

# MANAGEMENT

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**2nd Edition**



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## **Learning Outcomes**

Follow this Learning Outline as you read and study this chapter.

### **1.1 Classify Managers and Non-managerial Employees**

- Explain how managers differ from non-managerial employees.
- Describe how to classify managers in organizations.

### **1.2 Define Management?**

- Explain why efficiency and effectiveness are important to management.

## Learning Outcomes

### 1.3 Describe the Functions, Roles, and Skills of Managers

- Describe the four functions of management.
- Explain Mintzberg's managerial roles.
- Describe Katz's three essential managerial skills and how the importance of these skills changes depending on managerial level.
- Discuss the changes that are impacting manager's jobs.
- Explain why customer service and innovation are important to the manager's job.

## **Learning Outcomes**

### **1.4 Describe How the Manager's Job is Changing**

- Explain the importance of customers to the manager's job
- Explain the importance of Social Media to the manager's job
- Explain the importance of innovation to the manager's job

### **1.5 Describe the Characteristics of an Organization**

- Describe the characteristics of an organization.
- Describe how today's organizations are structured.

## **Learning Outcomes**

### **1.6 Explain the Value of Studying Management**

- Discuss why it's important to understand management.
- Explain the universality of management concept.
- Describe the rewards and challenges of being a manager.

### **1.7 Explore the "Arab Model Of Management"?**

- Discuss an approach towards an Arab Model of Management.
- Explain what may have influenced Arab Managerial thought and practice.

LEARNING

**OUTCOME 1.1** ▶

## **Classify Managers and Nonmanagerial Employees**

1. Explain how managers differ from non-managerial employees.
2. Describe how to classify managers in organizations.

# Who Are Managers?

## Manager

- Someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.
- Their job is not about *personal* achievement – it is about helping *others* do their work.
  
- They can be young or old.
- They may be male or female.



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**Exhibit 1–1****Women In Managerial Positions  
Around The World**

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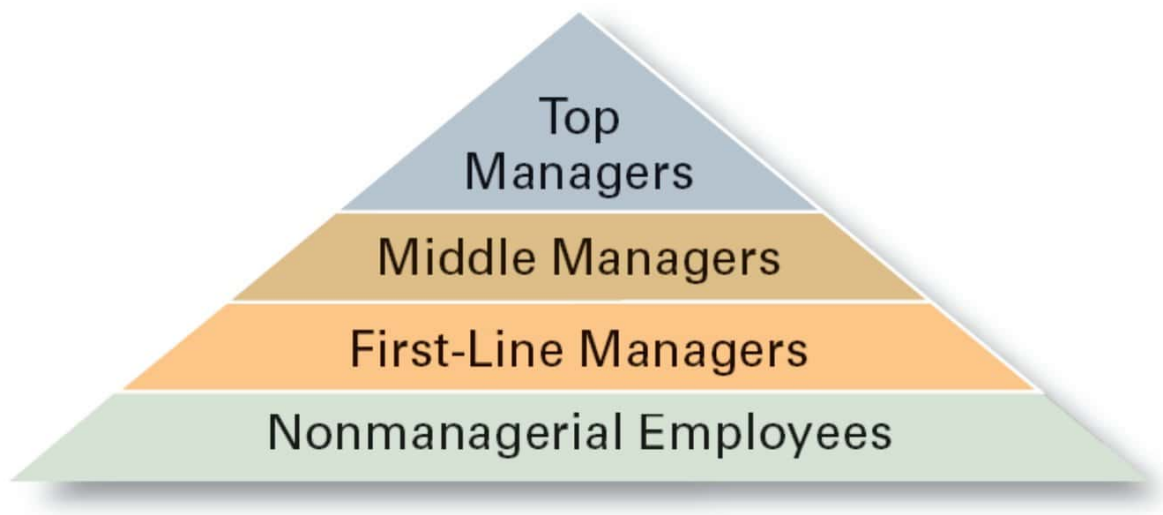
	Women in Management	Women in top manager's job
Arab Countries	Less than 10 percent	N/A
Australia	41.9 percent	3.0 percent
Canada	36.3 percent	4.2 percent
Germany	35.6 percent	N/A
Japan	10.1 percent	N/A
Philippines	57.8 percent+9	N/A
United States	50.6 percent	2.6 percent

Sources: Metrics Pyramid Catalyst, [www.catalyst.org](http://www.catalyst.org), February 12, 2008; M. Fackler, "Career Women in Japan Find a Blocked Path," *New York Times* online, [www.nytimes.com](http://www.nytimes.com), August 6, 2007; "2006 Australian Census of Women in Leadership," Equal Opportunity for Women in the Workplace Agency, [www.eowa.gov.au/Australian\\_Women\\_In\\_Leadership\\_Census.asp](http://www.eowa.gov.au/Australian_Women_In_Leadership_Census.asp); Morrisson, C., and Jutting, J.P., "Women's Discrimination in Developing Countries: A New Data Set for Better Policies," *World Development*, Vol. 33, No. 7, pp. 1065–1081, 2005; "Leading Middle East Institution Promoting New Opportunities for Women in Management and Leadership," *Al Bawaba*, January 23, 2006.

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## **Exhibit 1–2      Levels of Management**

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# Types of Managers

## First-line Managers

- Individuals who manage the work of non-managerial employees.

## Middle Managers

- Individuals between the lowest and top levels of the organization who manage the work of first-line managers.

## Top Managers

- Individuals who are responsible for making organization-wide decisions and establishing plans and goals that affect the entire organization.

- *Refer to book to understand different managerial job titles (pg. 5-6)*

## Quick Learning Review

**First-line managers are often called:**

- a. Administrators
- b. Supervisors
- c. Controllers
- d. Directors

**Managers found between top managers and first-line managers are usually called:**

- a. Managing directors
- b. Communicators
- c. Office managers
- d. Middle managers

LEARNING

**OUTCOME 1.2** ▷

## **Define Management**

1. Define Management
2. Explain why efficiency and effectiveness are important to management.

# What Is Management?

- **Management** is what managers do
- Management involves coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively.

# What Is Management? (cont'd)

## Managerial Concerns

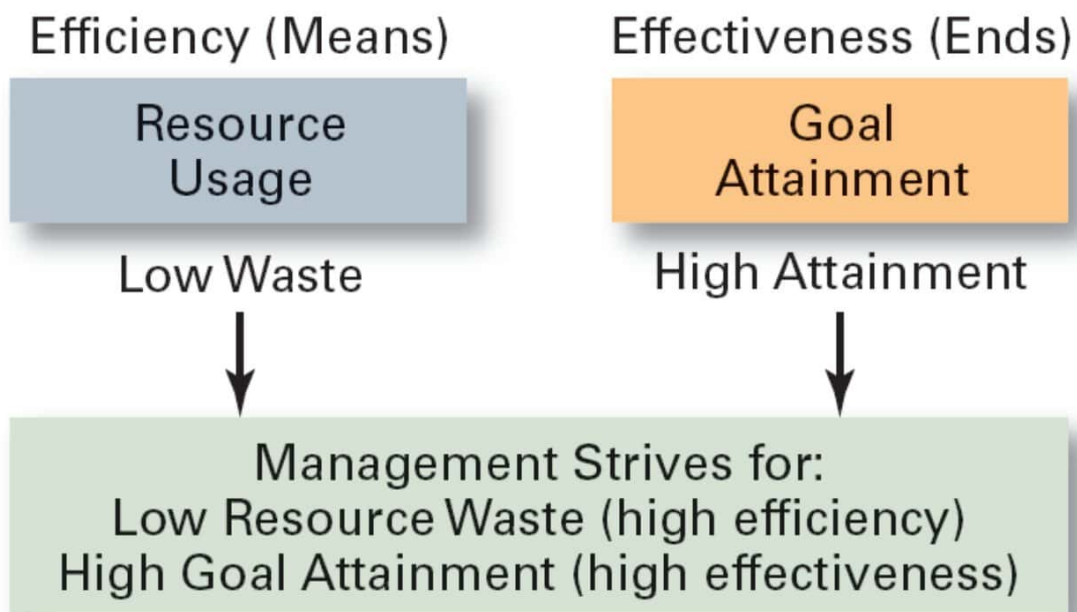
- Efficiency
  - “Doing things right”
    - Getting the most output for the least inputs
- Effectiveness
  - “Doing the right things”
    - Attaining organizational goals



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## Exhibit 1–3      Managerial Effectiveness and Efficiency in Management

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## Quick Learning Review

### **Effectiveness is related to:**

- a. Goal attainment
- b. Saving resources
- c. Coordination & direction
- d. None of the above

### **Efficiency is related to:**

- a. Goal attainment
- b. Means of getting things done
- c. Extent of achievement
- d. All of the above

## LEARNING

### OUTCOME 1.3 ▷

## **Describe the Functions, Roles, and Skills of Managers**

1. Describe the four functions of management.
2. Explain Mintzberg's managerial roles.
3. Describe Katz's three essential managerial skills and how the importance of these skills changes depending on managerial level.
4. Discuss the changes that are impacting manager's jobs.
5. Explain why customer service and innovation are important to the manager's job.

# What Do Managers Do?

## Three Approaches to Defining What Managers Do

- Functions they perform
- Roles they play
- Skills they need

# Management Functions

## **Planning**

- Defining goals, establishing strategies to achieve goals, developing plans to integrate and coordinate activities.

## **Organizing**

- Arranging and structuring work to accomplish organizational goals.

## **Leading**

- Working with and through people to accomplish goals.

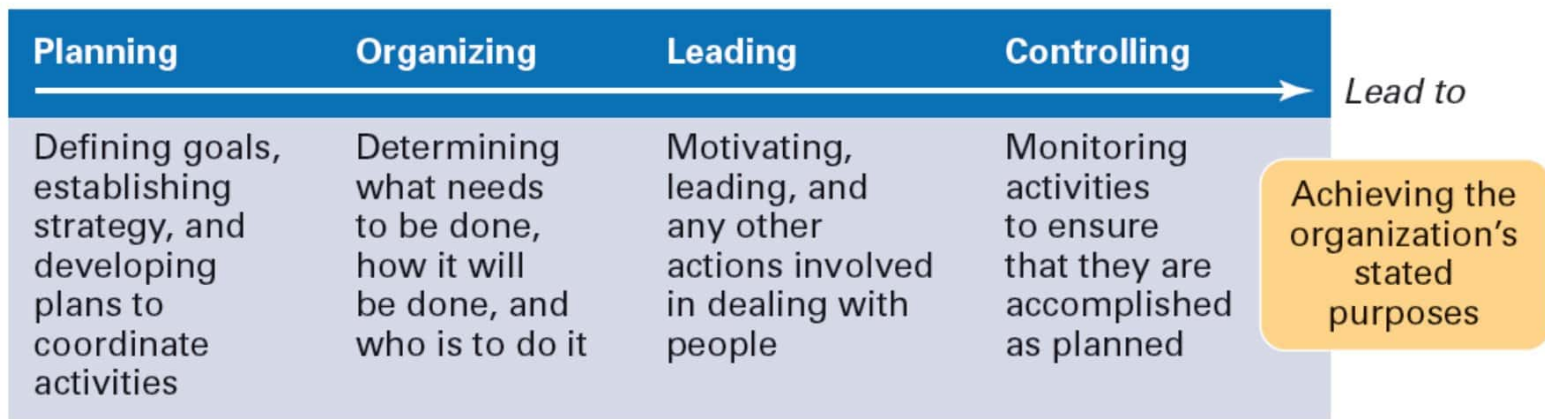
## **Controlling**

- Monitoring, comparing, and correcting work.

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## Exhibit 1–4      Management Functions

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# Management Roles

- Roles are specific actions or behaviors expected of a manager.
- Mintzberg identified 10 roles grouped around
  - interpersonal relationships,
  - the transfer of information, and
  - decision making.

## **Interpersonal roles**

- Figurehead
- Leader
- Liaison

## **Informational roles**

- Monitor
- Disseminator
- Spokesperson

## **Decisional roles**

- Entrepreneur
- Disturbance handler
- Resource allocator
- Negotiator

# Management Skills

## Technical skills

- Knowledge and proficiency in a specific field.

## Human skills

- The ability to work well with other people.

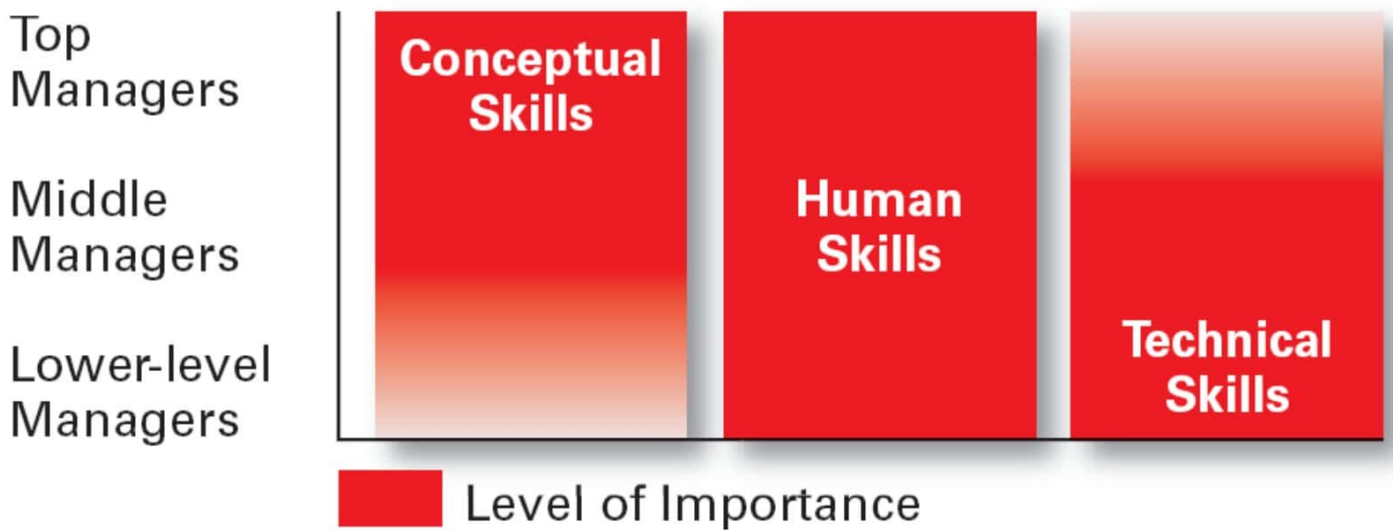
## Conceptual skills

- The ability to think and conceptualize about abstract and complex situations concerning the organization.

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## Exhibit 1–5 Skills Needed at Different Management Levels

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## Quick Learning Review

### **Mintzberg's 10 roles include:**

- a. Interpersonal, informational, and decision-making
- b. Conflict-resolution, controlling, and leading
- c. Planning, leading, and controlling
- d. Planning, organizing, and leading

### **Conceptual skills are most important to:**

- a. Supervisors
- b. Middle managers
- c. Top managers
- d. None of the above

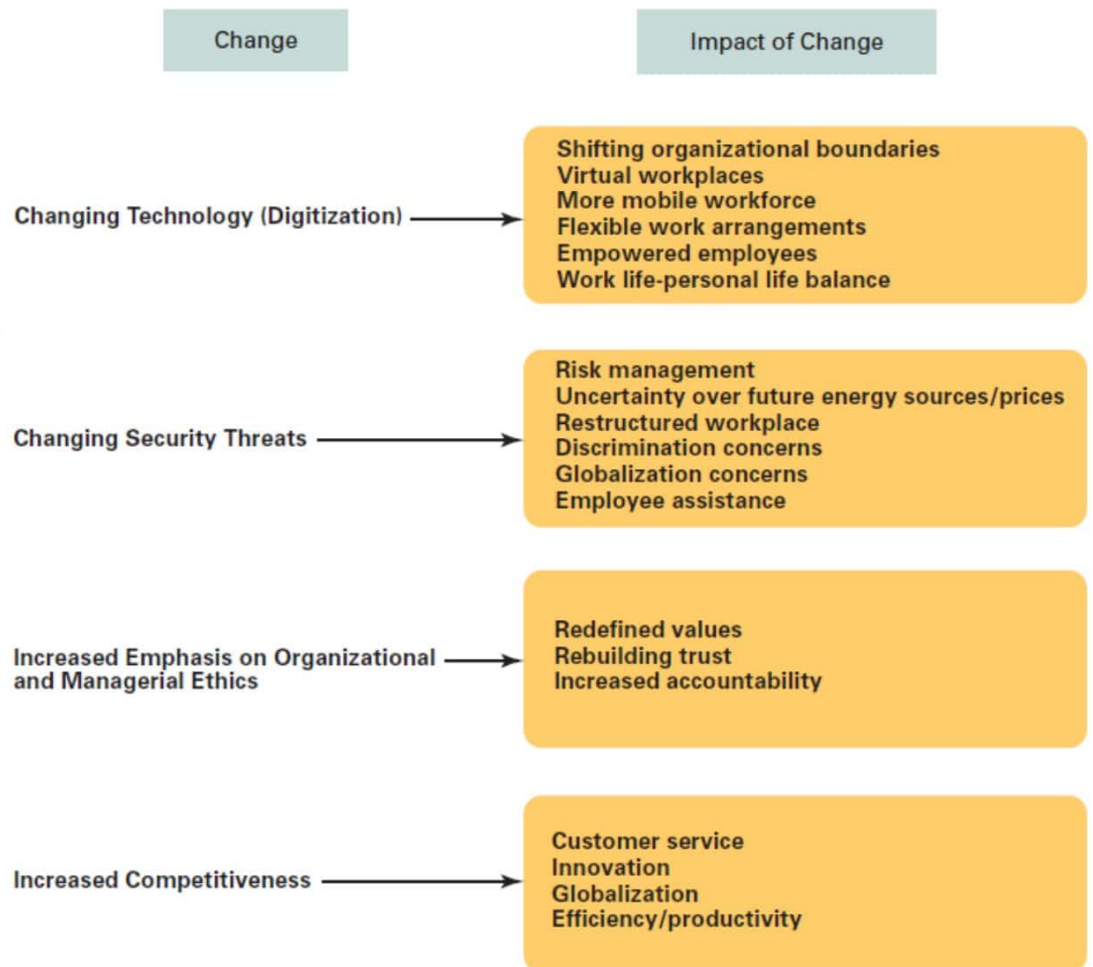
## LEARNING

### OUTCOME 1.4 ▷

## Describe How the Manager's Job is Changing

1. Explain the importance of customers to the manager's job
2. Explain the importance of Social Media to the manager's job
3. Explain the importance of innovation to the manager's job

## Exhibit 1–6 Changes Affecting A Manager’s Job



# Importance of Customers to the Manager's Job

- Customers: the reason that organizations exist
  - Managing customer relationships is the responsibility of all managers and employees.
  - Consistent high quality customer service is essential for survival and success in today's competitive environment.
  - Organizations need to be customer-responsive, whereby they are quick to please customers and respond to their needs.
- Many jobs require close contact with customers.

## Exhibit 1–7 Role of the Service Sector in Arab Economies\*

	% of employment in services	Services value added**
Algeria	58	41.9
Bahrain	62	59.2
Egypt	47	46.3
Jordan	79	66.9
Kuwait	76	35.5
Lebanon	73	73.1
Morocco	39	54.9
Oman	58	31.4
Qatar	47	30.3
Saudi Arabia	71	37.6
Syria	53	49.1
United Arab Emirates	73	40.3
<b>Other countries</b>		
Japan	70	73.2
United States	81	77.7
China	36	46.1
India	27	57

\* data is for most recent year available  
 \*\* value added as a percentage of GDP  
 Source: The World Bank – Data, [www.data.worldbank.org](http://www.data.worldbank.org)

# **Importance of Social Media to the Manager's Job**

- Managers need to understand and manage the power and risk of social media.
  - Managers need to remember that social media is a tool that needs to be managed to be beneficial.
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- [Read page 13 in textbook](#)

## ***Datapoints***<sup>26</sup>

**54** percent of Arab respondents access the Internet from work.

**43** percent of Arab respondents said they access social media at work.

**17** percent of Arab respondents said social media networks were not permitted or were blocked at work.

**33** percent of Arab respondents claimed that they do not have the time to access social media networks at work.

**36** percent of Arab respondents spend 3-4 hours on the Internet on a daily basis.

**42** percent of Arabs surveyed connect with friends several times a day over the web.

**77** percent of Arabs surveyed use Facebook at least once a day.

**85** percent of Arab respondents agree that social media has enabled better social activity for them.

**88** percent of Arab Internet users surveyed said that the Internet has provided them with better learning opportunities.

# Importance of Innovation to the Manager's Job

- Innovation means doing things differently, exploring new territory, and taking risks.
- It is an important element of growth, and relates to all types of organizations.
- It involves looking for ways to cut costs, increase revenue, improve work flow, customer service, etc.
- Managers should encourage employees to be aware of and act on opportunities for innovation because they are often the best judges of what works, and what doesn't.

## Exhibit 1–8 Some Innovation Indicators

	Capacity for innovation	Quality of scientific research institutions	Company spending on R&D	University-industry collaboration in R&D	Availability of scientists and engineers	Innovation overall score	Rank (out of 144 countries)
Country Score	Score (1–7)	Score (1–7)	Score (1–7)	Score (1–7)	Score (1–7)	Score (1–7)	
Bahrain	3.8	3.2	3	3.3	4.2	3.3	60
Egypt	2.9	2.4	2.3	2.4	4.4	2.7	124
Jordan	3.9	3.9	3.5	3.8	5	3.6	41
Kuwait	3	3.2	2.6	3.1	4	2.9	111
Lebanon	4	2.6	2.3	2.9	4.6	2.8	119
Oman	3.4	3.4	3	3.6	3.7	3.8	58
Qatar	5.2	5.4	5	5.4	5.6	4.9	14
Saudi Arabia	4	4.2	3.6	4.2	4.4	4.2	32
UAE	4.7	4.8	4.3	4.7	5.2	4.4	24
Japan	5.4	5.8	5.8	5	5.4	5.5	4

*Source for data:* The Global Competitiveness Report 2014–2015; World Economic Forum, Edited by Klaus Schwab.

## Quick Learning Review

### **Changes impacting a manager's job include:**

- a. Increased emphasis on ethics
- b. Changing technology
- c. Increased competitiveness
- d. All of the above

### **Managers need to increasingly use social media:**

- a. To relieve workday pressures
- b. To stay informed about the daily news
- c. To stay connected with customers and employees
- d. None of the above

LEARNING

**OUTCOME 1.5** ▶

## **Describe the Characteristics of an Organization**

1. Describe the characteristics of an organization.
2. Describe how today's organizations are structured.

# What Is An Organization?

## An Organization Defined

- A deliberate arrangement of people to accomplish some specific purpose (that individuals independently could not accomplish alone).

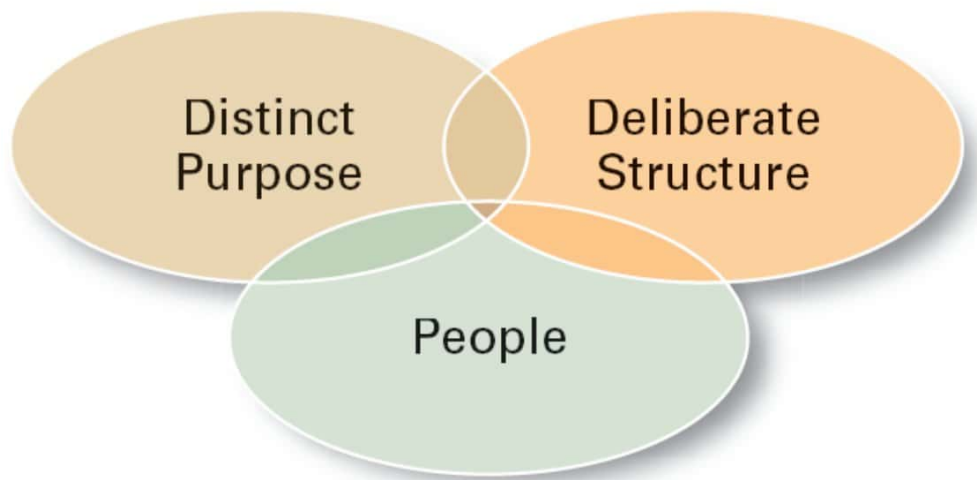
## Common Characteristics of Organizations

- Have a distinct purpose (goal)
- Composed of people
- Have a deliberate structure (may be strict or flexible) ([Read pg. 15](#))

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## **Exhibit 1–9 Characteristics of Organizations**

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## Quick Learning Review

### **Organizations are characterized by:**

- a. Purpose, structure, technology
- b. Culture, structure, technology
- c. Purpose, structure, people
- d. Culture, purpose, technology

### **Which of the statements below is true?**

- a. An organization is a deliberate arrangement of people with no purpose
- b. An organization has to be profit-seeking
- c. An organization should always have explicit job arrangements
- d. An organization needs some deliberate structure

LEARNING

**OUTCOME 1.6** ▷

## **Explain the Value of Studying Management**

1. Discuss why it's important to understand management.
2. Explain the universality of management concept.
3. Describe the rewards and challenges of being a manager.

# Why Study Management?

## 1. The Universality of Management

- Good management is needed in all organizations.

## 2. The reality of work

- Employees either manage or are managed.

## 3. Rewards and Challenges of Being a Manager

- Management offers challenging, exciting and creative opportunities for meaningful and fulfilling work.
- Successful managers receive significant monetary rewards for their efforts.

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## Exhibit 1–10      Universal Need for Management

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## **Exhibit 1–11      Rewards and Challenges of Being A Manager**

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### **Rewards**

- Create a work environment in which organizational members can work to the best of their ability
- Have opportunities to think creatively and use imagination
- Help others find meaning and fulfillment in work
- Support, coach, and nurture others
- Work with a variety of people
- Receive recognition and status in organization and community
- Play a role in influencing organizational outcomes
- Receive appropriate compensation in form of salaries, bonuses, and stock options
- Good managers are needed by organizations

### **Challenges**

- Do hard work
- May have duties that are more clerical than managerial
- Have to deal with a variety of personalities
- Often have to make do with limited resources
- Motivate workers in chaotic and uncertain situations
- Blend knowledge, skills, ambitions, and experiences of a diverse work group
- Success depends on others' work performance

## Quick Learning Review

### **Some of the challenges of being a manager include:**

- a. Having to work with a variety of personalities
- b. Knowing that success is almost always guaranteed
- c. Almost always having to work alone
- d. Playing a role in company performance

### **Management is needed in:**

- a. Large organizations but not small ones
- b. Profit-seeking organizations but not in non-profits
- c. Lower organizational levels but no higher organizational levels
- d. All types and sizes of organizations and all organizational levels

LEARNING

**OUTCOME 1.7** ▶

## **Explore the “Arab Model of Management”**

1. Discuss an approach towards an Arab Model of Management.
2. Explain what may have influenced Arab Managerial thought and practice.

# Is There an Arab Model of Management?

- The Arab manager, like any other manager, plans, organizes, leads, and controls.
- Arab managers, like all other managers, tend to reflect their cultures and the contexts within which they live.

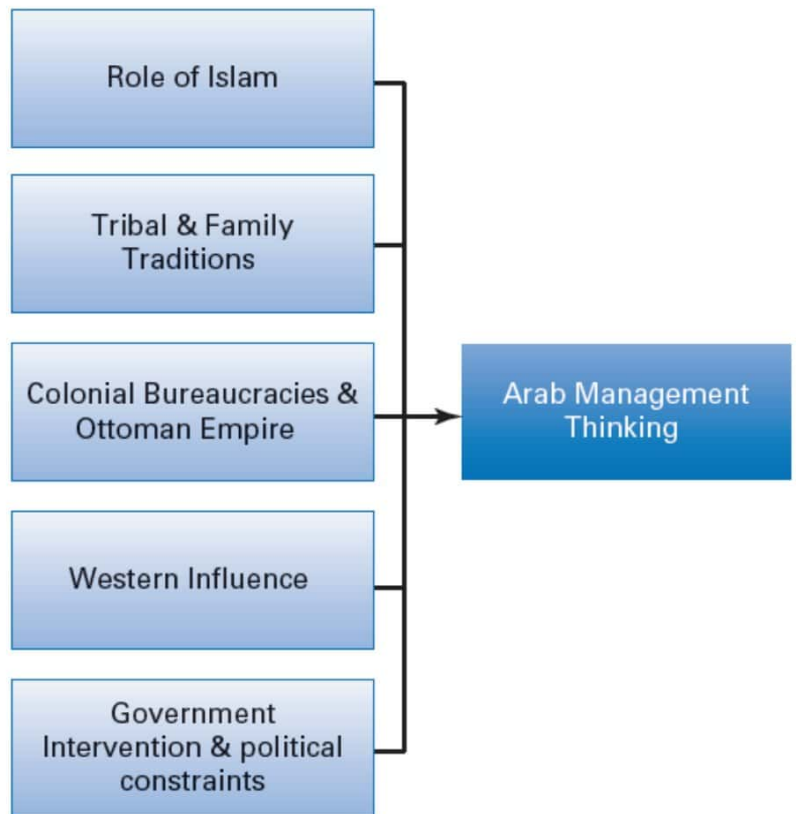
## **Is There an Arab Model of Management? (cont'd)**

- There is no “Arab method” of management because there are different behavior and management styles across Arab Countries.
- An “Arab method” of management has not emerged, due to:
  - Political and economic disruptions.
  - Social tension in Arab societies between the old and the new, and between the traditional and the modern.

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## Exhibit 1–12 Historical Influences on Arab Management Thought

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## Quick Learning Review

**Arab management thinking is impacted by:**

- a. History
- b. Religion
- c. Western and colonial influences
- d. All of the above

**It has not been possible to develop an “Arab method” of management due to:**

- a. Political and economical upheaval in the region
- b. Social tensions in Arab societies
- c. The difference in behavior and management styles across Arab countries
- d. All of the above

## Terms to Know

manager

first-line managers

middle managers

top managers

management

efficiency

effectiveness

planning

organizing

leading

controlling

management roles

interpersonal roles

informational roles

decisional roles

technical skills

human skills

conceptual skills

organization

universality of management