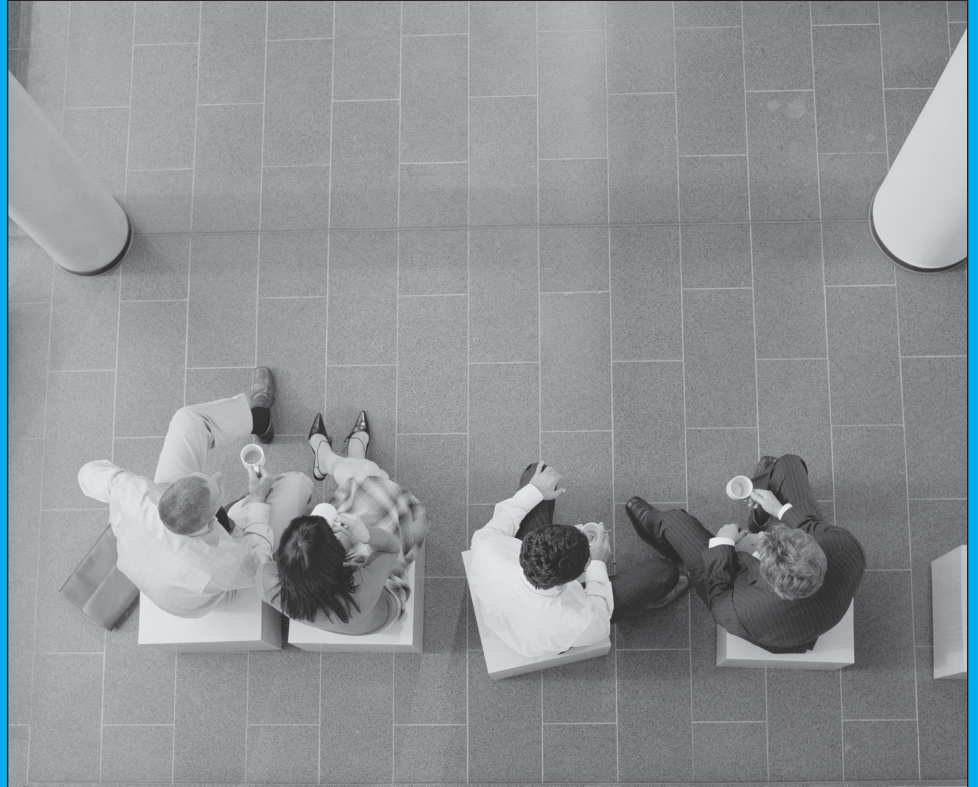


# Foundations of Supervision

## SECTION OUTLINE

- 1 SUPERVISION IN A CHANGING WORKPLACE
- 2 MAKING SOUND AND CREATIVE DECISIONS
- 3 IMPROVING COMMUNICATION SKILLS
- 4 MOTIVATING TODAY'S EMPLOYEES



# Supervision in a Changing Workplace

## Learning objectives

After studying this chapter, you will be able to:

1. Define supervision.
2. Describe the work of a supervisor.
3. Present the types of skills necessary to perform the job of supervision.
4. State the key reasons for supervisory success.
5. Define diversity in the workplace.
6. Explain the glass ceiling.
7. Explain who is an entrepreneur.
8. Describe a small business.



# Supervision Dilemma

Global Insurance is a worldwide company with several thousand employees. Jane Harris and John Lewis are employees in one of the company's claims-processing offices. Jane has been with the company for six years and John was hired less than one year ago. This morning, their department head, Les Thomas, gave Jane and John a big shock. He asked both of them if they would like to become supervisors in the claims-processing office. Les explained that two of the supervisors in the department were

being promoted and that he needed two new supervisors. Les also stated that he felt that Jane and John would make good supervisors because they knew the job and knew the people in the department. Les asked both of them to think it over and let him know their decisions the next day. Later, John saw Jane at lunch and they began discussing the possibilities of the new jobs. However, both of them agreed that they had never given much thought to being a supervisor. Both wondered just what that would entail.

## What Is Supervision?

1

LEARNING  
OBJECTIVES

**Supervision** is the first level of management in an organization and is concerned with encouraging the members of a work unit to contribute positively toward accomplishing the organization's goals and objectives. This means that the supervisor does not do the operative work but sees that it is accomplished through the efforts of others.

2

LEARNING  
OBJECTIVES

Although the definition is simple, the job of supervision is quite complex. The supervisor must learn to make good decisions, communicate well with people, make proper work assignments, delegate, plan, train people, motivate people, appraise performance, and deal with various specialists in other departments. The varied work of the supervisor is extremely difficult to master. Yet mastery of supervision is vital to organizational success because supervisors are the management persons that most employees see and deal with every day.

## Who Are Supervisors?

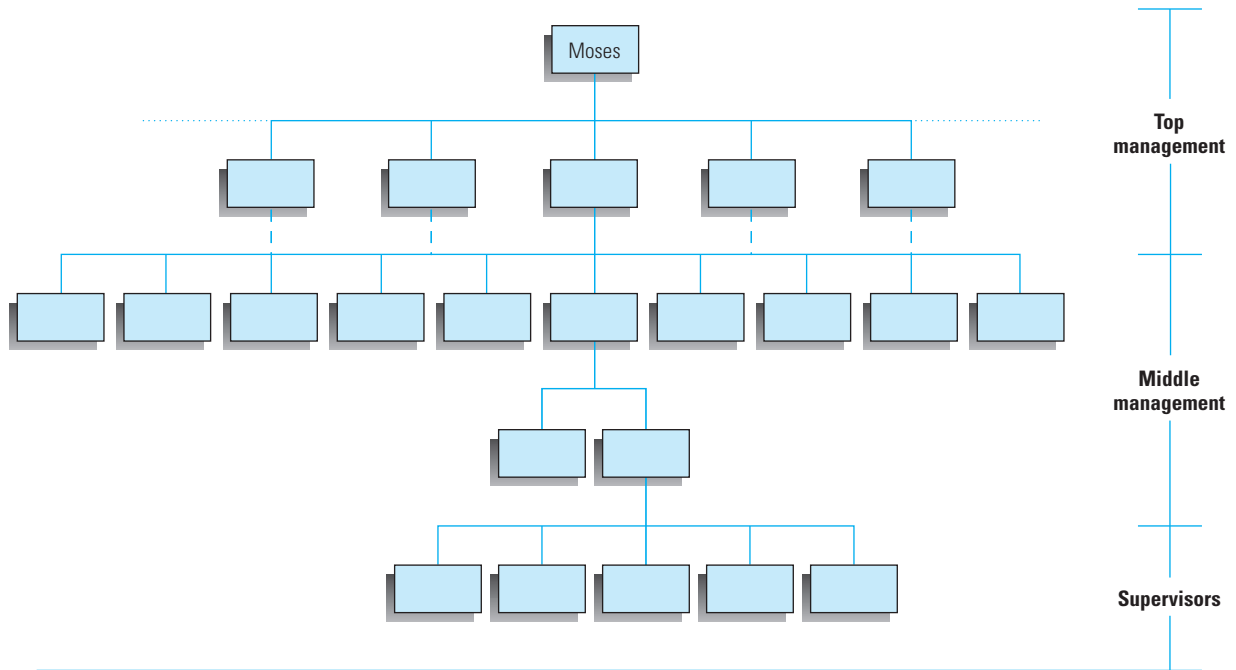
The need for supervision dates back to biblical times. When Moses was attempting to lead the people of Israel from Egypt to the Promised Land, his father-in-law, Jethro, advised him as follows:

Find some capable, godly, honest men who hate bribes and appoint them as judges, 1 judge for each 1,000 people; he in turn will have 10 judges under him, each in charge of 100; and under each of them will be 2 judges, each responsible for the affairs of 50 people; and each of these will have 5 judges beneath him, each counseling 10 persons.

Figure 1.1 shows the form of organization suggested to Moses. It contains the three levels of management that exist in most organizations. The top management of business organizations usually includes the chairman of the board, the president, and the senior vice presidents. This level of management establishes the goals and objectives of the organization and the policies necessary to achieve them. Middle management includes all employees below the top-management level who manage other managers. A supervisor's boss is normally classified as a middle manager. Middle management develops the departmental objectives and procedures necessary to achieve the organizational goals and objectives.

The third level of management includes supervisors. Supervisors manage operative employees—those who physically produce an organization's goods and services.

**FIGURE 1.1** Partial Organization Chart from Exodus

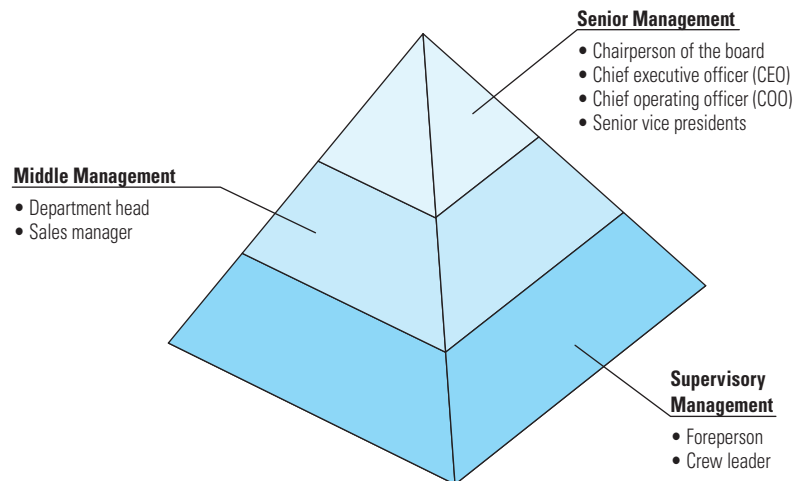


The three levels of management form a *hierarchy*. As can be seen in Figure 1.2, the management hierarchy is shaped like a pyramid, with very few senior managers at the top and many supervisors at the bottom.

Many names are used to describe the people who supervise. These names vary from industry to industry. Figure 1.3 lists some of the names given to supervisory jobs in different types of organizations. Regardless of the name, a supervisor is the manager who serves as the link between operative employees and all other managers.

The Fair Labor Standards Act (FLSA) and the Taft-Hartley Labor Act contain conditions that determine whether a person is considered to be a supervisor. The FLSA states that a

**FIGURE 1.2**  
**The Management Pyramid**



**FIGURE 1.3**  
Supervisory Job  
Titles

Assistant cafeteria manager	Receiving and warehousing supervisor
Assistant credit supervisor	Records and documents supervisor
Crew leader	Records and materials supervisor
Employment supervisor	Shift supervisor
Head nurse	Supervisor for secretarial services
Lead person	Supervisor of budget and cost control
Meter routing supervisor	Supervisor of word processing
Office manager	Training and safety supervisor
Parts department manager	Training supervisor
Payroll supervisor	Utility foreman
Powerhouse mechanic foreman	Welding foreman

person is considered to be a member of management if the person is paid on a salary basis rather than an hourly basis and if the primary duties of the person are administrative, professional, or supervisory in nature. The Taft-Hartley Labor Act provides two guidelines in determining whether an employee is a member of management: (1) an employee is paid a specified base salary that is supposed to indicate managerial or professional status and (2) the duties or responsibilities of the job are associated with managerial or professional work. Generally, such duties require the employee to exercise judgment for a group of employees.

## Sources of Supervisory Talent

The vast majority of new supervisors are promoted from the ranks of operative employees. Employees with good technical skills and good work records are the ones who are normally selected by management for supervisory jobs.

However, it should be noted that good technical skills and a good work record do not necessarily make a person a good supervisor. In fact, sometimes these attributes can act adversely to productive supervisory practices. As will be seen later in this chapter, other skills are also required to be an effective supervisor. Officers of labor unions are sometimes chosen for supervisory jobs. Because union officers are elected, it can be assumed that the voting employees view them as having some leadership abilities. Thus, they are a source of supervisory talent. Another source is new college graduates. Many organizations place such graduates in supervisory jobs after a brief training period.

Figure 1.4 shows a normal progression into supervision. A person who gets into supervision does not necessarily stop progressing. It is possible to rise from supervision to the top of the organization. In fact, developing the skills required for supervision prepares a person for higher levels of management.

## The Activities of Supervision

3

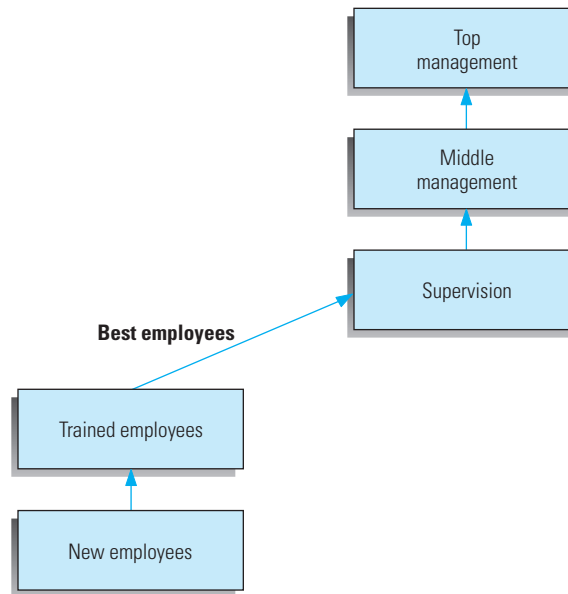
LEARNING  
OBJECTIVES

Supervisors engage in five basic activities. These activities are planning, organizing, staffing, leading, and controlling.

**Planning** involves determining the most effective means for achieving the work that is to be done by the work group. Generally, planning includes three steps:

*Determining the present situation.* Assess such things as the present condition of the equipment, the attitude of employees, and the availability of materials.

**FIGURE 1.4**  
**Progression of Jobs**  
**into Supervision**



*Determining the objectives.* The objectives for a work unit are usually established by higher levels of management.

*Determining the most effective way of attaining the objectives.* Given the present situation, what actions are necessary to reach the objectives?

Everyone follows these three steps in making personal plans. However, the supervisor makes plans, not for a single person, but for a group of people. This complicates the entire process.

**Organizing** involves distributing the work among the employees in the work group and arranging the work so that it flows smoothly. The supervisor carries out the work of organizing through the general structure established by higher levels of management. Thus, the supervisor functions within a general structure and is usually given specific work assignments from higher levels of management. The supervisor then sees that the specific work assignments are done.

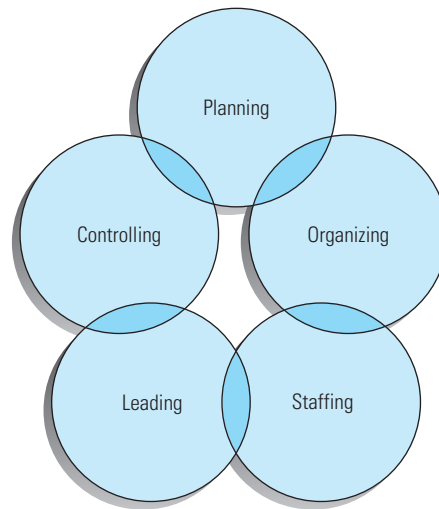
**Staffing** is concerned with obtaining and developing good people. Since supervisors accomplish their work through others, staffing is an extremely important function.

**Leading** involves directing and channeling employee behavior toward the accomplishment of work objectives and providing a workplace where people can be motivated to accomplish the work objectives.

**Controlling** determines how well the work is being done compared with what was planned. Basically, this involves measuring actual performance against planned performance and taking any necessary corrective action.

Supervisors spend the largest portions of their time on the leading and controlling activities. The other activities are not necessarily less important, but they usually take less of the supervisor's time. The supervisor must perform all of the activities in order to be successful. For instance, organizing is difficult without a plan. Good employees obtained through staffing will not continue to work in a poorly planned, poorly organized work environment. Furthermore, it is very difficult to lead people if planning, organizing, and staffing are not done properly. Thus, the five activities of supervision can be viewed as links in a chain. For the supervisor to be successful, each of these links must

**FIGURE 1.5**  
The Chain of  
Supervisory  
Activities



be strong. (See Figure 1.5.) It is also important to remember that the supervisory activities do not involve a sequential process, but generally occur simultaneously.

## Skills of a Supervisor

The supervisor's work can also be examined in terms of the types of skills required. Three basic types of skills have been identified:

1. **Conceptual skills** are those that help supervisors understand how different parts of an organization relate to one another and to the organization as a whole. Decision making, planning, and organizing are activities that require conceptual skills.
2. **Human relations skills** are those that supervisors need to understand and work well with people. Interviewing job applicants, forming partnerships with other organizations, communicating with suppliers and customers, and resolving conflicts all require good human relations skills.
3. **Technical skills** are the specific abilities that employees use to perform their jobs. Searching for useful information on the Internet, designing a brochure, and training people to use a new budgeting system are all technical skills.

All levels of management require some combination of these skills. Different skills are more important at different levels of management, as Figure 1.6 shows. Conceptual skills are most important at the senior management level. Technical skills are most important for supervisors. Human relations skills are important at all levels of management.

## Key Reasons for Supervisory Success

Supervisors are successful for many reasons. However, five characteristics are important keys to supervisory success:

1. *Ability and willingness to delegate.* Most supervisors are promoted from operative jobs and have been accustomed to doing the work themselves. An often difficult, and yet essential, skill that such supervisors must develop is the ability or willingness to delegate work to others.
2. *Proper use of authority.* Some supervisors let their newly acquired authority go to their heads. It is sometimes difficult to remember that the use of authority alone does not get the support and cooperation of employees. Learning when not to use authority is often as important as learning when to use it.

4

LEARNING  
OBJECTIVES

**FIGURE 1.6**  
**Mix of Skills Used at**  
**Different Levels of**  
**Management**



3. *Setting a good example.* Supervisors must always remember that the work group looks to them to set the example. Employees expect fair and equitable treatment from their supervisors. Too many supervisors play favorites and treat employees inconsistently. Government legislation has attempted to reduce this practice in some areas, but the problem is still common.
4. *Recognizing the change in role.* People who have been promoted into supervision must recognize that their role has changed and that they are no longer one of the gang. They must remember that being a supervisor may require unpopular decisions. Supervisors are the connecting link between the other levels of management and the operative employees and must learn to represent both groups.
5. *Desire for the job.* Many people who have no desire to be supervisors are promoted into supervision merely because of their technical skills. Regardless of one's technical skills, the desire to be a supervisor is necessary for success in supervision. That desire encourages a person to develop the other types of skills necessary in supervision—human relations, administrative, and decision-making skills.

The five characteristics discussed above are not the only ones necessary for supervisory success, but they are certainly some of the most important. Supervision Illustration 1-1 provides guidelines for supervisors to behave as “real professionals.”

## The Changing Nature of the Supervisor's Environment

### Changes in Information Technology

Anyone who reads a newspaper recognizes that rapid changes are occurring in lifestyles, information technology, and the work environment. These changes influence the supervisor. This section reviews some of these changes and examines their impact on supervisors.



## SUPERVISION ILLUSTRATION 1-1

### WHAT IS A REAL PROFESSIONAL?

James S. Bain, W. H. Weiss, and Marvin Marshall are authors and management consultants. They believe that the performance of people on the job is influenced most directly by their own attitudes and the behavior of their supervisors. A supervisor's behavior provides the environment in which performance either improves or deteriorates. Supervisors must behave as professionals. People like to work with professionals because they know a job will be done well and on time. Being professional indicates a positive and healthy attitude toward work and the people with whom we come in contact.

The three authors argue that these are some of the most important characteristics of real professionals:

- They are responsible. They will not avoid hard work or unpleasant tasks, and they have high standards of conduct. They are sincere in how they act toward all people.
- They are efficient. They set goals for themselves and constantly keep them in mind.

- They are continually learning and discovering. If they need additional information, they do research work that includes talking with knowledgeable people.
- They make practical and logical decisions by thinking things through, weighing facts, and evaluating alternatives. When they can't answer a question, they are quick to get and report the answer.
- They behave professionally. They dress for the position they hold and conduct themselves in a businesslike manner. By showing confidence and enthusiasm, they give the impression they are ready to serve people.
- They create a trusting environment. Without trust in the workplace, communication and teamwork will not endure.
- They are persistent. They maintain a positive mental attitude and don't get bogged down in negative thinking. The past is just that—passed.

**Sources:** Adapted from James Bain, "Professional Is Spelled with 5P's," *SuperVision*, April 2011, p. 67; Marvin Marshall, "Three Keys to Building Trust between Managers and Employees," *SuperVision*, February 2011, pp. 10–12; and W. H. Weiss, "The Vital Role of Today's Supervisors," *SuperVision*, April 2003, pp. 3–4.

The phenomenal improvements in computer hardware have been accompanied by improvements in software and user compatibility. Modern computers and software are much more user friendly than those of the past. Supervisors today do not need to know sophisticated programming languages and computer jargon to use computers. The use of computers in the job of supervision is discussed throughout this book.

Because of the increasing sophistication of communication systems and the rapid increase in the use of computers, data and information are being provided at an accelerating rate. For example:

- Access to the Internet provides a wide array of information that previously was unavailable and/or difficult to obtain.
- Cell phones, e-mail, social media, and teleconferencing enhance the opportunities for improved communications within businesses.

Rapid technological change requires supervisors to have increased technical skills. Furthermore, these changes require more skilled and trained employees. Higher levels of skill and training require new approaches to motivation and leadership. Thus, the supervisor needs more skill in the human relations area.

### Changes in Outlook toward the Work Environment

Some forecasters predict that there will be more emphasis on the quality of work life in the future. The factors that can improve the quality of work life include:

1. Safe and healthy working conditions.
2. Opportunity to use and develop individual capabilities.
3. Opportunity for personal and professional growth.

## SUPERVISION ILLUSTRATION 1–2

**DIVERSITY AT NOVARTIS**

Headquartered in Switzerland, Novartis is a \$50 billion global organization whose primary business is researching, developing, and marketing leading innovative prescription drugs. With operations in more than 140 countries, it believes that, to operate successfully, it is essential that its employees reflect the rich cultural, ethnic, and gender diversity of its markets and become a critical bridge between the workplace and the marketplace.

The company believes that diversity is a priority not only because it's the right thing to do, but also because it makes good business sense. It drives innovation, attracts top talent, and enriches a company's culture. Executives are held accountable for diversity results through their evaluations and compensation. Marilyn Priestley, Novartis vice president,

declares that “we need to attract and retain the best talent, foster the best ideas and contributions from everyone, and build relationships with our multi-dimensional customers, suppliers and communities.”

One of the company's strategies is to send its top talent to emerging markets to participate in a cross-cultural, experience-based learning program. Its purpose is to expose employees to health challenges within local markets and broaden their awareness of issues facing patients and customers. Diverse viewpoints and life experiences are brought together to generate valuable solutions. Not surprisingly, Novartis has been cited by *Diversity Inc.* in its “top 50 companies for diversity.”

**Sources:** Adapted from *diversityjournal.com*, *diversityinc.com*, and *novartis.com*, retrieved on November 25, 2012.

4. Work schedules, career demands, and travel requirements that do not regularly take up family and leisure time.
5. The right to personal privacy, free speech, equitable treatment, and due process.

Because some of these factors fall within the scope of supervision, changes affecting them will have a direct impact on the manager's job.

## Changes in Demographics

5

LEARNING OBJECTIVES

One of the more significant changes in today's environment is the increasing diversity of the American population. **Diversity** in the workforce means including people of different genders, races, religions, nationalities, ethnic groups, age groups, and physical abilities. The increasing diversity of the workplace represents a major social change in the United States. Supervision Illustration 1–2 describes the diversity efforts at Novartis, one of the world's leading pharmaceutical companies. The latest demographic data show that the United States is becoming more diverse. Figure 1.7 shows the projected population of the United States by race to the year 2050. It is interesting to note that as of today Hispanics have grown to be the largest ethnic group.

A multicultural workplace presents challenges for both employees and supervisors. For example, religious holidays, which are celebrated at different times throughout the year by Muslims, Christians, Jews, and other religious groups, have the potential to be a source of conflict among employees. Managers need to be sensitive to the needs of their employees when it comes to these holidays. On the other hand, employees should be responsible about arranging to take these days off.

What other challenges and contributions does the increasingly diverse workforce present? From an overall viewpoint, organizations must get away from the tradition of fitting employees into a single corporate mold. Everyone will not look and act the same. Organizations must create new human resource policies to explicitly recognize and respond to the unique needs of individual employees.

Greater diversity will create certain specific challenges but also make some important contributions. Communication problems are certain to occur, including misunderstandings

**FIGURE 1.7**  
**Projected Population**  
**of the United States,**  
**by Demographic**  
**Group: 2010 to 2050**

Source: U.S. Census Bureau, 2004, "U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin," <<http://www.census.gov/ipc/www/usinterimproj/>>. Internet Release Date: March 18, 2004.

Demographic Group	Total % of Population*					% Change from 2010 to 2050
	2010	2020	2030	2040	2050	
White alone	79.3	77.6	75.8	73.9	72.1	-9.08%
Black alone	13.1	13.5	13.9	14.3	14.6	+11.45%
Asian alone	4.6	5.4	6.2	7.1	8.0	+42.5%
Hispanic (of any race)	15.5	17.8	20.1	22.3	24.4	+57.42%
All other races**	3.0	3.5	4.1	4.7	5.3	+76.67%
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

\*Totals are greater than 100% because "Hispanics" may be of any race and due to rounding.

\*\*Includes American Indian and Alaska Native alone, Native Hawaiian and Other Pacific Islander alone, and two or more races.

among employees and managers as well as the need to translate verbal and written materials into several languages. An increase in organizational factionalism will require that increasing amounts of time be dedicated to dealing with special-interest and advocacy groups.

In addition to creating the above challenges, greater diversity presents new opportunities. Diversity contributes to creating an organization culture that is more tolerant of different behavioral styles and wider views. This often leads to better business decisions.

Despite these changes, most senior managers in the United States are still white men. The problems women and minorities have had winning promotions to senior management positions gave rise to the term **glass ceiling**. This is the invisible barrier that prevents women and minorities from moving up in the organizational hierarchy.

Much emphasis is expected to be placed on breaking the glass ceiling. In fact, the election and reelection of Barack Obama as the first black person to the Office of President of the United States have opened the door for minorities to move into the highest levels of management. The performance of Mary Kay Ash, who established the well-known cosmetics firm; Meg Whitman, president and Chief Executive Officer of Hewlett-Packard; Virginia Rometty, IBM's board chair and Chief Executive Officer; and Oprah Winfrey should encourage other women in breaking the glass ceiling.

6

#### LEARNING OBJECTIVES

## Role of Entrepreneurs in Business

Senior, middle, and supervisory managers are all **professional managers**. Professional managers are paid to perform management functions within a company. Like other employees, they receive salaries for the work they do. Professional managers work for businesses, but they do not own them.

**Entrepreneurs** are people who launch and run their own businesses. When they start out, they must perform many of the basic management functions that professional managers perform. As their companies grow, they sometimes hire professional managers. Many large companies, such as Google, which provides Internet-related products and services, and Head, a leading manufacturer and marketer of premium sports equipment, were started by entrepreneurs. Supervision Illustrations 1-3 and 1-4 describe two highly successful and talented entrepreneurs.

Being an entrepreneur is much more risky than being a professional manager. Without the right skills and a lot of hard work, entrepreneurs can go out of business and lose all the money invested in their company. Starting and owning a company can be more rewarding than working for a company, however. Successful entrepreneurs can create prosperous businesses that provide large incomes and a feeling of personal accomplishment.

7

#### LEARNING OBJECTIVES

## SUPERVISION ILLUSTRATION 1–3

**FACEBOOK'S MARK ZUCKERBERG**

Mark Zuckerberg is an entrepreneur who co-founded Facebook, the world's largest social networking site. His fortune is estimated at about \$10 billion. He currently owns approximately 24 percent of Facebook.

Facebook's first days were limited to college students alone—those who had verified university e-mail addresses. It is now used by 1 billion people every month, or one in every seven people in the world. Facebook has recorded 1.13 trillion “likes,” 140.3 billion “friend connections,” and 219 billion shared photos since it was launched in 2004.

Facebook's primary sources of income are advertising and payments for features such as gaming. In recent years there were fears that the company's revenues would be adversely affected by consumers increasingly accessing the Internet via mobile devices, which is harder to generate

advertising revenue from. About 600 million people use Facebook's mobile platform, so Mark invested in tools designed to help businesses attract people who socialize on mobile devices. Also, the company is adding a service that lets advertisers use data they've collected from their own customers to target those users on Facebook. Software has been designed to protect members' identities.

Raised in White Plains, New York, Mark started his programming at a very early age in middle school. He advises future entrepreneurs to “punch above your weight class. If your product is better than anything out there, the users will let you know.”

**Sources:** Adapted from *Forbes.com*, *guardian.co.uk*, and *bloomberg.com*, retrieved on November 21, 2012; and Mike Isaac, “Mark Zuckerberg on Facebook's Early Days: Go Hard or Go Home,” at *allthingsd.com*, retrieved on November 20, 2012.

Entrepreneurs and professional managers often have different personal characteristics. Entrepreneurs tend to be more independent than managers, and they may have less formal education. Some entrepreneurs jump from job to job before starting their own businesses.

Entrepreneurs start with an idea for creating or modifying a product or service that they believe in. Entrepreneurs like the idea of making decisions and being their own bosses. They often find tremendous satisfaction in their work, and their financial rewards can be great. Being an entrepreneur means working long hours and making decisions about every aspect of a business. It also means taking risks. Unlike professional managers, entrepreneurs invest money in their businesses and risk losing all of it if their business does not succeed. Without entrepreneurs, there would be no new businesses and fewer exciting developments, or innovations, in business and industry.

Entrepreneurs own their businesses, but they can choose among several different types of ownership. Some entrepreneurs are *sole proprietors*, or people who run their businesses single-handedly. Certain types of work are particularly well suited to this form of ownership—medicine, dentistry, and accounting, for example. Many store owners are also sole proprietors. Other entrepreneurs may form partnerships, especially when a large sum of money is involved. One or more partners may supply the money while another runs the business. Two or more people may also run a business together. Still other small businesses may choose to *incorporate*, or become a corporation, to avoid being held personally liable for financial losses. Some entrepreneurs choose to own franchises.

Many large and medium-sized organizations have begun to encourage their managers to become more innovative and to take more risks. At Dell Computer, for example, CEO and founder Michael Dell encourages his employees to take risks by allowing them to work independently, make mistakes, and learn from the process. He sets hard-to-meet targets and encourages his employees to stretch themselves to meet them. His approach has helped Dell become one of the most successful companies in the country.

## SUPERVISION ILLUSTRATION 1–4

**DIANE BARRENTINE: A SUCCESSFUL ENTREPRENEUR**

Diane Barrentine grew her Domino's Pizza franchise from a single store in Oxford, Mississippi, to today's total of six Domino's Pizza stores in North Mississippi. She began her career at Domino's Pizza at age 18, as a customer service representative while attending college as a full-time student. Prior to this point, Diane had operated several lemonade stands. "When I was five or six years old I owned the first lemonade stand in my neighborhood. I was also an entrepreneurial girl scout successfully selling cookies."

Because of this experience, by the time she graduated from college she had acquired expertise in how to operate a pizza store. Unable to find a well-paid job based on her communications major, she considered becoming a Domino's franchisee, particularly because she saw pizza delivery as an emerging high-potential business. During her career at Domino's, Diane has helped open hundreds of Domino's locations, serving as a regional vice president and overseeing 45 stores. Her company has been operating as a franchise of Domino's Pizza for 25 years.

Always a top performer, Diane's stores' sales consistently beat the national average by 50 percent. She won several franchisee leadership awards from Domino's Franchise Association, and was selected as one of the top 50 businesswomen in the state of Mississippi. In 2012 she shared the stage with former U.S. president Bill Clinton and ex-governor of Mississippi Haley Barbour during the unveiling of the all-electric MyCar. She proudly announced that Domino's would be delivering pizza in the near future using the MyCar.

Diane's experience has taught her that a successful entrepreneur must have good judgment, possess integrity and problem-solving skills, be aware of office politics, and possess other softer skills such as communication and motivation. She believes it is important to develop the mind-set of both a good human being and businessperson.

**Sources:** Mario Hayek and Roberto Salem, "A Conversation with the Pizza Princess: Diane Barrentine on Entrepreneurial Leadership," *Journal of Applied Management and Entrepreneurship*, April 2011, pp. 96–104; and Robert Lee Long, "Domino's Pizza to Deliver in Style," at *desototimes.com*, retrieved on November 12, 2012.

Businesses that want to encourage managers to think more like entrepreneurs must find ways to support and encourage people who develop new products and services. Like Michael Dell, they must be willing to accept failure and to encourage people even after a new idea fails. Entrepreneurship within a large or medium-sized company is sometimes called **intrapreneurship**.

**Importance of Small Businesses**

8

**LEARNING OBJECTIVES**

A **small business** is a company that is independently owned and operated. Some small businesses, such as neighborhood flower shops, restaurants, or dry-cleaning stores, serve local areas. Other small businesses, such as mail-order and Internet companies, serve customers all over the world. Owners of small businesses often perform all management tasks.

The Small Business Administration (SBA), the government agency that lends money to small businesses, considers a business small if it has fewer than 100 employees. According to this definition, more than 98 percent of the businesses in the United States are small businesses. These small businesses play an important role in the U.S. economy. The 30 million small businesses in the United States employ approximately 60 million persons, create two-thirds of new jobs, and account for about one-third of merchandise exports.

# SOLUTION TO THE SUPERVISION DILEMMA

John and Jane are being asked to be first-line supervisors. Since Jane has been with the company much longer than John, she probably is more acquainted with the company's policies and procedures, and has a better understanding of the people in her department. However, both realize that, as supervisors, they will have to make important decisions that will affect the employees who will be reporting to them. They will have various supervisory responsibilities such as planning, organizing, staffing, leading, and controlling (pp. 5–6).

It is likely that they are being considered for promotion because of their overall performance and high technical skills in their current jobs. Both, however, may require training and mentoring to improve the human relations and conceptual skills they will need in their new jobs (p. 7). In addition, to be successful, they will both have to learn how to delegate, use authority properly, and set good examples. They must recognize that the attributes of a successful supervisor are different from those of nonsupervisors (pp. 7–8).

Small businesses tend to produce more innovations than larger businesses. Many of the most important high-technology companies in the country, including Intel, Apple, and Microsoft, began as small businesses. Microsoft is one of the largest companies in the world, and its founder, Bill Gates, is one of the world's richest people. Some of today's small companies may eventually become corporate giants.

## Supervision: Key Link to Productivity

Successful supervision requires the knowledge of, and ability to use, a multitude of skills. The primary measure used in determining a supervisor's success or failure is the productivity of the supervisor's work unit. This book is designed to provide the skills necessary for successful supervision. Practice in applying these skills can be gained by answering the discussion questions, studying the incidents described at the end of each chapter, and completing the exercises also provided at the end of each chapter. An important aid for the student is that the key terms used in a chapter are summarized at the end of each chapter.

This book is organized into six basic sections:

Section I	Foundations of Supervision
Section II	Contemporary Issues
Section III	Planning and Organizing Skills
Section IV	Staffing Skills
Section V	Leadership Skills
Section VI	Controlling Skills

Section I—Foundations of Supervision—fosters understanding the job of supervision in diverse workplaces, making sound and creative decisions, improving communication skills, and motivating today's employees. These should provide a necessary foundation for studying the skills of supervision.

Section II—Contemporary Issues—is concerned with managing change and innovation. This section also discusses ethics and organizational politics.

Section III—Planning and Organizing Skills—analyzes the supervisor's role in planning, organizing, and delegating work. Understanding the nature and importance of both formal and informal work groups is also discussed. The important issue of time management is also discussed in this section.

Section IV—Staffing Skills—examines the supervisor’s role in obtaining and developing good employees. The topics of equal employment opportunity and counseling employees are discussed.

Section V—Leadership Skills—discusses human behavior and how a supervisor must have the ability to work well with people. Leading employees, handling conflict, appraising and rewarding performance, and labor relations are discussed in this section.

Section VI—Controlling Skills—describes the supervisor’s role in determining how well the work is being done compared with what was planned. Topics such as supervisory control and quality; improving productivity through cost control; and providing a healthy and safe work environment are covered in detail.

## Summary

The purpose of this chapter is to give the reader a clear understanding of what supervision involves. The chapter also discusses several reasons why supervisors are successful.

1. *Define supervision.* Supervision is defined in this book as the first level of management in the organization and is concerned with encouraging the members of a work unit to contribute positively toward accomplishing the organization’s goals and objectives.
2. *Describe the work of a supervisor.* The work of a supervisor is often categorized into five areas: planning, organizing, staffing, leading, and controlling. Planning involves determining the most effective means for achieving the work of the unit. Organizing involves distributing the work among the employees in the work group and arranging the work so that it flows smoothly. Staffing is concerned with obtaining and developing good people. Leading involves directing and channeling employee behavior toward the accomplishment of work objectives. Controlling determines how well the work is being done compared with what was planned.
3. *Describe the three types of skills required of a supervisor.* Three basic types of skills have been identified. Technical skills refer to knowledge about such things as machines, processes, and methods of production. Human relations skills refer to knowledge about human behavior and the ability to work well with people. Conceptual skills help in understanding the relationship between different parts of an organization.
4. *State the key reasons for supervisory success.* Five key reasons for supervisory success are ability and willingness to delegate, the proper use of authority, setting a good example, recognizing the change in role, and desire for the job.
5. *Define diversity in the workplace.* Diversity means including people of different genders, races, religions, nationalities, ethnic groups, age groups, and physical abilities in the workplace.
6. *Explain the glass ceiling.* The glass ceiling refers to a level within the organizational hierarchy beyond which very few women and minorities advance.
7. *Explain who is an entrepreneur.* Entrepreneurs are people who launch and run their own business.
8. *Describe a small business.* A small business is a company that is independently owned and operated.

## Key Terms

Conceptual skills, 7  
Controlling, 6  
Diversity, 10  
Entrepreneur, 11  
Glass ceiling, 11

Human relations skills, 7  
Intrapreneurship, 13  
Leading, 6  
Organizing, 6  
Planning, 5

Professional manager, 11  
Small business, 13  
Staffing, 6  
Supervision, 3  
Technical skills, 7

## Review Questions

1. What is supervision?
2. What are three general levels of management?
3. Give five names (or job titles) of supervisors.
4. Name three sources that organizations can use when seeking to fill supervisory positions.
5. What are the five activities that a supervisor performs?
6. Identify five characteristics that make supervisors successful.
7. What is the impact of the following changes on supervision?
  - a. Changes in information technology.
  - b. Changes in outlook toward the work environment.
  - c. Changes in diversity.
8. Describe diversity.
9. Explain the glass ceiling.
10. Explain entrepreneurship.
11. Identify what a small business is.

## Skill-Building Questions

1. “A good supervisor in a manufacturing plant could be a good supervisor in a bank.” Discuss.
2. Do you think that supervision can be learned through books and study or only through experience? Why?
3. Do you think that the best worker also makes the best supervisor? Why or why not?
4. “A good supervisor should be able to do any job that he or she supervises better than any of the operative employees.” Discuss your views on this statement.

## Additional Readings

Buhler, Patricia, “Conducting Layoffs in an Uncertain Economy,” *SuperVision*, March 2009, pp. 20–23.

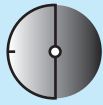
Kaufman, Ron, “How to Harness the Power of Praise,” *SuperVision*, March 2009, pp. 14–17.

Lindo, David K., “Can You Answer Their Questions?” *SuperVision*, January 2007, pp. 20–23.

Smith, Richard, “Dealing with Managers Who Do Not Take Supervision Seriously Enough,” *Community Care*, September 4, 2008, p. 36.

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## SKILL-BUILDING APPLICATIONS

### Incident 1–1

#### *Promotion into Supervision*

Roy Thomas has been with the Rebco Manufacturing Company for 15 years. He joined Rebco right after his high school graduation and has been with the company ever since.

Ten years ago, Rebco became unionized and Roy was one of the people primarily responsible for its unionization. He helped the organizer from the Teamsters Union plan the union election campaign. He helped get the local union established after the election and then served as its president for its first three years. After that, he continued to serve in various capacities with the local union. Two years ago, he was again elected for a three-year term as its president.

Over the years, Roy has developed a reputation for being firm but fair with the management of Rebco. He is well respected by both the members of the union and the management of Rebco.

Roy was quite shocked when he was recently called into the plant manager's office for the following discussion.

**Bill Lindsay (Plant Manager):** Good to see you, Roy.

**Roy:** Yeah, it's good to see you, Bill, especially when we're not arguing over a problem. I hope you didn't call me here for that.

**Bill:** No, Roy, I didn't. In fact, I called you here to talk about something else entirely. Some of our older supervisors are retiring shortly, as you know, and we would like you to consider becoming a supervisor.

**Roy:** A supervisor—you've got to be kidding! I've fussed and fought with you and the other managers around here for 10 years. Now you want me to join you. How would the employees react?

**Bill:** That's just it, Roy. We think they would be pleased. After all, they've elected you president of the local union twice already. You've got their respect. A good supervisor just needs to know how to handle people, and you sure know how to do that.

**Roy:** I just don't know, Bill. Give me a couple of days to think about it.

#### *Questions (Explain your answers in writing.)*

1. Do you think Roy would be a good supervisor?
2. What qualities does Roy possess that support your answer?
3. Do you agree with Bill Lindsay's statement that "a good supervisor just needs to know how to handle people"?
4. What do you think the reaction of the employees would be if Roy accepted the job?

### Incident 1–2

#### *Not Enough Time to Supervise*

Len Massey is a supervisor in a large fire and casualty insurance company. He is in charge of a group of clerical workers who review policies and endorsements, calculate commissions, and maintain records. Before his promotion to supervisor, Len himself was a clerical worker in the department. It was largely due to his reputation as the best worker in the department that he was promoted. "If Len did the work," his co-workers said, "it is right."

This reputation has carried over into Len's supervisory practices. Everything coming out of his group is perfect. In fact, Len rechecks in detail all the work coming out of his group to ensure that it is accurate. It is not unusual for him to turn work back to one of his employees several times until it is perfect. Len's employees quickly recognized his eye for detail and his checking and rechecking of their work. One of them was recently overheard to say, "I don't really worry about accuracy in my work too much, because if I make an error, I know Len will catch it."

Last week, at Len's annual performance evaluation, his boss, Pam Levine, said that Len was spending too much time on detail work and not enough time on supervision. In fact, she said that he must start spending more time in supervision and less time in doing the work of others. Len's response to Pam was, "People in my unit don't seem to care about sloppy work, and since I'm responsible, I feel obligated to check it before it goes out."

## Questions

1. Is Pam Levine right?
2. What does Len need to know about supervision?
3. What do you think of the reasons given for Len's promotion?

## Exercise 1–1

### *Understanding the Job of a Supervisor*

Exhibit 1.1 gives a job description for a maintenance supervisor in a manufacturing company. From this job description, classify the duties and responsibilities as to whether they are planning, organizing, staffing, leading, or controlling.

Also identify the specific skills of supervision—technical, human relations, administrative, and decision making—that are described in this job description.

## EXHIBIT 1.1

### Position of Maintenance Supervisor

Source: Reprinted from *Job Descriptions in Manufacturing Industries* by John D. Ulery. Copyright © 1981 AMACOM. Used with the permission of the publisher, AMACOM, a division of American Management Association International, New York, NY. All rights reserved. <http://www.amacombooks.org>.

#### Basic Purpose

To supervise the maintenance activity through the implementation of a preventive maintenance program and an ongoing maintenance repair program for the facility, vehicles, production maintenance, and process equipment.

#### Duties and Responsibilities

1. Plans and implements effective procedures and policies for the maintenance department to ensure that all equipment, facilities, and utilities are in an acceptable state of repair.
2. Coordinates with vendors, suppliers, and contractors the installation of new equipment or equipment processes.
3. Establishes, with direction from the plant manager, priorities of all maintenance activities through a work order procedure.
4. Supervises all daily activities of the maintenance department through subordinates to ensure completion of assigned projects that will result in the least amount of machine downtime.
5. Monitors completion of maintenance projects to ensure that safety and quality standards are met.
6. Approves all requisitions relating to new and replacement parts, supplies, machinery, and equipment for the maintenance department.
7. Provides technical knowledge and expertise to solve problems of a mechanical, electrical, or hydraulic/pneumatic nature.
8. Develops and maintains responsible labor/management relations consistent with the labor agreement, including representing the company in certain grievances.
9. Schedules and assigns hourly personnel to maintain good housekeeping for the facility grounds and administrative offices.

#### Organizational Relationships

This position reports to the manager/engineering and maintenance and indirectly to the plant manager. Coordinates work with all service and production departments.

#### Position Specifications

Must possess 8 to 10 years' experience in maintenance, engineering, or related fields. Prefer minimum of 3–5 years' supervisory experience. Must be familiar with each of the following areas: boilers, air compressors, heating and air-conditioning, plumbing, welding, carpentry, electrical/electronic equipment, pneumatic hydraulics, and heavy manufacturing equipment.

## Exercise 1–2

### *Required Attributes of a Supervisor*

1. From the supervisory jobs listed on the next page, choose the one that is most attractive to you.
2. Form into groups of four or five with others who selected the same job as you.
3. Develop a group list of required and desirable skills for the job.
4. Present and defend your group's list before the entire class.

## Exercise 1–3

### *The Supervisor's Personal Inventory*

The following inventory has helped many supervisors determine to what extent their behaviors or practices

**SUPERVISOR  
RIGHTS-OF-WAY AND LAND**

ABC is a diversified energy company making important contributions in the pursuit of new energy resources around the world. A position of Supervisor—Rights-of-Way and Land is currently available at ABC's Houston location.

A college education is required, with a degree preferably in business, law, or engineering. Strong experience in pipeline right-of-way work is required with a minimum of three years of right-of-way field experience. Additional experience must include a minimum of five years of general right-of-way office experience, with a heavy supervisory background in right-of-way. The responsibilities will include supervising the acquisition of right-of-way and the settlement of claims; following litigations; and conducting and coordinating contact with the state and local authorities. The ability to negotiate and prepare amendatory, alteration, and relocation agreements is mandatory.

ABC offers competitive salaries, a comprehensive employee benefits program, and a variety of career challenges. If interested, send résumé and salary history to:

P.O. Box 000  
An equal opportunity employer  
Principals Only!

**WEEKEND PRODUCTION SUPERVISOR**

XYZ Corporation, a smoke-free environment and manufacturer of soft contact lenses and solution-related products, has an immediate opening for a Weekend Production Supervisor. This individual must be able to plan, organize, and control staffing, equipment, and facilities in an efficient manner within budgetary guidelines. This includes being held accountable for the quality and quantity of products produced, compliance with CGMP and OSHA standards, and guiding the department toward achieving departmental and company goals and objectives. BS/BA and one year production supervisory experience required. Solid background in highly technical production environment. Good written and oral communication skills. Must work weekends (11:00 PM to 11:00 AM), and a minimum of one additional day per week is required. We regret that we are unable to respond to all inquiries. We will only respond to those candidates selected for an interview.

Qualified applicants should forward résumé with salary requirements to:

XYZ  
Corporation  
P.O. Box 000

**ACCOUNTING  
A/R SUPERVISOR**

Progressive company with high-volume receivables department is looking for a sharp individual with accounts receivable supervisory experience. Excellent starting salary and benefits. If you are a motivated self-starter, respond with salary history to Box 000.

**SUPERVISING**

Senior Auditor: Plan, direct, and conduct audits for client operations. Review and prepare corporate tax returns, develop budget forecast and analysis, and develop and improve accounting systems. Must have Bachelor's in Accounting for Business Administration with two years' experience in job or as Analyst or Accountant. Hours 9:00 AM–5:00 PM, Monday–Friday, overtime as needed. Those qualified, résumé to P.O. Box 000.

**SUPERVISOR &  
SALES MANAGER**

French-owned, U.S.-based corporation seeks National Supervisor & Sales Engineer to supervise and coordinate the U.S. marketing and distribution efforts. Experience in the processes of importation of European products into the United States as well as fluency in written and spoken French are required. Applicants must have four years' experience in the stone products industry as well as six years' experience in construction supervision and sales of stone products. Send résumé to: P.O. Box 000.

contribute to difficulties for their employees. The items below represent important supervisor behaviors and practices that build positive work relationships. Rate yourself and your company on each item, giving yourself one (1) point if the item rarely applies, two

(2) points if it sometimes applies, and three (3) points if it applies to you most of the time.

If you are not a supervisor, discuss how your current boss/supervisor behaves.

	Rating Scale		
	Applies Rarely 1	Applies Sometimes 2	Applies Most of Time 3
1. Know my job	•	•	•
2. Know my employees' jobs	•	•	•
3. Know my company's objectives and standard procedures	•	•	•
4. Convey my objectives and procedures to my employees	•	•	•
5. Define my objectives and procedures clearly	•	•	•
6. Try to resolve those objectives and procedures that are in conflict	•	•	•
7. Establish clear performance standards	•	•	•
8. Convey performance standards to my employees	•	•	•
9. Insist that performance standards are met	•	•	•
10. Try to improve substandard performance	•	•	•
11. Set standards for myself and follow them	•	•	•
12. My employees know what to expect from me	•	•	•
13. Avoid self-centeredness	•	•	•
14. Am employee-centered	•	•	•
15. Know my employees' strengths and weaknesses	•	•	•
16. Keep my employees well informed on matters affecting them	•	•	•
17. Keep channels of communication open	•	•	•
18. Actively lead, direct, and control employees when necessary	•	•	•
19. Allow my employees to lead and control themselves when they are able to	•	•	•
20. Avoid unjust criticism	•	•	•
21. Criticize employees in private	•	•	•
22. Give credit when it is earned	•	•	•
23. Commend employees publicly	•	•	•
24. Avoid taking credit for things my employees did	•	•	•
25. Show respect toward employees	•	•	•
26. Command respect from employees by my conduct	•	•	•
27. Discipline fairly	•	•	•
28. Discipline only when needed	•	•	•
29. Back employees to fullest when they are right	•	•	•
30. Refuse to back employees when they're wrong even though such refusal may lessen my popularity	•	•	•
31. Delegate as far down the line as possible	•	•	•
32. Value my employees' input	•	•	•
33. Provide opportunities to get employee input	•	•	•
34. Use the input I receive	•	•	•
35. Encourage employees to develop their sense of responsibility and initiative	•	•	•
36. Use my authority appropriately	•	•	•
37. My employees have pride in their accomplishments	•	•	•
38. Actively try to build esprit de corps	•	•	•
39. Practice what I preach	•	•	•
40. Recognize my shortcomings	•	•	•
41. Compensate for my shortcomings	•	•	•

	Rating Scale		
	Applies Rarely 1	Applies Sometimes 2	Applies Most of Time 3
42. Retain my sense of humor in dealings with employees	•	•	•
43. Admit my errors when I'm wrong	•	•	•
44. Apply the same standards of conduct and performance to men and women	•	•	•
45. Continually strive to improve myself and my company	•	•	•

Scoring: Total all your points for the 45 items. If you scored 125 or above, your supervisory behaviors and company practices promote positive work relationships. If you scored between 100 and 124, some of your behaviors/practices may contribute to difficulties with employees, but no urgency for change is indicated unless one or more items scored very low. If you scored between 75 and 99, probably many of your behaviors/practices contribute to difficulties with employees, and you should ask yourself what you can do to improve the low scoring items. If you scored below 75, improving your overall supervisory behaviors/practices should be a high priority for you.

Regardless of your score, the awareness that comes from taking such an inventory is the prerequisite for self-improvement. Your inventory results can serve as the basis for eliminating managerial blind spots and creating a personal development plan to ensure that the impact of your behaviors and practices is a positive one.

Source: Adapted from "Eliminating Managerial Blind Spots," by Gary W. Hobson, *Supervision*, August 1990. Reprinted by permission of © National Research Bureau, P.O. Box 1, Burlington, IA 52601-0001.

## Exercise 1–4

### Understanding Diversity

As a part of communicating that an organization is truly committed to supporting a highly qualified and diverse workforce, supervisors should take every opportunity to demonstrate the use of nonsexist language.

- A. In this vein, try to identify a nonsexist word to use in place of each of the following words that may carry a sexist connotation:

Man-hours	Waiter/Waitress
Girl Friday	Watchman
Layout man	Repairman
Salesman	Man-made
Foreman	Spokesman
Policeman	Draftsman

- B. List additional words or terms that you think might carry a sexist connotation.

## Exercise 1–5

### What Does a Fast-Food Restaurant Manager Do?

All of us have patronized a fast-food restaurant and, therefore, have a general knowledge of the operation of this type of business. Outline what the manager of such an organization does in a typical day from time of arrival (10 AM) to closing time (11 PM). This establishment is open every day of the week. In addition to the manager, this business employs five full-time and nine part-time employees.

Use the following tables to classify, by management function, the manager's activities. Rate the importance of each activity on a scale of 1 to 4, where 1 = very unimportant, 2 = unimportant, 3 = important, and 4 = very important.

Identify which of the three skills of a supervisor (conceptual, human relations, and technical) are necessary to perform each activity.

Pair up with another student sitting near you and share your answers. Later, your professor will ask each of you to report your answers to the class.

PLANNING		
ACTIVITY	RATING	SKILL

ORGANIZING		
ACTIVITY	RATING	SKILL

STAFFING		
ACTIVITY	RATING	SKILL

LEADING		
ACTIVITY	RATING	SKILL

CONTROLLING		
ACTIVITY	RATING	SKILL

**Exercise 1–6**

*Would You Like to Be a Supervisor?*

There are many reasons people would like to be in a supervisory position. What are your reasons for wanting to be in a supervisory position?

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What potential problems are you likely to come across?

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What are the best ways to prepare you for dealing with these problems?

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When you have finished answering these questions, pair up with another student sitting near you and share your answers. Later, your professor will ask each of you to report your answers to the class and describe your areas of agreement and disagreement.

## Selected Supervisory and Related Periodicals

This list provides the names of the more commonly referenced supervisory and related periodicals.

*Academy of Management Review*  
*Administrative Management*  
*Arbitration Journal*  
*Business Horizons*  
*Bloomberg Businessweek*  
*California Management Review*  
*Forbes*  
*Fortune*  
*Harvard Business Review*

*Human Resource Management*  
*Journal of Business*  
*Management Review*  
*Management Solutions*  
*Management Today*  
*Personnel Administrator*  
*Personnel Journal*  
*Supervision*  
*Supervisory Management*  
*Training and Development Journal*  
*The Wall Street Journal* (newspaper)