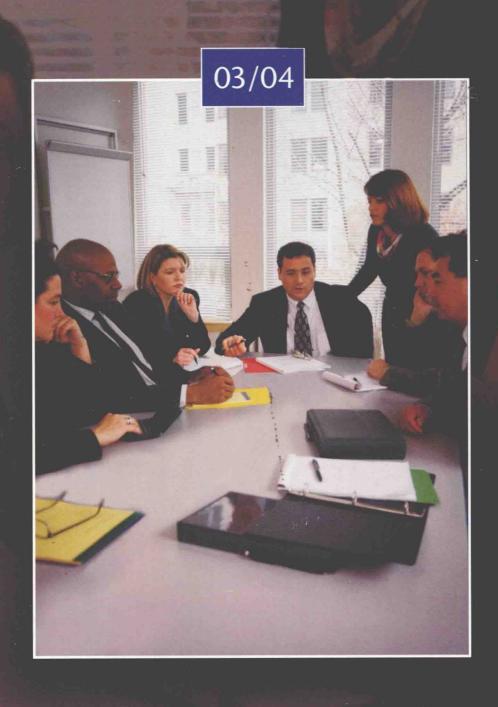
ANNUAL EDITIONS

Management



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Management

03/04

Eleventh Edition

EDITOR

Fred H. Maidment

Western Connecticut State University

Dr. Fred Maidment is associate professor of management at Western Connecticut State University in Danbury, Connecticut. He received his bachelor's degree from New York University and his master's degree from the Bernard M. Baruch College of the City University of New York. In 1983 Dr. Maidment received his doctorate from the University of South Carolina. He resides in Connecticut with his wife.

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Members of the Advisory Board are instrumental in the final selection of articles for each edition of ANNUAL EDITIONS. Their review of articles for content, level, currentness, and appropriateness provides critical direction to the editor and staff. We think that you will find their careful consideration well reflected in this volume.

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To the Reader

In publishing ANNUAL EDITIONS we recognize the enormous role played by the magazines, newspapers, and journals of the public press in providing current, first-rate educational information in a broad spectrum of interest areas. Many of these articles are appropriate for students, researchers, and professionals seeking accurate, current material to help bridge the gap between principles and theories and the real world. These articles, however, become more useful for study when those of lasting value are carefully collected, organized, indexed, and reproduced in a low-cost format, which provides easy and permanent access when the material is needed. That is the role played by ANNUAL EDITIONS.

n September 11, 2001, the world changed. It could be said that one era ended and another began on that date. Washington, D.C., and New York City were brutally attacked by terrorists who killed about 3,000 people plus those who died in an airplane crash in Pennsylvania. Organizations, led by the government of the United States, are responding to the need to defeat the terrorists. But in order for the United States to achieve victory in this new kind of war, American organizations, including corporations, will have to utilize and manage their resources effectively. This means that managers in both the civilian and military sectors of the country will have to perform their tasks in an efficient and effective manner. Directing the nation's resources against these terrorists will be the primary focus of this country's government for the foreseeable future. Victory can only be achieved through constant vigilance and attention to detail, and it will be managers who will have the primary responsibility for those functions.

Since managers are the people charged with getting things done in today's society—a society that has been molded by the success of the management profession—the many new challenges that the world faces will be met, at least in part, by managers.

Some of the challenges will include dealing with the new environment that resulted from the September 11 attacks. These attacks ushered in a new era for Western democracies, as well as for the businesses and corporations that have flourished in the capitalist environment provided by these democracies. There are going to be changes both in the United States and abroad, and managers are going to play an important role in those changes.

Managers must respond to a changing environment by keeping informed on the developments in the field. The articles that have been chosen for *Annual Editions: Management 03/04* represent a cross section of the current writings on the subject, along with a few selected classics. This collection addresses the various components of management, with emphasis on the functions of planning, organizing, directing, controlling, and staffing. Readings have been chosen from a wide variety of publications, including *The Harvard Business Review, Business Week, Business Horizons*, and *Fortune*.

This publication contains a number of features that are designed to make it useful for people interested in management. These features include a *table of contents* with *abstracts* that summarize each article, highlighting key ideas in

bold italics, and a *topic guide* for locating articles on a specific subject. Also, there are selected *World Wide Web* sites that can be used to further explore the topics.

This volume is organized into eight units, each dealing with specific interrelated topics in management. Each unit begins with an overview that provides the necessary background information that allows the reader to place the selections in the context of the book. Important topics are emphasized, and *key points to consider* address major themes. Also, at the end of units 2–8, there are short cases and exercises that are designed to illustrate and expand on the general topic of the unit easily and effectively.

This is the eleventh edition of Annual Editions: Management, and we hope that it will be one of a long line of books addressing the evolution of management. This collection, we believe, provides the reader with the most complete and current selection of readings available on the subject. We would like to know what you think. Please take a few minutes to complete and return the postage-paid article rating form at the back of the volume. Any book can be improved and we need your help to improve Annual Editions: Management.

Thed Machner

Fred Maidment Editor

Topic Guide

This topic guide suggests how the selections in this book relate to the subjects covered in your course. You may want to use the topics listed on these pages to search the Web more easily.

On the following pages a number of Web sites have been gathered specifically for this book. They are arranged to reflect the units of this Annual Edition. You can link to these sites by going to the DUSHKIN ONLINE support site at http://www.dushkin.com/online/.

ALL THE ARTICLES THAT RELATE TO EACH TOPIC ARE LISTED BELOW THE BOLD-FACED TERM.

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World Wide Web Sites

The following World Wide Web sites have been carefully researched and selected to support the articles found in this reader. The easiest way to access these selected sites is to go to our DUSHKIN ONLINE support site at http://www.dushkin.com/online/.

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The following sites were available at the time of publication. Visit our Web site—we update DUSHKIN ONLINE regularly to reflect any changes.

General Sources

HBS Educators & Research

http://www.hbs.edu/educators.html

Surf through the many valuable links attached to this Educators & Research News site and preview upcoming issues of the *Harvard Business Review*.

The New York Times

http://www.nytimes.com

Browsing through the extensive archives of the *New York Times* will provide you with a vast array of articles and information related to management issues.

STAT-USA

http://www.stat-usa.gov/stat-usa.html

This site, a service of the U.S. Department of Commerce, contains daily economic news, frequently requested statistical releases, information on export and international trade, domestic economic news, statistical series, and databases. Also try http://www.fedstats.gov for statistics produced by over 70 U.S. federal government agencies.

The Wall Street Journal

http://interactive.wsj.com

This is an Internet edition of the *Wall Street Journal*, a newspaper that is used by managers the world over to put their business environments in context.

Workforce Online

http://www.workforceonline.com

This site, sponsored by *Workforce* magazine, discusses trends and resources, legal information, and fluctuating pay methods data, and also offers a research center.

UNIT 1: The War on Terror

Terrorism Research Center

http://www.terrorism.com

The Terrorism Research Center features original research, counterterrorism documents, a comprehensive list of Web links, and monthly profiles of terrorist and counterterrorist groups.

UNIT 2: Managers, Performance, and the Environment

Design for Competitive Advantage

http://www.dfca.org/toc.html

Read the many articles, consider the various points of view, and click on the links suggested in this site to explore important business-related theories and issues such as cost management and living systems theory and design.

Krislyn's Favorite Advertising & Marketing Sites

http://www.krislyn.com/sites/adv.htm

This extensive list of Web sites includes information on marketing research, marketing on the Internet, demographic sources, organizations, and associations. The site also features current books on business management and marketing.

Sheffield University Management School

http://www.shef.ac.uk/uni/academic/I-M/mgt/research/research.html

The Current Research page of this British school will lead you to information on real-world management issues. Links include the economics, finance, and management of technological change, labor economics, and industrial relations.

Two Scenarios for 21st Century Organizations

http://ccs.mit.edu/21c/21CWP001.html

The MIT Scenario Working Group here presents "Shifting Networks of Small Firms" and "All-Encompassing 'Virtual Countries'" that will be of interest to any company involved in organizing and structuring to meet the demands of the new business environment.

UNIT 3: Planning

American Civil Liberties Union (ACLU)

http://www.aclu.org/issues/worker/campaign.html

The ACLU provides this page on workplace rights in its "Campaign for Fairness in the Workplace". Briefing papers on workplace issues cover such privacy issues as lifestyle discrimination, drug testing, and electronic monitoring.

Benchmarking Network

http://www.well.com/user/benchmar/tbnhome.html

This Web site is an international resource guide to benchmarking as a method of corporate planning.

GBN Scenario Planning

http://www.gbn.org/public/gbnstory/scenarios/

Scenario planning is a fundamental tool for thinking strategically about the future. This site, which contains many scenarios, helps organizations to understand the external environment in relation to their own business ideas and competence.

Innovation in the Workplace

http://www.managementfirst.com/articles/workplace.htm

This page aims to provide insight into what the future holds for employers and employees. It points you to books and other resources about such topics as teleworking.

UNIT 4: Organizing

From Foosball to Flextime: Dotcommers Are Growing Up

http://www.fastcompany.com/invent/invent_feature/act_childcare.html

This article by Cecilia Rothenberger explains how dot.com companies are maturing and providing flextime, on-site day care, and other benefits that "grown-up" companies have provided for years.

www.dushkin.com/online/

Sympatico: Careers

http://www.ntl.sympatico.ca/Contents/Careers/

This Canadian media site provides an electronic network with a "GripeVine" for complaining about work and finding solutions to everyday career problems.

U.S. Department of Labor (DOL)

http://www.dol.gov

Browsing through this DOL site will lead you to a vast array of labor-related data and discussions of issues affecting managers, such as the minimum wage. It presents statutory and regulatory information, and more.

Work and Organizational Psychology, Stockholm University

http://www.psychology.su.se/units/ao/ao.html

Explore topics related to job design and other management organizational concerns through this site presented by Stockholm University's Department of Psychology, Division of Work and Organizational Psychology.

UNIT 5: Directing

ADR (Alternative Dispute Resolution): General

http://www.opm.gov/er/adrguide/

Essays on the subject of alternative dispute resolution can be found at this page, which includes an ADR glossary, a definition, techniques and evaluations, issues and problems facing judges, evaluation of ADR procedures, and much more information important to the area of conflict management.

Equity Compensation, Employee Ownership & Stock Options

http://www.fed.org

The Foundation for Enterprise Development is a nonprofit organization that suggests strategies to those who are making critical decisions to improve their companies' bottom lines. This site includes interactive resources and case studies.

NewsPage

http://www.individual.com

This site provides daily briefings and in-depth stories of interest to managers. These links relate to such major fields as computing and media, finance, and health care insurance.

UNIT 6: Controlling

Bill Lindsay's Home Page

http://www.nku.edu/~lindsay/

Professor William M. Lindsay's home page points to a variety of interesting Internet sources to aid in the study and application of Total Quality Management principles.

Computer and Network Security

http://www.vtcif.telstra.com.au/info/security.html

Telstra provides this index for those interested in technology/ security issues. It provides links to Web sources, including commercial, educational, and government materials.

Internal Auditing World Wide Web

http://www.bitwise.net/iawww/

Valuable news, resources, events, and associations related to business auditing topics are provided here.

Office of Financial Management

http://www.doi.gov/

This site of the Office of Financial Management, in the U.S. Department of the Interior, describes its financial policy and

procedures, financial reporting, management control program, accounting policy and systems, and auditing follow-up.

The Potential Downside of the National Information Infrastructure

http://www.annenberg.nwu.edu/pubs/downside/

Annenberg Senior Fellow Stephen Bates discusses the National Information Infrastructure (NII). View this page for discussions of NII, including issues regarding privacy rights in the workplace.

Total Quality Leadership (TQL) vs. Management by Results

http://deming.eng.clemson.edu/pub/den/files/tql.txt

Brian L. Joiner and Peter R. Scholtes describe the reasons why the TQL system of management should replace management by results for most companies, whether small or large. It addresses such concerns as to how TQL can improve customer service and return on investment, lead to higher productivity and more jobs, and affect utilization of information technology.

Workplace Violence

http://www.osha-slc.gov/SLTC/workplaceviolence/

The Occupational Safety & Health Administration (OSHA) maintains this site, which provides information and resources on workplace violence. OSHA has developed guidelines and recommendations to reduce worker exposures to this hazard.

UNIT 7: Staffing and Human Resources

Electronic Frontier Foundation "Privacy" Archive

http://www.eff.org

This civil liberties site organization provides links to articles, FAQs, and databases having to do with protection of privacy and free expression in the workplace. Drug testing and electronic communications privacy are explored.

School of Labor and Industrial Relations Hot Links

http://www.lir.msu.edu/hotlinks

This page links to government statistics, newspapers, libraries, and international intergovernmental organizations.

U.S. Equal Employment Opportunity Commission

http://www.eeoc.gov

Consult this site for small business information, facts about employment discrimination, and enforcement and litigation.

UNIT 8: Perspectives and Trends

Institute for International Economics

http://www.iie.com

The site of this nonpartisan research institution, devoted to the study of international economics, contains views, reviews, working papers, publications, and press releases.

Small Business Management

http://management.tqn.com/msubs.htm

Information on how to start and effectively manage a small business is available on this site.

World Trade Organization (WTO) Web Site

http://www.wto.org/index.htm

At the home page of the WTO, click on About the WTO, Site Map, Search, and Links to Related Organizations.

We highly recommend that you review our Web site for expanded information and our other product lines. We are continually updating and adding links to our Web site in order to offer you the most usable and useful information that will support and expand the value of your Annual Editions. You can reach us at: http://www.dushkin.com/annualeditions/.

UNIT 1 The War on Terror

Unit Selections

- 1. Address by George W. Bush, President of the United States, Vital Speeches of the Day
- 2. Hearts, Minds, and the War Against Terror, Joshua Muravchik

Key Points to Consider

- · How do you think the war on terror has changed the way managers conduct their businesses?
- Where do you think the largest and most important battlefield will be in the war on terror? Defend your answer.



Links: www.dushkin.com/online/
These sites are annotated in the World Wide Web pages.

Terrorism Research Center http://www.terrorism.com

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UNIT 1 The War on Terror

who had committed the terrorist acts.

Two offerings discuss the nation and world management issues that face government and business as the U.S. government wages its "war against terror."

Unit Overview xvi

 Address by George W. Bush, President of the United States, Vital Speeches of the Day, October 1, 2001
 After the attacks of September 11, 2001, President George W. Bush addressed the American people to outline the steps that would be taken against the people

 Hearts, Minds, and the War Against Terror, Joshua Muravchik, Commentary, May 2002

The War on Terror will not be won on the battlefield. The greater War on Terror will be to capture the hearts and minds of the people in the Middle East and other parts of the world.



UNIT 2Managers, Performance, and the Environment

The six articles in this section examine some of the dynamics of management in today's business environment.

Unit Overview 10

Part A. Management Classic

3. The Manager's Job: Folklore and Fact, Henry Mintzberg, Harvard Business Review, March/April 1990

This classic essay by Henry Mintzberg replaces the traditional view of *management functions*—to plan, to coordinate, to organize, and to control—with a look at what managers really do.

Part B. Managers and Management

4. Managing From A to Z, Leigh Buchanan, Inc., January 2002 It seems that every time someone comes out with a new book on management, a new fad begins. Here is an alphabetical listing of some of the more successful attempts at management quick fixes.

Part C. Management Skills, Roles, and Performance

 Why Companies Fail, Ram Charan and Jerry Useem, Fortune, May 27, 2002

Why do companies fail? The reason is not that the employees did not do their job adequately, or that the market went against the company. The real reason is that the senior managers of the company did not do their jobs.

25

12

21

2

| 6. Management Lessons From the Bust, Joseph Weber, Business Week, August 27, 2001 This article outlines six lessons that can be learned from the recent economic downturn, including: good information, good judgment, flexibility, knowing customer's customers. Planning goes only so far. | 32 |
|---|----|
| Part D. The Environment | |
| 7. What's Right With the U.S. Economy, William W. Lewis, Vincent Palmade, Baudouin Regout, and Allen P. Webb, The McKinsey Quarterly, Winter 2002 In the 1990s, the U.S. economy grew rapidly. That growth was not because of the dot.com bubble, but because of old-fashioned managerial and technological innovations in six highly competitive industries. | 36 |
| 8. Reinventing How We Do Business, Janet Perna, Vital Speeches of the Day, July 15, 2001 Business is bound to be done differently in the future than it has in the past or even in the present. The successful firms will be the ones who are able to reinvent themselves by doing business with twenty-first-century techniques. | 43 |
| Case I. Robin Hood; Exercise: Managerial Development | 48 |
| UNIT 3 Planning Five unit articles discuss the elements of decision making, strategic analysis, and | |
| strategic management. Unit Overview | 50 |
| Part A. Management Classic | |
| 9. A New Look at Managerial Decision Making, Victor H. Vroom, from Readings in Management, South-Western, 1986 There are many ways to make decisions. Selecting the most appropriate is the topic of this classic essay by Victor Vroom. | 52 |
| Part B. Decision Support Systems | |
| 10. Management Accounting Master: Closing the Gap Between Managerial Accounting and External Reporting, Soeren Dressler, Journal of Cost Management, January/February 2002 Managers need effective and accurate information to make decisions. A globally harmonized management accounting master can integrate multiple accounting systems, serving as a blueprint for the organization. | 62 |
| Part C. Strategic Analysis | |
| 11. Michael Porter: What Is Strategy?, Thinkers, April 2002 Michael Porter is one of the leading thinkers on management, especially strategic management. This article summarizes some of his ideas. | 72 |
| 12. New Rules of the Game, Neel Chowdhury, Far Eastern Economic Review, January 24, 2002 Learning to adapt to changing environmental forces is one of the primary ways that organizations continue to survive and prosper. | 75 |
| 13. The Americanization of Toyota, Business Week, April 15, 2002 There are few firms more identified with the Japanese automobile industry than Toyota. Yet, Toyota is changing as the Japanese economy remains in a recession and the American market takes on greater meaning. | 79 |

Case II. The Fairfax County Social Welfare Agency; Exercise: NASA



UNIT 4 Organizing

In this section, four selections examine the impact of organization on the job of managing. Topics discussed include elements of organization, job design, and what is needed to fundamentally change a business.

| Unit Overview | 8 | 34 |
|---------------|---|----|
| | | |

Part A. Management Classic

14. Classifying the Elements of Work, Frank B. Gilbreth and Lillian M. Gilbreth, from Management Classics, Goodyear, 1977 Time and motion studies were among the earliest results of Frederick W. Taylor's work. In this selection, two of the pioneers in these studies discuss the ideas upon which time and motion studies are based.

86

Part B. Elements of Organization

 Organizing for the New Economy, Ray Suutari, CMA Management, April 2001

Economic and business conditions have changed over the past 30 years and organizations must reorganize to meet those changes or become extinct.

95

Part C. Designing and Changing the Organization

Creating a Learning Organization, Neal McChristy, Office Solutions, February 2002

Successful organizations in the future are going to be those that allow their employees to grow and become more productive.

97

17. Open Book Management—Optimizing Human Capital, Raj Aggarwal and Betty J. Simkins, Business Horizons, September/October 2001 For employees to truly understand the condition and circumstances of the organization, management has to level with them and tell them what is going on.

100

Case III. Resistance to Change; Exercise: Organizing

110



UNIT 5 Directing

The five selections in this section examine how the elements of leadership, performance, and communication contribute to the art of directing a business organization.

Unit Overview 112

Part A. Management Classic

18. The Abilene Paradox: The Management of Agreement, Jerry B. Harvey, *Organizational Dynamics,* Summer 1988

Many **people in organizations** have found themselves in situations in which, because they did not say what they meant, they became caught in the web of the Abilene paradox. Jerry Harvey presents various aspects of this paradox.

114

Part B. Leadership

What Leadership Crisis?, John Nirenberg, Across the Board, September/October 2001

There is no shortage of people who are willing to take on the *leadership of organizations*. There is, instead, a shortage of people who can create new and effective strategies to help guide and develop organizations so that they and their stakeholders will prosper.

Part C. Performance

| 20. | Effective Performance Counseling, Leadership for the Front Lines, February 15, 2002 Evaluating employee performance is always a difficult task for managers. Here are some helpful hints on how to do a performance appraisal in an effective and humane manner. | 131 |
|------|--|-----|
| 21. | The Myth of Synergy, James Surowiecki, <i>MBA Jungle,</i> May 2002 <i>Synergy</i> is at best an elusive concept. Often defined as 1+1=3, it is very difficult to attain. Often the rationale for mergers and acquisitions, synergy frequently fails to appear and the organization can end up with a synergy in which 1+1=1. | 133 |
| Part | D. Communication | |
| 22. | When You Disagree With the Boss's Order, Do You Tell Your Staff?, Carol Hymowitz, Wall Street Journal, April 16, 2002 How do you handle a situation where you disagree with what the boss has ordered? Do you let your employees know? Do you act as though you agree? | 136 |
| Case | IV. Cub Scout Pack 81; Exercise: Listening | 138 |
| | NIT 6 ntrolling Four articles in this section consider what makes up effective control of the business | |
| | organization. | |
| Unit | Overview | 140 |
| Part | A. Management Classic | |
| 23. | An Uneasy Look at Performance Appraisal, Douglas McGregor, Harvard Business Review, May/June 1957 In this classic article, Douglas McGregor, who also wrote about the X and Y theories of management, looks at how performance appraisals can be effectively used to help management and control the enterprise. | 142 |
| Part | B. Financial Control | |
| 24. | Transfer Pricing: A Truly Global Concern, Steven D. Felgran and Mito Yamada, <i>Financial Executive</i> , November 2001 One of the questions that a multinational firm needs to consider is where and how to take profits in order to <i>minimize the impact of taxes</i> on the organization. As more businesses become globalized, this will be a growing concern. | 147 |
| Part | C. Security | |
| 25. | How Safe Is Your Job? The Threat of Workplace Violence, Laurence Miller, USA Today Magazine (Society for the Advancement of Education), March 2002 Violence in the workplace is a continuing problem that all companies must face. Doing something about it before it happens is the subject of this article. | 150 |

Part D. Total Quality Management

COST vs. QUALITY, Doug Bartholomew, Industry Week, September 2001

What is **the cost of quality?** As firms try to reduce their costs, they must be careful not to compromise the quality of the products. Just ask Ford or Bridgestone/Firestone.

Case V. Evaluation of Organizational Effectiveness; Exercise: Win as Much As You Can!



UNIT 7Staffing and Human Resources

This section's four selections examine the elements necessarily considered when a workforce is developed.

Unit Overview 160

Part A. Management Classic

27. Management Women and the New Facts of Life, Felice N. Schwartz, Harvard Business Review, January/February 1989
This is the article, first published in 1989, that started all the discussion of the "Mommy Track" and the "Daddy Track" for employees.

162

Part B. Developing Human Resources

28. Girl Gangs, Ann C. Logue, Training & Development, January 2001 For years people have talked about networking and how important it is to career advancement. Women have complained about how they have been excluded from male networks, but things are changing. Women are creating their own networks and support systems.

169

29. Secrets of Finding and Keeping Good Employees, Jim Sirbasku, USA Today Magazine (Society for the Advancement of Education), January 2002

If you are going to hire and keep good employees, you must, after hiring them, make them feel that it is worth their while to stay. Remember, your competitors are always seeking your good employees, and it is up to you to keep them.

173

Part C. Maintaining an Effective Workforce

30. Pay It Forward, Patricia Zingheim and Jay Schuster, People Management, February 7, 2002 Modern and sophisticated reward systems not only reward at the individual level,

but at the company, business unit, and team level. This article has some insights on how to do that.

178

Case VI. The "Homes" Is Where the Union Is; Exercise: Assumptions About People at Work 180



UNIT 8Perspectives and Trends

These nine articles examine business challenges. Topics include multinational enterprise, corporate culture, and ethics.

Unit Overview 182

Part A. Management Classic

Social Responsibility in Future Worlds, Derek C. Bok, from Readings in Management, South–Western, 1986
 These readings discuss careers that contribute to others' welfare.

184

Part B. The Multinational Corporation

32. American Corporations: The New Sovereigns, Lawrence E. Mitchell, The Chronicle of Higher Education, January 18, 2002 Is there too much power in multinational organizations? At what point do organizations reach a condition where no single government or other entity has jurisdiction over them? Would they effectively become sovereign states?

| 33. Offshore Sourcing: An Optimal Operational Strategy?, Robert H. Lowson, <i>Business Horizons</i> , November/December 2001 | |
|---|-----|
| Robert Lowson writes that the advantages of obtaining goods offshore may be outweighed by other costs of offshore sourcing . | 190 |
| Part C. Corporate Culture | |
| 34. Helping Organizations Build Community, Tracy Mauro, Training & Development, February 2002 Using corporate culture to build and develop a firm is this article's subject. | 196 |
| Part D. Ethics and Social Responsibility | |
| 35. Corporate Probes: A Scorecard, Business Week, June 10, 2002 This is a list of the publicly known government probes into possible illegal activity in industry as of June 2002. | 200 |
| 36. The Short Arm of the Law, The Economist, March 2, 2002 Bribery is a worldwide problem. Many laws are on the books in a variety of countries to stop it, but they are only loosely enforced. | 202 |
| 37. The Workplace Ethic—Is It a Crime?, Matthew Weait, Management Today, January 2001 How do employees view the behavior of their fellow workers? This is the report of a survey that was taken in Great Britain regarding employee attitudes. | 206 |
| Part E. Enron | |
| 38. Enron: The Studebaker of the 21st Century?, William J. Kilberg, Employee Relations Law Journal, Summer 2002 Like Studebaker, Enron could be the reason for pension and benefits reform in the 2000s. | 209 |
| 39. The Fallout From Enron, Henry Kaufman, Vital Speeches of the Day, May 15, 2002 How will the world of business change after the Enron scandar? | 212 |
| Case VII. What to Do?; Exercise: The Résumé—A Career Management Too | |
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