishing tasks that help fulfil organisational objectives, such as customer service and satisfaction. The renowned writer on management, Peter Drucker, puts it like this: 'efficiency is doing things right, effectiveness is doing the right things'.⁵

effectiveness
accomplishing tasks that help
fulfil organisational objectives

LO2 MANAGEMENT FUNCTIONS

Henri Fayol, who was a managing director (CEO) of a large steel company in the early 1900s, was one of the founders of the field of management. You'll learn more about Fayol and management's other key contributors when you read about the history of management in Chapter 2. Based on his 20 years of experience as a CEO, Fayol argued that 'the success of an enterprise generally depends much more on the administrative ability of its leaders than on their technical ability'.⁶

A century later, Fayol's arguments still hold true. During a two-year study code-named Project Oxygen, Google analysed performance reviews and feedback surveys to identify the traits of its best managers. According to Laszlo Bock, Google's vice president for people operations, 'We'd always believed that to be a manager, particularly on the engineering side, you need to be as deep or deeper a technical expert than the people who work for you. It turns out that that's absolutely the least important thing.'⁷ What was most important? 'Be a good coach.' 'Empower; Don't micromanage.' 'Be product and results-oriented.' 'Be a good communicator and listen to your team.' 'Be interested in [your] direct reports' success and wellbeing.'⁸ In short, Google found what Fayol observed: administrative ability, or management, is key to an organisation's success.

According to Fayol, to be successful managers need to perform five managerial functions: planning, organising, coordinating, commanding and controlling.⁹ Today, though, most management textbooks have dropped the coordinating function and refer to Fayol's commanding function as 'leading'. Consequently, Fayol's management functions are known today as planning, organising, leading and controlling (see **Figure 1.1**). Studies indicate that managers who perform these management functions well are more successful. For example, the more time that CEOs spend planning, the more profitable their companies are.¹⁰ Over a 25-year period, a large US telecommunications company, AT&T, found that



FIGURE 1.1 The four functions of management

employees with better planning and decision-making skills were more likely to be promoted into management jobs, to be successful as managers and to be promoted into upper levels of management.¹¹

The evidence is clear. Managers serve their companies well by planning, organising, leading and controlling. (That's

SMART MGMT



HAMBURGER U

As McDonald's looks to grow in the booming market of China, the company knows that a key to its success there is the quality of its managers. That's why it recently opened up a training centre, Hamburger University, in Shanghai, with the goal of recruiting and retaining top employees. With an investment of about \$23 million, McDonald's created a centre where it could train about 1000 people per year for junior and senior management positions. The centre also helps franchise owners learn how to operate their restaurants effectively and efficiently. With an acceptance rate of only 1 per cent of applicants, it is not easy to get in; McDonald's Shanghai course sets a higher standard than Harvard (which has a 7 per cent acceptance rate).¹² And all of this investment is intended to serve as a foundation for the company's plans to expand aggressively in China by opening 1000 more stores. Hamburger University is great for employees, too, since it gives them an opportunity to move up in the McDonald's hierarchy. An entry-level employee can rise to store manager, and with training from Hamburger University, rise to middle and senior management in the organisation, making McDonald's an ideal place for people looking for steady career paths.¹³

why this book is organised around the four functions of management.) Now let's take a closer look at each of these management functions in more detail.

PLANNING

Planning is determining organisational goals and a means for achieving them. As you'll learn in Chapter 5, planning is one of the best ways to improve performance.

planning
determining organisational goals and a means for achieving them

It encourages people to work harder, to work hard for extended periods, to engage in behaviour directly related to goal accomplishment and to think of better ways to do their jobs. More importantly, companies that plan have larger profits and faster growth than companies that don't plan.

For example, the question, 'What business are we in?' is at the heart of strategic planning, which you'll learn about in Chapter 6. If you can answer the question, 'What business are you in?' in two sentences or less, chances are you have a very clear plan for your business.

But getting a clear plan is not so easy. Sometimes even very successful companies stray from their core business. Cisco Systems, maker of the critical computer routers and switches that run the Internet and create high-speed networks in offices and homes, strayed from its core networking business by spending \$34 billion acquiring or developing consumer products, such as Pure Digital, which made the once-popular Flip camera; Kiss Technology, which made networked DVD players; and Umi, a \$600 videoconference service for homes that came with a \$25 monthly charge for video access. Longtime CEO John Chambers has admitted that Cisco lost its focus and that going forward its priorities will be its core business: 'leadership in core routing, switching, and services; collaboration; data centre virtualization and cloud; architectures; and video'.¹⁴ Accordingly, Cisco has now shut down its Flip, Kiss and Umi divisions.

You'll learn more about planning in Chapter 5 on planning and decision making, Chapter 6 on organisational strategy, Chapter 7 on innovation and change and Chapter 8 on global management.

ORGANISING

Organising is deciding where decisions will be made, who will do what jobs and tasks and who will work for whom in the company. In other words, organising is about determining how things get done.

organising
deciding where decisions will be made, who will do what jobs and tasks and who will work for whom

In the retail industry, that usually means matching staffing levels to customer traffic, increasing staffing when busy and then decreasing staffing when slow. Walmart recently implemented software to match the schedules of its

2.2 million associates with the flows of its 260 million weekly customers. While this dynamic, just-in-time approach sounds like a great idea, it resulted in highly fragmented schedules for thousands of store employees who could be sent home from work after just a few hours (due to unexpectedly slow customer traffic) or called back unexpectedly (when customer traffic increased). These unpredictable work schedules, which effectively put many associates perpetually on call, produced backlash from employees, advocacy groups and unions alike. In response, Walmart reconfigured its schedules using three types of shifts: open, fixed and flex. Managers schedule open shift employees during times that they previously indicated that they would be available for. Fixed shifts, which are offered first to long-time employees, guarantee the same weekly hours for up to a year. Finally, flex shifts let employees build their own schedules in two- to three-week blocks. Walmart is also developing an app that will allow employees to view, update and set their schedules using a smartphone. Walmart managers have high hopes for the new shift structures, which reduced absenteeism by 11 per cent and employee turnover by 14 per cent during a two-year test.¹⁵

You'll learn more about organising in Chapter 9 on designing adaptive organisations, Chapter 10 on managing teams and Chapter 11 on human resource management.

LEADING

Our third management function, **leading**, involves inspiring and motivating employees to work hard to achieve organisational goals. Gail Kelly, former CEO of Westpac, retired as leader of one of Australia's largest banks in 2015. A former school teacher and bank teller, Kelly has made it to the top of the management tree through hard work and

leading
inspiring and motivating employees to work hard to achieve organisational goals

good leadership. Reported to be a fierce and courageous head of her organisation, Gail Kelly is also an outspoken advocate for the role of women in business and society. After her career in banking with Westpac, Kelly has taken up an Adjunct Professorship in business with the University of New South Wales, is a director of Woolworths (South Africa), as well as Country Road Group and David Jones (Australia), has written a book on leadership and, as an Ambassador for Women's Empowerment with CARE Australia, is a mentor for young business leaders. She is quoted as saying 'My whole model is based around gathering the best people you can around you and creating an environment where people can do their best work'.¹⁶

Gail Kelly inspired people around her to work hard to achieve organisational goals by clearly outlining a vision for her bank, by being a role model and by setting an example of effective management.

You'll learn more about leading in Chapter 12 on motivation, Chapter 13 on leadership and Chapter 14 on managing communication.

CONTROLLING

The last function of management, **controlling**, is monitoring progress towards goal achievement and taking corrective action when progress isn't being made. The basic control process involves setting standards to achieve goals, comparing actual performance to those standards and then making changes to return performance to the standards you set.

controlling
monitoring progress towards goal achievement and taking corrective action when needed

To maintain low-priced fares and cut costs, budget carrier Jetstar charges customers for what they call 'extras'. Food and drink are optional extras that can be paid for online when booking or on board, along with entertainment and comfort packs containing pillows and blankets. For an additional fee, customers can also reserve a window or aisle seat, or a seat with extra legroom. A surcharge for checked-in luggage (starting at around \$50 for a domestic flight in Australia) also controls expenditure.¹⁷

You'll learn more about the control function in Chapter 15 on control, Chapter 16 on managing information and Chapter 17 on managing service and manufacturing operations.

WHAT DO MANAGERS DO?

Not all managerial jobs are the same. The demands and the requirements placed on the CEO of Facebook, for example, are significantly different from those placed on the manager of your local fast-food restaurant.

After reading the next two sections, you should be able to:

- describe different kinds of managers
- explain the major roles and sub-roles that managers perform in their jobs.

LO3

KINDS OF MANAGERS

As shown in **Table 1.1**, there are four kinds of managers, each with different jobs and responsibilities:

- top managers
- middle managers
- first-line managers
- team leaders.

TABLE 1.1

What the four kinds of managers do

Jobs		Responsibilities
Top managers CEO CIO COO Vice-president CFO Corporate heads		Change Commitment Culture Environment
Middle managers General manager Plant manager Regional manager Divisional manager		Resources Objectives Coordination Subunit performance Strategy implementation
First-line managers Office manager Shift supervisor Department manager		Non-managerial worker supervision Teaching and training Scheduling Facilitation
Team leaders Team leader Team contact Group facilitator		Facilitation External relationships Internal relationships

TOP MANAGERS

Top managers hold positions like chief executive officer (CEO), chief operations officer (COO), chief financial officer (CFO) and chief information officer (CIO), and are responsible for the overall direction of the organisation. Top managers have the following responsibilities.¹⁸ First, they are responsible for creating a context for change.

When Satya Nadella was appointed CEO of Microsoft, the company was perceived as a shortsighted, lumbering behemoth. Nadella reoriented the company with a series of acquisitions and innovations, including purchasing Mojang, maker of the Minecraft video game, and a 3D-hologram feature for controlling Windows. After following Microsoft for years, one analyst noted about Nadella's new direction for the

company, 'Microsoft hasn't really shown any sort of vision like this in a long, long time.'¹⁹ As one CEO said, 'The CEO has to think about the future more than anyone.'²⁰

Second, once that vision or mission is set, the next responsibility of top managers is to develop employees' commitment to and ownership of the company's performance. That is, top managers are responsible for getting employee commitment and agreement. Third, top managers are responsible for creating a positive organisational culture through language and action. Top managers have an impact on company values, strategies and lessons through what they do and say to others, both inside and outside the company. Above all, no matter what they communicate, it's critical for CEOs to send and reinforce clear, consistent messages.²¹

When Mark Fields became Ford Motor Company's CEO, the clear, consistent message from his predecessor,

top managers
executives responsible for the overall direction of the organisation

Alan Mulally, was 'One Ford', which was meant to pull together a fractionalised company characterised by 'infighting and fiefdom-building'.²² Said Mulally, 'Our single most important strategy is to continue to integrate Ford around the world.'²³ By contrast, Fields made clear that the message under his leadership is 'Two Fords': one Ford was 'foundational', but the company needed to 'evolve' to being an auto and mobility company. Fields explained that total revenue from 'the traditional automotive industry is around \$2.3 trillion today and growing'; Ford, he says, gets about 6 per cent of this. Fields notes that, 'transportation products and services revenue is already around \$5.4 trillion [per year]. We and the traditional auto industry get 0 per cent of this today. That's why being an auto and a mobility company makes business sense [for Ford].'²⁴

Finally, top managers are responsible for monitoring their business environments. This means that top managers must closely monitor customer needs, competitors' moves, economic conditions and long-term business and social trends.

MIDDLE MANAGERS

Middle managers hold positions like factory manager, regional manager or divisional manager. They are responsible for setting objectives consistent with top management's goals and for planning and implementing subunit strategies for achieving those objectives.²⁵ They are also responsible for monitoring and managing the performance of the subunits and individual managers who report to them.

Another major responsibility of middle managers is to coordinate and link groups, departments and divisions within a company. Following the earthquake which devastated the New Zealand city of Christchurch in 2011, insurance companies were tasked with responding to a multitude of claims from local businesses. A recent study of the effectiveness of these insurers has shown that some insurance organisations managed their resources better than others when tasked with coordinating extensive inspection of damaged properties and the generation of accurate claim reports. While the earthquake is now in the past, reconstruction of the city is being slowed by ongoing seismic activity and there is still a lot to be done. It is anticipated that the task of full reconstruction may take another decade to complete.²⁶ In addition to the seismic activity, the slowdown is in part attributed to bureaucratic 'red tape' and delays in processing insurance claims with some companies. The industry watchdog, InsuranceWatch, is tasked with monitoring all of New Zealand's insurance agencies to ensure that their implementation teams meet required objectives.²⁷

middle managers
managers responsible for setting objectives consistent with top management's goals and for planning and implementing subunit strategies for achieving these objectives

CULTURE IN THE GOOGLEPLEX

In the increasingly fierce competition to hire and retain the best and brightest employees, companies are looking to their organisational culture to find an advantage. Research from consulting firm Deloitte shows that culture, engagement and employee retention are now the top talent challenges facing businesses today. A leader in building a high-performance culture that is attractive to work in is Google.

Google actively encourages employees to put their ideas into action. The company advocates that everyone has access to senior decision makers, as can be seen from this online statement about Google culture: 'We strive to maintain the open culture often associated with startups, in which everyone is a hands-on contributor and feels comfortable sharing ideas and opinions. In our weekly allhands ("TGIF") meetings – not to mention over email or in the cafe – Googlers ask questions directly to Larry [Larry Page, CEO], Sergey [Sergey Brin, co-founder] and other execs about any number of company issues. Our offices and cafes are designed to encourage interactions between Googlers within and across teams, and to spark conversation about work as well as play'.²⁸

Alamy Stock Photo/SiliconValleyStock



Finally, middle managers are also responsible for implementing changes or strategies implemented by top managers. When the Aldi supermarket chain entered the Australian market, they realised the opportunity to 'simplify' the task of grocery shopping compared to larger grocery chains. In order to lower their prices, they cut out expensive advertising and marketing departments, relying on middle managers to deal with suppliers and producers face-to-face.²⁹

FIRST-LINE MANAGERS

First-line managers, sometimes known as *front-line* managers, hold positions like office manager, shift supervisor or department manager. The primary responsibility of first-line

first-line managers
managers who train and supervise the performance of non-managerial employees, who are directly responsible for producing the company's products or services

managers is to manage the performance of entry-level employees, who are directly responsible for producing a company's goods and services. Therefore, first-line managers are the only managers who don't supervise other managers.

First-line managers encourage, monitor and reward the performance of their employees. They also make detailed schedules and operating plans based on middle management's intermediate-range plans. In fact, in contrast to the long-term plans of top managers (three to five years out) and the intermediate plans of middle managers (six to 18 months out), first-line managers engage in plans and actions that typically produce results within two weeks.³⁰ For example, a typical convenience store manager might start the day by driving past competitors' stores to inspect their specials' prices. Then they would check the outside of their own store for anything in need of maintenance, such as blown light globes or damaged signs, or that needs restocking, like windshield washer fluid and paper towels. Then comes an inside check, where the manager determines what needs to be done for the day (Are there enough muffins and juices for breakfast or enough sandwiches for lunch?). Once the day is planned, the manager turns to weekend orders. After accounting for the weather (hot or cold) and the sales trends at the same time last year, the manager makes sure the store will have enough bread, milk, soft drinks and weekend newspapers on hand. Finally, the manager looks seven to 10 days ahead for staffing needs and preparing staff rosters.

TEAM LEADERS

The fourth kind of manager is a **team leader**. This relatively new kind of management job developed as many companies have moved to self-managing teams, which, by definition, have no formal supervisor. In traditional management hierarchies, first-line managers are responsible for the

performance of non-managerial employees, making job assignments and controlling resources, and may even have the authority to hire and fire employees.

Team leaders have a different set of responsibilities than traditional first-line managers. Team leaders are primarily responsible for facilitating team activities toward accomplishing a goal. This doesn't mean team leaders are responsible for team performance. They aren't. The team is.

Team leaders help their team members plan and schedule work, learn to solve problems and work effectively with each other. Management consultant Franklin Jonath says, 'The idea is for the team leader to be at the service of the group. It should be clear that the team members own the outcome. The leader is there to bring intellectual, emotional and spiritual resources to the team. Through his or her actions,

the leader should be able to show the others how to think about the work that they're doing in the context of their lives. It's a tall order, but the best teams have such leaders'.³¹

Relationships among team members and between different teams are crucial to good team performance, and must be well managed by team leaders, who are responsible for fostering good relationships and addressing problematic ones within their teams. Getting along with others is much more important in team structures because team members can't get work done without the help of teammates. Tim Clem emerged as a team leader at a software company that provides collaborative tools and online work spaces for people who code software. The company also uses team structures and team leaders to decide which software projects its 170 employees will work on. After only a few months at the company, Clem, who had not previously led a team, convinced his colleagues to work on a new product he had designed for Microsoft Windows.³² Without their approval, he would not have been able to implement the change or secure the resources to hire people to do the project. By contrast, a manager, and not the team, would have likely made this decision in a traditional management structure.

Second, team leaders are responsible for managing external relationships. Team leaders act as the bridge or liaison between their teams and other teams, departments and divisions in a company. For example, if a member of Team A complains about the quality of Team B's work, Team A's leader needs to initiate a meeting with Team B's leader. Together, these team leaders are responsible for getting members of both teams to work together to solve the problem. If it's done right, the problem is solved without involving company management or blaming members of the other team.³³

team leaders
managers responsible
for facilitating team
activities toward goal
accomplishment

Alamy Stock Photo/Erik Isaksson



Even first-line managers perform the four functions of management

Third, team leaders are responsible for internal team relationships. Getting along with others is much more important in team structures because team members can't get work done without the help of their teammates. You will learn more about teams in Chapter 10.

LO4 MANAGERIAL ROLES



MINDTAP Complete the Develop your career potential worksheet for Chapter 1

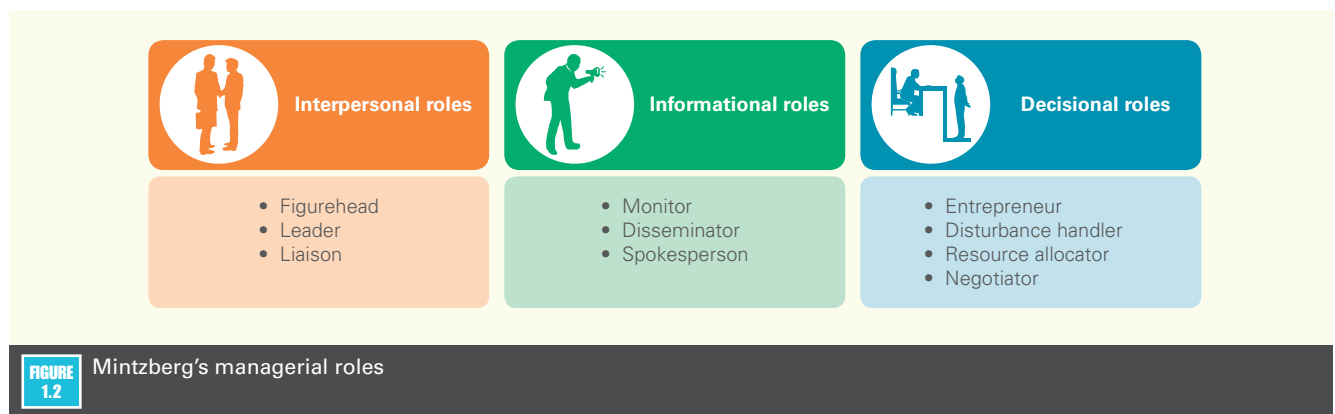
So far, we have described managerial work by focusing on the functions of management and by examining the four kinds of managerial jobs.

Although those are valid and accurate ways of categorising managerial work, if you followed managers around as they performed their jobs, you probably would not use the terms

planning, organising, leading and controlling to describe what they do. In fact, that's exactly the conclusion that management researcher Henry Mintzberg came to when he observed five American CEOs. Mintzberg spent a week 'shadowing' each of the CEOs and analysing their mail, their conversations and their actions. Mintzberg concluded that managers fulfil three major roles while performing their jobs:³⁴

- interpersonal roles
- informational roles
- decisional roles.

In other words, managers talk to people, gather and give information and make decisions. Furthermore, as shown in **Figure 1.2**, these three major roles can be subdivided into 10 sub-roles; we will examine these in the following sections.



Source: Adapted from "The Manager's Job: Folklore and Fact," by Mintzberg, H. Harvard Business Review, July–August 1975.

INTERPERSONAL ROLES

More than anything else, management jobs are people-intensive. Estimates vary with the level of management, but most managers spend between two-thirds and four-fifths of their time in face-to-face communication with others.³⁵ If you're a loner or if you consider dealing with people to be a pain, then you may not be cut out for management work. In fulfilling the interpersonal roles of management, managers perform three sub-roles: figurehead, leader and liaison.

In the **figurehead role**, managers perform ceremonial duties like greeting company visitors, speaking at the opening of a new facility or representing the company at a community luncheon to support local charities. In January 2018, the charity supporting children with cancer, RedKite, celebrated five years of corporate partnership with Coles. RedKite CEO Monique Keighery marked the occasion by saying, '... this partnership has ensured support for families 120 000 times ...'.³⁶ Among

figurehead role
the interpersonal role managers play when they perform ceremonial duties

other events, children's cancer charity RedKite holds an annual Corporate Quiz in state capitals across Australia to raise money, and Keighery, other board members of RedKite and their corporate sponsors attend these events to represent the charity and their respective organisations.³⁷

When managers are in the **leader role**, they motivate and encourage employees to accomplish organisational objectives. The QANTAS name is well known for its enviable safety record of never having lost a jet. That kind of focus on safety comes from the top. For CEO Alan Joyce, the QANTAS reputation for safety is at the core of the business. Joyce is quoted as saying that safety is '... top of mind in everything that we do from the management down to the engineers, pilots and cabin crew'. When Joyce holds management meetings, the first item of business is to go over every single safety issue that has arisen since the last meeting.³⁸

leader role
the interpersonal role managers play when they motivate and encourage employees to accomplish organisational objectives