# SKILLS FOR MANAGERIAL SUCCESS

Theory,
Experience,
and Practice

Laird W. Mealiea Gary P. Latham

# SKILLS FOR MANAGERIAL SUCCESS

Theory, Experience, and Practice

Laird W. Mealiea

Dalhousie University

Gary P. Latham University of Toronto

#### **IRWIN**

Chicago • Bogotá • Boston • Buenos Aires • Caracas London • Madrid • Mexico City • Sydney • Toronto

#### IRWIN Concerned about Our Environment

In recognition of the fact that our company is a large end-user of fragile yet replenishable resources, we at IRWIN can assure you that every effort is made to meet or exceed Environmental Protection Agency (EPA) recommendations and requirements for a "greener" workplace.

To preserve these natural assets, a number of environmental policies, both companywide and department-specific, have been implemented. From the use of 50% recycled paper in our textbooks to the printing of promotional materials with recycled stock and soy inks to our office paper recycling program, we are committed to reducing waste and replacing environmentally unsafe products with safer alternatives.

© Richard D. Irwin, a Times Mirror Higher Education Group, Inc. company, 1996

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

#### Times Mirror Higher Education Group

#### Irwin Book Team

Executive editor: Kurt L. Strand
Marketing manager: Michael Campbell
Project editor: Waivah Clement

Production supervisor: Lara Feinberg

Assistant manager, desktop services: Jon Christopher

Designer: Heidi J. Baughman

Compositor: Douglas & Gayle Limited

Typeface: 10/12 Times Roman

Printer: R. R. Donnelley & Sons Company

#### Library of Congress Cataloging-In-Publication Data

Mealiea, Laird.

Skills For Managerial Success: Theory, Experience, and Practice / Laird W. Mealiea, Gary P. Latham.

p. cm. Includes index.

ISBN 0-256-12454-X

15BN 0-250-12454-X

1. Management. I. Latham, Gary P. II. Title HD31.M3878 1996

658-dc20

95-12121

Printed in the United States of America

1234567890DO21098765

# **PREFACE**

#### AN UNDERLYING RATIONALE

This book reflects our experience wearing two professional hats. As professors, we interact with students who want to develop skills that will enable them to become effective managers; as consultants, we educate people who want to improve their managerial skills. In both instances, the feedback on the usefulness of the topics covered in this text has been overwhelmingly positive. In the case of students, the most telling responses come after they have had the opportunity to manage others. The following statement represents a typical comment from these individuals: "When it comes to managing and making my job easier, your course was among the most practical and useful."

For functioning managers, the relevance of the material is more immediate. These experiences contribute to their ability to accurately assess the appropriateness of transferring what is being learned in the classroom, or workshop, to organizational situations. The flavor of their comments is captured by the following statements taken from several program evaluations: "I wish I had had this when I first became a manager. If I had had this information earlier, it would have made my job a lot easier." "I found the topics covered relevant to my work. I will be putting them to good use. Oh, by the way, can I send my boss to the next session?" It is feedback such as this, the desire to use this material when teaching our own students, and the urging from both colleagues and friends to write a text on management skill development, that has motivated us to put our ideas into print.

Before you begin reading the chapters that follow, it would be helpful to consider the underlying rationale for topic selection and the book's format. Such decisions reflect our belief that the key ingredient to any increase in productivity is the employees who are asked to perform effectively within organizations.

It is employees who use their on-the-job experience to figure out how to better use the technology and other materials with which they must work. In other words, employees are the driving force behind productivity and quality improvements; they make the productivity ratio larger. To be a successful manager, to obtain increased levels of output resulting from subordinate effort and ability, one must learn to work effectively with people. Thus, the primary focus of this text is on manager-subordinate interactions, especially the managerial behaviors needed to develop and maintain positive and productive relationships with subordinates, peers, superiors, and individuals external to the organization.

Topic selection, including the design of case studies, role plays, and experiential exercises, reflects our belief that the ability to manage effectively is a function of the degree to which you possess the attitudes, knowledge, and skills necessary to perform well within a particular organizational setting. What is your attitude toward ethics in management, employee participation in decision making, assertiveness and followership? Chapter 3 addresses the question of what constitutes appropriate attitudes for managers in the 1990s.

Knowledge is critical to managerial success because it establishes the base upon which decisions are made and the behaviors that are appropriate in a given situation. As a result, each chapter carefully integrates content knowledge with a discussion of appropriate behaviors needed to demonstrate the skill or activity being considered. Chapter 2 (knowledge about the self) and Chapter 15 (knowledge about the organization and its environment) describe the knowledge that must be acquired about one's self, one's organization, and the organization's environment.

The sequencing of chapters is designed to logically move through a building process based on content and prerequisite knowledge, skills or activities. Chapter 1 explains the manager's role and the environmental trends managers are likely to face throughout the 1990s and into the 21st century. Chapter 2 encourages students to evaluate their personal goals, needs, self-efficacy, and interpersonal style, and to assess how their personal profile will affect their ability to manage. Chapter 3 articulates key attitudes managers need to function effectively. Chapters 4 through 7 (stress/time management, communications, and negotiations) focus on support skills that allow the manager to effectively carry out other activities such as performance appraisal, counseling, coaching, progressive discipline, and so on. Chapter 8 considers what a manager should do when required to select the most qualified employees. Chapter 9 describes the goal-setting process and how it can be used to motivate people to perform at, or near, their peak capabilities.

<sup>&</sup>lt;sup>1</sup>W. B. Werther, Jr., W. A. Ruch, and L. McClure, *Productivity Through People*, West Publishing Company, St. Paul, 1986: 4.

Goal attainment is facilitated when there is an effective team climate in which subordinates are willing to innovate rather than resist change, and where the negative effects of conflict are minimized. In an attempt to improve understanding of the skills necessary to perform effectively in each of these areas, team building will be covered in Chapter 10, innovation in Chapter 11, and managing conflict and anger in Chapter 12. Chapter 13 considers the topic of performance evaluation and how the manager can use performance reviews for employee coaching and development. Along with conducting performance appraisal for administrative and developmental purposes, managers are increasingly required to engage in counseling activities. To help managers carry out employee counseling, Chapter 14 develops a counseling model designed specifically for managers who want to help their employees. We end the book at the macro level (Chapter 15). This last chapter was included to emphasize that managers function within an organizational system. If they are to perform effectively, they must understand system components.

In an attempt to facilitate the transfer of identified knowledge, attitudes, and skills to the real world, students are provided with opportunities to practice key concepts. Exercises are designed to provide hands-on experience by requiring students to simulate real work behavior. The exercises vary from chapter to chapter because of the wide range of topics covered and the inherent differences in content. Most exercises are designed to be carried out in a classroom setting; some will require preclassroom work to be performed well.

#### **SKILLS VERSUS ACTIVITIES**

It is often difficult to separate the skills required for success from the activities that these skills are designed to support. For each activity or functional area there are certain skills that must be carried out if the manager is to be successful. For example, to be successful, managers must be competent in such areas as goal setting, performance evaluation, or counseling. However, to be effective in these areas, managers also need to be skilled in the science of negotiation, conflict management, and change management. To negotiate or counsel effectively, managers should be skilled in the areas of probing, reflecting, listening, giving feedback, nonverbal communications, and so on. Therefore, some chapters deal with activities such as counseling or performance evaluations, while others deal with supporting skills such as communications. After reading this book, students will be able to successfully implement important managerial activities by drawing on the appropriate support skills.

# **CONTENTS**

#### 1 The Role of Management 1

Understanding the Role of Management 1 An Environmental Imperative 3 Increased Desire on the Part of Employees to Participate Increased Rates of Change 4 Greater External Pressures on Employees 5 Organizational Changes 6 Increased Accountability 8 A Changing Work Force 8 Information Society Rather than an Industrial Society 11 Globalization 12 An Underlying Philosophy 14 Vision as a Driving Force 15 The Need to Succeed 15 The Importance of Individual Differences 16 Incremental Improvement Is the Key to Long-Term Success 17 Management Success Is a Function of Subordinate Success 18 All Managers Have a Behavioral Range in Which to Act 18

Management's Behavioral Response Must Be Situationally Based 19 Selection Is the First Line of Offense in Obtaining High Productivity 19 Success Depends on What the Manager Does and the Interpersonal Style Used 20 Management Skills Are Interdependent 20 Opportunity with Constraint 21 Exercises 22 1.1 Clarifying Student Responsibilities: A Psychological Contract 22 1.2 What Needs to Be Done during the First Six Months on the Job 1.3 Understanding the Manager's Role 24

#### 2 Understanding Who You Are 29

End Notes 24

The Importance of Understanding the Self 29 Personal Career Management and Goal Setting 31 Self-Exploration and Awareness 33 Goal Setting 35 xiv

The Effect of Self-Efficacy on Personal	Three Levels of Ethics 85
Well-Being 31	The Need for a Socratic Approach to
Perceived Self-Efficacy and Its Effect	Ethical Decision Making 86
on Personal Well-Being 39	Ethical Encounters with
Linking Expectations about Outcomes,	Subordinates 86
Perceived Self-Efficacy, and	Managerial Sensitivity 87
Behavior 40	Required Interactions 88
Sources of Perceived Self-Efficacy 41	Individual Differences 89
Interpersonal Needs 43	Employee Involvement 90
A Practical Need 43	Necessary Conditions for Employee
A Need to Reduce Anxiety 44	Involvement 92
A Need to Define One's Self 44	Task Complexity 95
A Basic Model 45	Assertiveness 95
Need for Inclusion 46	The Importance of Individual
Need for Control 46	Rights 96
Need for Affection 47	The Passive-Aggressive
Interpersonal Style and Strategy 48	Continuum 97
Self-Disclosure and Feedback-Seeking	Behavioral and Emotional
Behavior 48	Consequences of Assertiveness 98
How We Respond to Others 54	Followership and Managing One's
Relevance to Managers 60	Boss 99
Exercises 61	Characteristics of Effective
2.1 Self-Assessment: Identifying	Followers 99
Career and Life Values 61	Managing Your Boss 101
2.2 Writing Out Your Retirement	Exercise 104
Speech 62	3.1 Appropriate Values and Attitudes
2.3 Interpersonal Perception	Everbright Electrical In-Basket 10
Exercise 63	End Notes 124
2.4 Goal Setting/Time Scheduling 65	
End Notes 71	

#### 3 Attitudes and Value Systems Necessary for Success 75

The Role of Feelings, Beliefs,
Attitudes, and Values in Shaping
Management Behavior 75
The Cognitive Component 76
The Affect Component 77
The Central Role of Attitudes 78
Exernal-Internal Barriers to Action 79
Impact of Behaviors on Beliefs and
Feelings 80
The Issue of Ethics 81
Four Ethical Systems 83

# 4 Effective Communication for the 1990s 127

Communication—Helping to Achieve
Managerial Excellence 127
Understanding the Basics 128
The Process of Communicating 129
Effective Listening 130
The Listening Encounter 133
Using Attending and Responding Skills
to Build Positive Relationships 133
Attending Behaviors 135
Responding Behaviors 137
Nonverbal Behavior 143
Channels of Nonverbal Behavior 144
Cross-Cultural Communications 151

Communications 151		
Cross-Cultural Factors Affecting		
Communication 152		
Exercises 161		
4.1 Empathic Listening 161		
4.2 Probing, Reflecting, Summarizing,		
and Empathizing: Digging for		
Complete Information 162		
4.3 Nonverbal Communications		
Exercise 165		
4.4 Adjusting to Cultural Differences		
in a Global Economy 166		
End Notes 172		
Stress and Time Management:		
Survival Skills for the 1990s 177		
The Importance of Managing Stress 177		
Assigning Responsibility for Stress		
Management Interventions 178		
An Optimum Level of Stress 179		
Understanding the Stress Response 181		
Environmental Stressors 182		
Contextual Moderators 184		
Individual Differences 188		
Cognitive Appraisal 192		
Desired Managerial Application to		
Appraisal 194		
Emotions Resulting from Felt Stress 195		
Coping 196		
Coping Style versus Coping		
Behavior 197		
Emotion/Problem-Focused Coping 197		
Coping as a Mediating Variable 198		
Desired Managerial Application 199		
Time Management 201		
1. Planning and Organizing 201		
2. Delegation 203		
3. Overcoming Procrastination 209		
4. Learning to Say No! 210		
5. Handling the Drop-In Visitor 213		

6. Judicious Use of Meetings 214

5.1 Coping with Stress 218

Exercises 218

5

Culture and Its Impact on Interpersonal

5.2 Delegation: Giving Work to Others 2195.3 Group Case: Managing Time-Wasters 222End Notes 225

#### 6 The Art and Science of Negotiations I: The Manager's Role in Creating Value 229

Negotiations: Some Basic Issues 230 Defining the Concept 230 Management Responsibilities and the Role of Negotiations 232 The Negotiation Dilemma 232 Negotiation Strategies, Policies, and Tactics 235 The Nature of the Negotiation Process 236 Creating Value 242 The Pareto Frontier and Distribution of Claim Value 243 The Importance of Cooperative Behavior 244 Achieve Mutual Understanding through Comprehension and Clarification 245 Develop Multiple Options from Which to Choose 247 Common Pitfalls 247 Brainstorming 250 Tactics for Creating Value 252 Exercises 255 6.1 Exploring for Mutual Comprehension 255 6.2 Creating Value: Using the Nominal Group Technique (NGT) 256 End Notes 257

#### 7 The Art and Science of Negotiations II: Claiming Value without Derailing the Negotiation Process 259

Claiming Value 259

Underlying Theory for Understanding the Bargaining Relationship 261 Claiming Tactics 266 Managing the Agreement: The Post-Agreement Experience 283 Why Manage the Post-Agreement Period? 283 How to Manage the Post-Agreement Period 283 Appendix Step By Step: Questions to Be Asked by Negotiators 287 Exercises 291 7.1 Can We Make a Deal? 291 7.2 South Shore General: Is There Room for a Negotiated Agreement? 292 7.3 Responding to Manipulation End Notes 296 8 Using the Interview to Select the **Best Possible People 299** The Importance of Selection 299 The Use of the Selection Interview and the Manager's Role in the Selection Process 301 Is the Selection Interview a Valid Technique? 302 Common Interviewing Pitfalls 304 Overcoming Interviewing Pitfalls 307 The Selection Interview: The Need for Structure 309 The Situational Interview 309 The Patterned Behavioral Description Interview (PBDI) 312 A Comparison between the Situational Interview and the PBDI 313 Using the Structured Interview 316 Planning or Preparation Phase 317 Preparing an Appropriate Design 320 The Assessment Phase 334 Exercises 336 8.1 Classifying Behavior into

Behavioral Categories and Rating

their Consequences 336

8.2 Group Activity: Overcoming Difficult Candidates 338 8.3 Selecting the Director of Personnel 339 8.4 Rating the Applicant 344 End Notes 345

### that Truly Works 349

9 Goal Setting: A Motivational Tool Introduction 349 Goal Setting: Some Basic Assumptions 350 Goal Mechanisms 351 The Role of Commitment 353 Nine Key Characteristics of Goal Setting 356 1. Articulate the Specific Objectives or Task to Be Done 357 2. Assess Goals in Terms of Difficulty 357 3. Specify How Subordinate Success Will Be Measured 359 4. Specify the Criteria or Standards of Success and Follow-Up Procedures 359 5. Clearly Articulate the Consequences of Successful Performance and Ensure that the Consequences Are Acceptable to the Subordinate 361 6. Specify the Time Span Involved 362 7. Jointly Set Goal Priorities 362 8. Specify Strategies and Tactics for Goal Attainment 363 9. Clearly Articulate the Conditions under Which Performance Will Be Required 365 Self-Regulation through Goal Setting 365 The High-Performance Cycle 366 Supporting Characteristics of

Motivation 368

Setting 380

Assessing the Motivational Value of Goal

The Goal-Setting Encounter 380

<b>Appendix</b> The Goal-Setting Meeting:
Relevant Steps and Behaviors 383
Exercises 385
9.1 Developing Job Skills and
Supporting Work Standards 385
9.2 The Goal-Setting Meeting 386
9.3 Planning for Contingencies 389
End Notes 391

#### 10 Building an Effective Team 397

The Importance of Teams 397 The Benefits of Team Building 400 Problems with the Traditional Team-Building Approach 401 A Problem of Cost 402 A Problem of Logistics 402 A Problem of Transfer 403 The Manager's Role 403 Prerequisites for Team Success: A General Overview 407 Culture 407 Organizational Context 407 Team Climate 411 Focus and Agreement 414 Ability and Environmental Constraints 414 Effective Performance 415 A Simple Test of the Theory 416 Self-Directed Teams (SDTs) 416 Characteristics of SDTs 418 A New Role for Managers 420 Potential Errors 423 Stages of Team Development 425 Stage One: Preparation 426 Stage Two: Forming 429 Stage Three: Storming 432 Stage Four: Norming 436 Stage Five: Performing 438 Stage Six: Renewal 440 Exercises 443 10.1 Evaluating Team Climate and Its Role in Determining Team Success 443

10.2 Allocating Roles and Responsibilities 444 End Notes 445

# 11 Creativity and the Problem of Employee Resistance to Change 449

Employee Creativity and Organizational Success 449 Innovation: How It Relates to the Concept of Creativity 451 Creativity as an Individual Process 452 Creativity as an Interactive Process 455 Antecedent Conditions 456 Personality 456 Cognitive Style 458 Environment 460 Employee Resistance: The Other Side of the Coin 471 Relevant Needs of Employees 471 Potential Consequences of Planned Change 473 Interactional Consequences of Change and Basic Needs 475 How to Reduce Employee Resistance to Change 475 Exercises 483 11.1 Words: How Do Interaction and External Cues Affect Creativity? 483 11.2 Case Analysis and Group Discussion: Alternative Strategies for Innovation and Change 483 11.3 CFC Case Analysis: Understanding Resistance to Change 486 End Notes 488

#### 12 Conflict and Anger 493

The Nature of Conflict 493
Understanding the Basics 496
Sources of Conflict 496
The Many Levels of Conflict 498
The Inverted U Relationship between
Conflict and Performance 503

The Question of Functionality	7. Thorough End-of-Period Rating 557
(Beneficiaries) 505	8. Performance Appraisal and Review
An Integrative Model 505	Session 557
1. Structural Characteristics 506	Alternate Sources of Appraisal 557
2. Conflict Episode 512	Supervisory Appraisal 558
3. Conflict Aftermath 517	Peer Assessment 558
Strategies for Managing Conflict 518	Self-Appraisal 559
Proactive Techniques 518	Subordinate Appraisals 560
Level 1—Managing Latent	The Problem of Rater Error 561
Conditions 518	Positive and Negative Leniency 561
Level 2—Routine Mechanisms for	Central Tendency 562
Managing Conflict 519	Halo 563
Stimulating Conflict 520	First-Impressions Error 563
Level 3—Managing Conflict from	Similar-to-Me Error 564
a Contigency Perspective 521	Contrast-Effects Error 564
The Problem of Anger 526	Efforts to Reduce Rater Error 564
Steps for Effective Management	Feedback: Its Role in Maintaining
of Anger 526	Effective Performance Appraisal
Exercises 531	and Review 565
12.1 Understanding How and Why	Characteristics of Effective
Conflicts Escalate 531	Feedback 566
12.2 Conflict Management: South	Benefits of Giving Feedback 570
Shore General Hospital 533	Appendix Key Learning Points for
12.3 Handling an Angry Employee:	Carrying Out Performance Appraisal
The Case of Gloria Madly 534	Meeting 572
End Notes 535	Exercises 575
	13.1 Individual Feedback 575
Performance Appraisal and	13.2 The Personnel Manager's Case:
n ' #44	Evaluating Performance 578

#### 13 Review 541

Introduction 541 Performance Appraisal and Review (PAR) Process 544

- 1. Identification and Definition of Appraisal Criteria 546
- 'ommunication of Measures of Performance 552
- 3. Joint Development of Performance Expectations 552
- 4. Periodic Observation, Record Keeping, and Rating 553
- 5. Day-to-Day Coaching, Counseling, and Feedback 554
- 6. Developmental Action Plans Implemented 556

Individual Feedback 575 2 The Personnel Manager's Case: Evaluating Performance 578 13.3 Group Discussion: Gaining Consensus on Performance Evaluation 590 13.4 Role Play: The Administrator's Performance Appraisal and Review 590 End Notes 591

#### **Counseling Techniques: A Must for** Effective Management 597

Introduction 597 What Is Counseling? 598 Counseling Goals 598 The Process of Counseling 600 1. Telling 601

2. Advising 602	The Manager a Boundary Spanner 643 Organizational Culture 644
3. Manipulating 603	<del> </del>
4. Counseling 603	Levels of Organizational Culture 645
Organizational Options for Employee	Modifications to Schein's Basic
Counseling 604	Model 651
Understanding the Manager's Role of	The Individual's Role within the
Counselor 607	Organization's Culture 654
The Manager's Limited Role as Helper 610	Cultural Transmission in Formal
The Basic Counseling Model 611	Organizations 654
1. Pre-Session Empathy 612	Power and Politics 655
2. Attending Skills 612	Two Changing Views of Power 655
3. Responding 618	Power, Authority, and Politics 657
4. Exploring 619	Conditions for the Use of Power and
5. Personalizing 621	Politics 658
6. Understanding 622	Identifying Who Has Power 660
7. Initiating 622	Strategic Planning 663
8. Acting 623	Defining Strategy 665
Generally Accepted Do's and Don'ts	Why Organizations Need Strategy 665
of Counseling 625	Organizational Structure 673
Exercise 627	Departmental Structure 674
14.1 South Shore General	Interdependence 675
Hospital: Counseling the Problem	Integration 675
Employee 627	Centralization/Decentralization 675
End Notes 636	Tall versus Flat Structures 676
	Exercises 677
Understanding the Organization	15.1 Understanding the Macro
and Its Environment: A Macro	Organizational Environment 677
Perspective 639	15.2 My Commitment to the Future 678
Understanding the Organization 639	End Notes 679
The Organization's External	
Environment 640	Name Index 683
Environmental Uncertainty 642	Subject Index 601
Environmental Uncertainty 042	Subject Index 691

15

CHAPTER 1

# THE ROLE OF MANAGEMENT

#### **Objectives:**

- Explain the role of management in organizations that are moving into the 21st century.
- Articulate important environmental trends that will affect the manager's ability to perform appropriately.
- · Define the underlying themes upon which subsequent chapters are based.

#### **Understanding the Role of Management**

Managers organize the enterprise's physical and technical resources; they manage the organization's financial resources; they develop and maintain market share; they deal with external constituencies, such as government and suppliers; and most importantly, they manage others or their work. Management is the process of getting others to perform activities necessary to achieve organizational and personal goals. Therefore, we are not surprised when Tom Monahan, founder and president of Domino's Pizza—one of the wonder firms of the 1980s—stated, "You cannot have a successful business with just good management at the top . . . It [good management] has to go right down to the lowest levels of the organization."

Given the key role that human resources play in determining organizational productivity<sup>2</sup> this book focuses on the interactions between managers and their subordinates, and managers and relevant others. Relevant others include individuals with whom managers must interact in order to obtain desired levels of output and quality. By focusing on these areas, it is possible to provide the required depth of study necessary to facilitate understanding and the transfer of newly acquired skills to the job.

The ability of 1990s managers to successfully fulfill their responsibilities in these two areas has come into serious question. A key reason we experience difficulty competing with such countries as Japan, Germany, and Korea is our lack of good managers. Tom Peters emphasized this problem in his book, *Thriving on Chaos:* 

Consider this statement from Nucor Corporation's president, Ken Iverson: "I've heard people say that Nucor is proof that unions per se have a negative impact on worker productivity. That's nonsense! That conveniently ignores vital questions like: What's the quality of direction being given the workers? What are the resources the workers need to get the job done? Where's the opportunity for workers to contribute ideas about how to do the job better? The real impediment to producing a higher-quality product more efficiently isn't the workers, union or nonunion, it's management." W. Edwards Deming is a little kinder, insisting that management is merely 90 percent of the problem.<sup>3</sup>

The New York Times<sup>4</sup> argued that American managers hold the view "that there is no need to invent, build or develop anything yourself—given the capital and good financial management, anything of value can be bought and any problem can be sold. A sense of commitment—to one's workers, customers, suppliers, even one's fellow managers—is an impediment." Similarly, Mintzberg, in Canada, concluded that management has become so ineffective that it prevents economic growth.<sup>5</sup> Organizations, in Mintzberg's view, put people last, foster the growth of political warfare, undermine loyalty, and prevent creative leadership. Excellence in North American organizations may become a thing of the past.

Without productive employees there are no productive organizations. As Tom Peters stated, "despite the accelerating technology/automation revolution, our organizations must become more dependent on people (line workers). To be sure, fewer people will work on the line in a given factory or operations center, but those who do will be more important to and responsible for the company's success than ever before." What we must realize is that technology is introduced not for the primary purpose of replacing human labor, but rather to make the human resource more productive. This only occurs if the human resource is managed effectively and thereby accepts the new technology.

The need for new management skills and behaviors not only applies to senior managers but to front-line supervisors as well. "Experts agree that the first line supervisor's role will change dramatically...They aren't going to control people anymore. They have to coach them, help to do the planning, approve organizational direction, and make sure the directions are clear. It will be an enabling function rather than a control function." The era in which managers function as heroes and "carry" their group is rapidly drawing to a close. Instead, the adaptive manager must recognize the changes in the environment and take the time to continually improve existing skills and acquire new ones.

#### **An Environmental Imperative**

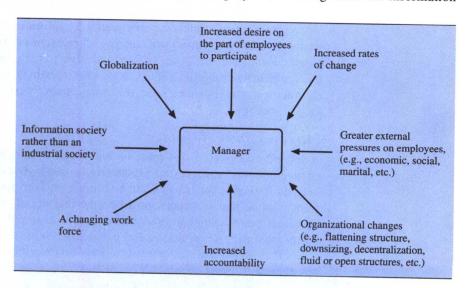
As managers attempt to develop and grow, create an environment that empowers employees, and at the same time remain competitive, they will encounter fundamental changes in their environment. If managers refuse to adapt to these changes, it is unlikely that they will be able to create an organizational climate in which their subordinates can perform at, or near, their peak capabilities. To fully appreciate the changes that managers face, it is necessary to articulate a number of trends shaping their environment in the 1990s (see Figure 1.1). It is within this changing environment that managers must learn to apply the material presented in the chapters that follow.

When considering these trends, it is important to keep these points in mind: First, the impact of many trends has already been felt by managers and their organizations. However, their ultimate impact has not yet fully worked its way through the North American enterprise system. Second, the trends are often interdependent. For example, the fact that employees are demanding a greater role in organizational decision making is a function of their increased education, better training, an increased awareness of personal rights, an increased reliance on self-control and self-help, and other related factors.

#### Increased Desire on the Part of Employees to Participate

Employees in Canada and the United States want to function within a work environment that provides some level of participation in decision making.<sup>8</sup> The pressure for greater participation is likely to increase as employees continue to increase their education, and as organizations attempt to restructure themselves in an effort to become competitive. Clemmer and McNeil pointed out that we now have "gold-collar" employees, resulting from our information

Environmental trends of the 1990s:
What the manager faces now and in the future



age and more knowledgeable individuals, who "offer their employers imagination and original thought but at a price: they are not nearly as docile as the workers they replaced. Often knowing more than the managers who supervise them, they place a high value on getting along with their co-workers and are difficult, if not impossible, to manipulate. Their respect for authority is conditional—based on proven expertise or actual results, rather than a job title or size of office. They offer loyalty, but expect recognition and opportunities for participation in return." If this is the type of employee that managers will now supervise, then managers must act to create opportunities for employee participation and self-management. However, managerial success will require more than simply increasing levels of employee participation. Managers will have to learn to negotiate, manage conflicts, effectively probe and listen to employees, manage change, and do this with the utmost integrity. If not, employee loyalty, motivation, and service will be lost.

Before moving on to the next trend, it is necessary to offer a word of caution. Managers should not assume that all employees have the same desire to participate in decision making, or need the same level of information about their work environment. A desire to participate occurs if the employee is interested in the issues under consideration and if he or she has the self-confidence to believe that such efforts would be successful. Employees are likely to ask, "Do I have the knowledge, skills, and ideas that would make my contribution valuable?" A "no" response to this question is likely to dampen desire to participate. Individual differences in terms of career stage, personality, desire to fulfill higher order needs (growth, achievement, recognition, etc.) are also likely to affect an employee's desire for participation in decision making. An employee who (a) has reached a career plateau and no longer seeks advancement, (b) is close to retirement, (c) is an isolate (desires to be left alone), or (d) is more interested in job security than an enriched job environment, may avoid such opportunities.

Managers can stimulate participation by informing subordinates of their desire to have them participate, sharing all relevant information with subordinates, educating subordinates on how and when to participate, providing opportunities in which subordinates can participate, creating a trusting and supporting environment, and providing positive consequences for participative efforts when they do occur.

#### Increased Rates of Change

A second major trend that must be addressed by tomorrow's managers is a change rate that is increasing exponentially, and a series of steady states (i.e., periods without change) that are becoming shorter and shorter. Rosabeth Kanter stated that managers must become masters of change if they want to be effective. Xanter argued in her recent book, When Giants Learn to Dance, that the rate of change and competition have accelerated to such high levels that, to survive, organizations must become innovative and flexible. If not, they will become extinct. 13