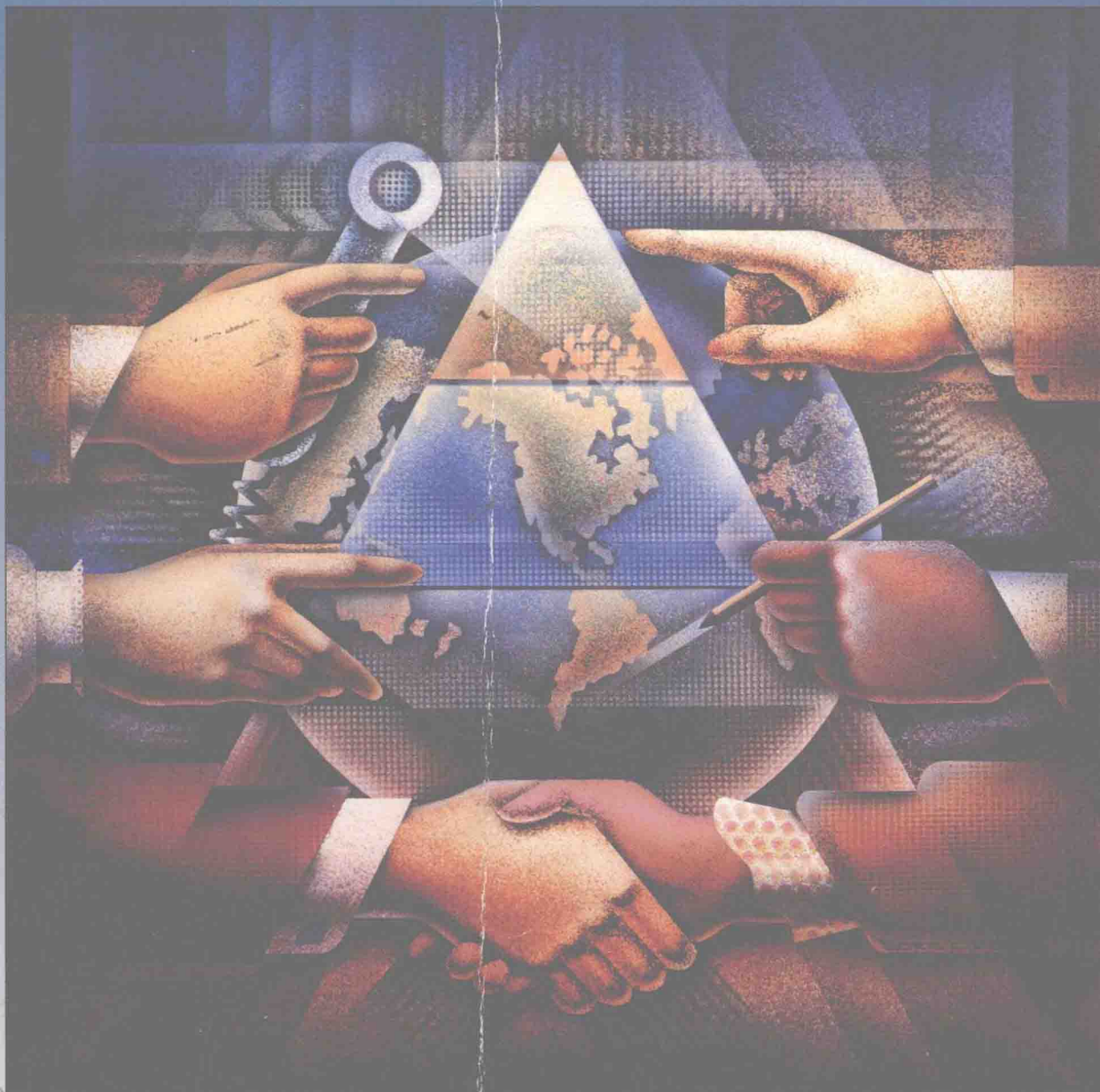




Taking the Lead: The Management Revolution



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TELECOURSE STUDY GUIDE

Taking the Lead:

The Management Revolution

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Introduction

MANAGEMENT TODAY

As we approach the 21st century, it is daunting just to describe the world's problems let alone devise solutions. Surely never in human history have we faced such an array of perils and opportunity. Certainly never has the need for wise and forceful action been more immediate and compelling.

And where, you may ask, shall we find wise and forceful action? As P.T. Barnum said, "Right before your very eyes!" As you watch *Taking the Lead's* 26 episodes, and read Warren Plunkett's and Raymond Attner's *Introduction to Management*, you will meet a formidable array of knowledgeable and energetic men and women. These are people who have sought out today's challenges and persuaded others to collaborate in solving them, people who truly enjoy their work, and who eagerly share their knowledge and experience.

The people you are about to meet are genuinely distinguished leaders in their respective fields. Some are legends, some will be. Some are merely extraordinarily competent and articulate. But each eagerly accepted the invitation to participate in creating *Taking the Lead*. They made time in busy schedules for conferences and video taping sessions, and they graciously welcomed our writers, directors, researchers, and camera crews into their workplaces. These executives, consultants, academics, scientists, engineers, doctors, lawyers, and historians—managers all—typify the colleagues you will encounter in your own career. And we share them with you now in the same spirit of discovery they extended to us.

What is to be discovered in studying management? Surprisingly, only in this century have we attempted to systematically survey the elements that go into running organizations. Writing in 1941 in *The Managerial Revolution*, scholar J. Burnham said: "The theory of managerial revolu-

tion asserts that modern society has been organized through a set of major economic, social, and political institutions which we call capitalist. Now these institutions are undergoing transformation; within the new social structure, a different social group—the managers—will be the dominant class.”

Fifteen years later Peter F. Drucker (*The Practice of Management*, New York Harper & Row, 1954 [HarperBusiness, 1993]) confirmed Burnham’s judgement:

The emergence of management as an essential, a distinct and a leading institution is a pivotal event in social history. Rarely, if ever, has a new basic institution proven indispensable so quickly; and even less often has a new institution arrived with so little opposition, so little disturbance, so little controversy.

Management will remain a basic and dominant institution perhaps as long as Western civilization itself survives. For management is not only grounded in the nature of the modern industrial system and in the needs of the modern business enterprise to which an industrial system must entrust its productive resources—both human and material. Management also expresses basic beliefs of modern Western society. It expresses the belief that economic change can be made into the most powerful engine for human betterment and social justice—that as Jonathan Swift first overstated it two hundred and fifty years ago, whoever makes two blades of grass grow where only one grew before deserves better of mankind than any speculative philosopher or metaphysical system builder.

Drucker offers this caution: “[Management] is in fact indispensable—and this explains why, once begotten, it grew so fast and with so little opposition. . . . Only superior management competence and continuously improved management performance can keep us progressing . . .”

THE MANAGER AND READING

Someone certainly is reading the latest books on management. Many someones, including you. Your reading colleagues all around the world are managers eager to expand their knowledge, to discover more about their job, their company, the competition, the trends and developments and ideas that place management among one of the most dynamic and compelling arenas of modern endeavor. One reason for management’s authentic energy and interest is that a great many intelligent and interesting people write about it all the time. From grizzled scholars, gurus, and seasoned journalists to managers on the front, these diversely

opinionated and informed experts constantly pour out written material. From classic statements of theory and practice to impassioned "how to" books and supercharged hype for the latest salvation, a manager's challenge is to separate the stimulating, entertaining, and relevant from the mundane.

Perhaps the best advice is to cultivate a healthy skepticism. A skeptic is "one who instinctively or habitually doubts, questions, or disagrees with assertions or generally accepted conclusions." Test what you read against your own good sense. Demand solid evidence, good and sensible argument. Explore widely and in depth before deciding about important issues. Look and decide for yourself, exercising independence of mind and spirit. The surest defense against the mediocre and the false is to read widely. Make the time to explore history, economics, politics, the sciences. Consider not only current material, but the best that has been offered. Fernand Claudel, Michel Montaigne, Will and Ariel Durant, George Steiner, Daniel Boorstin, Patrick Moynihan, David Starr, David Halberstam, Joel Kotkin, and many others. Nor should the good manager's reading exclude fiction, poetry, or drama. Few non-fiction books can offer more about the ideas shaping management today than George Eliot's *Middlemarch*, or the novels of C.P. Snow, or even Ayn Rand.

The able manager is a well-informed person who welcomes every opportunity to access the ideas and facts discovered and shared by colleagues worldwide. Management crosses borders with fluent ease. The shared language of management transcends its jargon to achieve a broader language of its own that reflects its camaraderie and shared esprit that helps to make the able manager a contributor to many activities. The manager is a thoughtful person, a person with commitment to the world of ideas. Managers are constantly learning, they have duties, obligations to themselves, to their colleagues and employees, to their communities, and to the life of the mind.

You should consider the reading lists at the back of this guide and in Plunkett & Attner as invitations. During your involvement in this course, endeavor to spend some time each week perusing the recommended. They will vastly enhance your pleasure in every aspect of your studies.

T H E S T U D Y G U I D E

As a telecourse that explores the ideas and practices of contemporary management, *Taking the Lead* includes four complementary elements in addition to your campus instructor: (1) the series of 26 half-hour video

programs; (2) the new and wholly revised fifth edition of a popular textbook, *An Introduction to Management*, by Warren R. Plunkett and Raymond F. Attner; (3) this Telecourse Study Guide; and (4) sustained concurrent reading of appropriate books and periodicals.

Each lesson includes

- **Learning Objectives** that identify the lesson's core facts, ideas, and processes as presented in the text and video materials.
- An **Overview** of the lesson's subject material intended to establish a sense of context for specific elements and to suggest their orderly relationship within the lesson and to the course as a whole.
- **Assignments** that link the video lesson with the immediately applicable portions of the textbook and suggest a process for accomplishing the related learning activities.
- A list of **Key Terms** and definitions. Mastery of a discipline requires intimate familiarity with its specialized language. Much of management's vocabulary consists of technical jargon and conventional terms and phrases narrowly construed. For convenient access and reinforcement, we have repeated from the textbook the applicable glossary entries in each lesson.
- **Video Viewing Questions** invite your concurrent analysis of some of the central ideas taken up in the video program and serve as a nucleus for post-viewing review.
- The **Self-Test** provides a convenient check on your progress in assimilating the material.
- The **Expanded Analysis** encourages you to probe the meaning and utility of the lesson's concepts by considering their applications to wide-ranging management settings.

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1 Management at Work: The Managerial World

LEARNING OBJECTIVES

Upon completing this lesson, you should be familiar with the facts, ideas, and processes contained in this lesson, and be able to:

- Recognize that management is a universal part of every organization and a function of everyday life.
- Define management in its human, technical, and conceptual dimensions, and specify why management is necessary.
- Describe in general terms the functions of management and the manager's principal roles and responsibilities.
- Differentiate myths and realities of a manager's job.
- Explain the management pyramid.
- Compare and contrast the skills needed for supervisory, mid-level, and top-level management positions.
- Discuss the multiple demands placed upon a manager both from within and from outside the organization; suggest ways to establish priorities and balance competing demands.

O V E R V I E W

The Universal Manager

Even while intensively pursuing individual agendas, people are social creatures. Given a choice between isolation and belonging to a group, almost without exception we choose to live and work within the supportive convenience of other humans. People work together in part because personal effort succeeds best in the context of orderly and purposeful systems called organizations.

Organizations vary in size, form, resources, membership, and purpose; but their goals nearly always include making and sharing goods and services for their members or outsiders. Because society requires organizations in order to operate, and organizations cannot function without managers to direct the activity of people, the manager has been instrumental in shaping human achievement from the early days of tribal activity.

Every kind of organization needs managers, all of whom share certain basic responsibilities and functions. Managers coordinate work toward common objectives, make decisions, and commit the organization's resources to the accomplishment of its goals.

The Substance of Management

During the last 150 years, knowledge about management has been expanded and refined into a dynamic body of theory and practice. Tested ideas and proven systems allow today's managers to solve contemporary problems at every level, from those of small companies to mammoth global enterprises. Management is the process of setting and achieving goals through five basic functions: planning, organizing, staffing, directing, and controlling. Working through the organization's staff, managers make decisions to set and attain the group's goals by applying human, financial, material, and information resources.

The Manager's Layered Universe

In most organizations, managers can be found at three different levels. At the top are the chief executive officer or president, and immediate subordinates—the people who handle overall management. They establish broad objectives and operating policies and direct most of the company's dealings with the external environment. Middle managers implement top management's objectives and policies; their subordinates are other managers. First-line managers or supervisors direct the company's accomplishment of work at the operating level. Manager titles

vary with the organization and the specific job. Identification of managers by their areas of topical responsibility—marketing, operations, finance, and human resources, among others—is also a common practice.

Management Functions

In setting and achieving goals by applying resources, managers undertake the five basic functions of management—simultaneous elements of a process that requires coordination and integration. As managers identify goals and ways to accomplish them, their **planning** initiates the other four functions. **Organizing** determines how personnel and other resources will be structured. **Staffing** obtains needed people and trains them to accomplish the desired tasks. **Directing** develops the organizational environment in which work is to be accomplished. And **controlling** establishes standards against which to measure progress toward objectives developed during planning so that corrections can be made if necessary.

The time and effort each manager devotes to particular functions varies with his or her level in the organization. In planning, for example, top-level managers are concerned with long-term plans while people at the lower management levels concentrate on more immediate needs—next week's schedule, today's deadline. With flexibility and adaptability, competent managers consistently strive to coordinate their own activities with the activities of managers at other levels in the organization. They also take outside influences into account, adapting their work to conditions and events in the real world.

In planning, managers establish and determine how to achieve objectives; in organizing, they develop the structures that facilitate accomplishing the objectives. Flexibility affects this function, too. Changes inside and outside the organization often call for new plans and organizational units.

Through the management function called staffing, managers analyze and project their organization's personnel needs, including the skills and experience needed and the number of people required. They recruit and hire suitable job candidates, and orient them to the company environment. And they provide ongoing training to help employees develop skills and accomplish their assignments effectively.

When directing, the manager provides leadership. Able managers systematically develop a personal method to achieve goals through people. They provide coaching and guidance, involve people in decision making, and build work teams that integrate members' unique abilities.

Planning, staffing, and directing require a mechanism to ensure smooth and successful operation; this is called controlling. Managers promote success and prevent failure by providing the means to monitor the performance of individuals and work units. Sound controls encourage the early discovery of problems and timely corrective action.

Management Roles

In observing companies like Hybritech, Patagonia, Apple, and others, it is evident that the manager must fill various roles at different times throughout the workday. Among the many “hats” a manager wears are:

- figurehead, leader, and liaison officer—interpersonal roles;
- monitor, disseminator, and spokesperson—informational roles;
- entrepreneur, disturbance handler, resource allocator, and negotiator—decisional roles.

In playing such roles, managers accomplish their managerial functions. The planning and organizing functions require the manager to perform the decisional role of resource allocator. In staffing, the manager plays the interpersonal leadership role by providing subordinates with feedback on performance. In directing, the manager acts as disseminator, entrepreneur, and disturbance handler; the manager serves as monitor in performing the controlling function.

Management Skills

Managerial skills are often classified as technical, human, and conceptual. **Technical skills** include the knowledge of and the ability to use specialized processes. **Human skills** embrace the ability to interact and communicate effectively with other persons. **Conceptual skills**—conceiving ideas and abstract relationships—let the manager see things as a whole and how parts relate to one another. A manager’s level in the organization determines the relative importance of possessing each of these three skills.

Myths & Realities

While the five management functions remain important, sweeping changes in the business environment have pushed three pivotal issues to the forefront. The first is internationalization, in which transnational firms do business worldwide. The second development is the growing demand that corporations be responsible for their actions and act ethically. The third is the global emphasis on quality. Developments in each of these areas will demand a manager’s time and focus.

Studies show that modern managers work differently than commonly thought. Instead of being able to reflect and work systematically, managers often work in fragmented, crisis-oriented bursts of activity. Instead of serenely delegating work to others, managers have extensive regular duties to perform. And in place of relying upon analytic procedures, managers appear to lean heavily on intuition and experience.

Today's managers deal with both routine tasks and the complex challenges caused by technological and social changes around the globe. Among such challenges are immigration, racial tensions, drug addiction, and the AIDS virus. Managers must prepare for the future needs of their staff and the larger community.

Changes in approach to management fundamentals requires time, effort, and a genuine commitment to creating an environment in which trust and teamwork are valued and communication is open. Creating such an environment may be the manager's most critical task.

A S S I G N M E N T S

- Read the Overview, familiarize yourself with the Learning Objectives, and peruse the Key Terms below. Then turn to Plunkett & Attner, *Introduction to Management*, and read Chapter 1, "Management: An Overview," pages 3–24.
- Next, scan the Video Viewing Questions and watch the video program for Lesson 1, "Management at Work: The Managerial World."
- After watching the video, answer the viewing questions and assess your learning with the Self-Test.
- Familiarize yourself with the Review Questions and Skill Building Exercises on pages 27–28 of Plunkett & Attner.
- Strengthen your understanding of the lesson's ideas and issues by undertaking the Expanded Analysis.

K E Y T E R M S

conceptual skills The ability to view the organization as a whole and see how its parts relate and depend on one another; and to deal with ideas and abstractions.

efficiency The criterion for measuring a manager's performance that concerns the cost of attaining a goal.

feedback the return to the originator of evaluative or corrective information about an action or process

first-line, or supervisory management The lowest level of management; subordinates are non-management workers.

human skills The ability to interact and communicate with other people successfully; to understand, work with, and relate to individuals and groups.

management The process of setting and achieving goals through the execution of five basic management functions that use human, financial, material, and informational resources.

management hierarchy The pyramid arrangement of the several levels of management.

managers People who direct the activities of others.

middle management Managers below the rank of vice-president but above the supervisory level.

organization A group of two or more people that exists and operates to achieve common objectives.

role A set of expectations for a manager's behavior.

technical skills The ability to use the processes, practices, techniques, and tools of the specialty area a manager supervises.

top management Managers responsible for the overall management of the organization, for establishing organizational or company-wide objectives or goals and operating policies, and for directing the company in its relationships with its external environment.

VIDEO VIEWING QUESTIONS

1. How does the CEO's management style seem to influence the operations of Patagonia and Virgin?
2. Why is Total Quality Management considered such an important management idea?
3. How do the various management skills relate to different levels of management?
4. How does the recent tendency toward "flatter" organizations affect the middle manager?
5. What is a "technological gate keeper?"
6. What are the significant differences between management and leadership? How do management and leadership relate?

S E L F - T E S T

1. Which statement most accurately describes management? Management is essential
 - a. only in large, complex groups.
 - b. primarily in new organizations until activities are put in motion.
 - c. to all organizations throughout their lives.
 - d. only for organizations that lack clear objectives.
2. In large organizations, management typically takes place in three levels. These levels
 - a. commonly fluctuate, with proportionate distribution of managers shifting as needs change.
 - b. concentrate managers at the mid-level, with comparatively few at top or bottom.
 - c. usually take the shape of a pyramid, with the greatest number at the bottom, fewest at the top.
 - d. should include approximately equal numbers of managers.
3. Planning is sometimes considered the primary management function, probably because
 - a. planning is usually done by first-line supervisors.
 - b. planning is the only function that affects the other four.
 - c. planning lays the groundwork for the other functions.
 - d. planning requires the most skill of all management tasks.
4. Which statement best describes the relationship between the three management functions and the five management levels?
 - a. Managers at each level perform different functions.
 - b. Managers at all levels perform all five functions, but in different proportions.
 - c. Functions are assigned to managers regardless of level according to their particular skills.
 - d. Controlling is accomplished by first-line supervisors, while other functions are handled at middle and top levels.

5. At various times, managers may fill any of several different roles. The most effective manager will probably
 - a. discover which roles he or she fills best and concentrate on those roles.
 - b. concentrate on two or three roles and delegate work in other areas to qualified colleagues.
 - c. move easily from one role to another as changing circumstances require.
 - d. master one role at a time before moving on to the next.
6. An organization is
 - a. any company large enough to include the three levels of management.
 - b. any group of two or more persons that function together to accomplish common objectives.
 - c. a group established to manage resources for profit.
 - d. any group large enough to require a professional manager.
7. Effectiveness and efficiency are
 - a. essentially the same thing.
 - b. objectives of top management.
 - c. two important criteria for measuring a manager's performance.
 - d. equally important to a manager's success.
8. Successful contemporary managers
 - a. are likely to be specialists who focus intensely on a particular facet of their work.
 - b. tend to be star performers who lead by example.
 - c. depend upon authority and the proven hierarchical structure.
 - d. emphasize flexibility and the utility of teamwork.
9. A line manager's staffing responsibilities
 - a. conclude when a suitable candidate has been hired for a position.
 - b. are best delegated to the human resources manager who possesses the necessary specialized training.
 - c. are open-ended, including each subordinates' growth and development.
 - d. end when an employee has mastered the skills of the assigned position.