

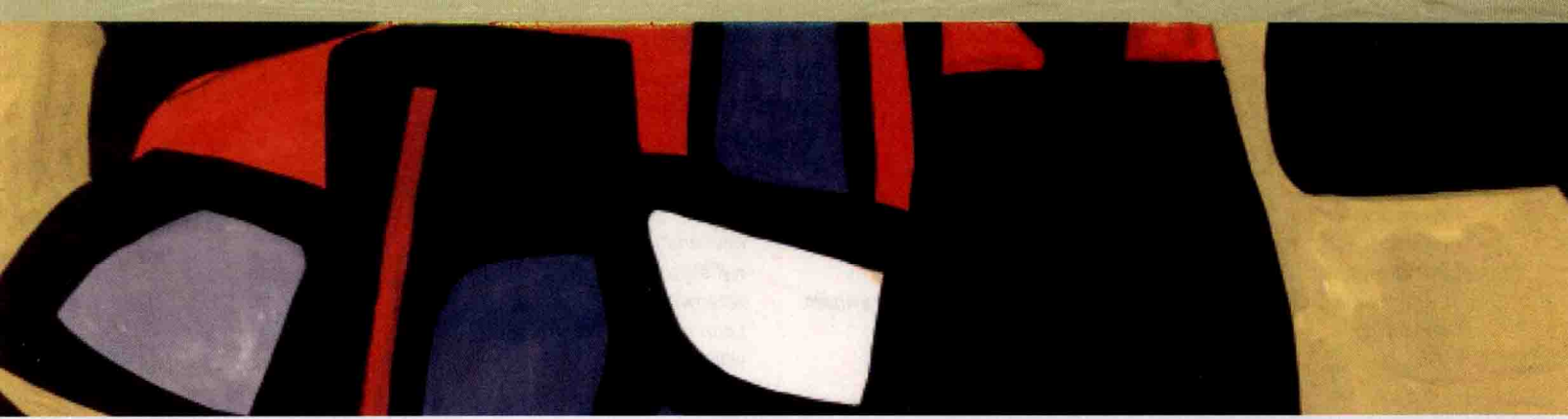
Personal Management Edition

SCHERMERHORN

EIGHTH EDITION UPDATE



MANAGEMENT



8th
EDITION

Personal Management Edition

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JOHN R. SCHERMERHORN, JR.



John Wiley & Sons, Inc.

To my sons John Christian and Charles Porter

<i>While you played</i>	<i>It's later now.</i>	<i>Think</i>	<i>Home,</i>
<i>I wrote.</i>	<i>Don't worry.</i>	<i>of all the fun</i>	<i>now and forever,</i>
<i>But always,</i>	<i>Time</i>	<i>we have.</i>	<i>will always be</i>
<i>I was listening</i>	<i>means love shared,</i>	<i>Here, there, everywhere,</i>	<i>wherever</i>
<i>and loving</i>	<i>by you</i>	<i>doing things</i>	<i>I can be</i>
<i>you.</i>	<i>and me.</i>	<i>together.</i>	<i>with you.</i>
1984	1986	1989	1992

<i>Time</i>	<i>Hurry home</i>	<i>Songs riding winds.</i>	<i>On the mountain,</i>
<i>has its ways,</i>	<i>when you can.</i>	<i>Mimi,</i>	<i>by the Irish lake,</i>
<i>doesn't it?</i>	<i>Come laughing, sons.</i>	<i>Uncle George,</i>	<i>find beauty and</i>
<i>Not enough,</i>	<i>Tell us</i>	<i>Uncle Nelson.</i>	<i>peace.</i>
<i>not enough,</i>	<i>your</i>	<i>Whispers and choirs.</i>	<i>Fairies dance</i>
<i>I often say.</i>	<i>wonderful stories.</i>	<i>Silence speaks.</i>	<i>there.</i>
1996	1999	2002	2004

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About the Author

Dr. John R. Schermerhorn, Jr. is the Charles G. O'Brien Professor of Management in the College of Business at Ohio University, where he teaches graduate and undergraduate courses in management. Dr. Schermerhorn earned a Ph.D. in organizational behavior from Northwestern University, an MBA (with distinction) in management and international business from New York University, and a BS in business administration from the State University of New York at Buffalo. He has taught at Tulane University, the University of Vermont, and Southern Illinois University at Carbondale, where he also served as Head of the Department of Management and Associate Dean of the College of Business Administration.

Highly dedicated to serving the needs of practicing managers, Dr. Schermerhorn has written *Management 8/e* to help bridge the gaps between the theory and practice of management. At Ohio University Dr. Schermerhorn has been named a University Professor, the university's highest campus-wide honor for excellence in undergraduate teaching. He is committed to instructional excellence and curriculum innovation, and is working extensively with technology utilization in the classroom. He serves as a guest speaker at colleges and universities, lecturing on developments in higher education for business and management, as well as on instructional approaches and innovations.

Dr. Schermerhorn's extensive international experience adds a unique global dimension to his textbooks. He has worked in China, Egypt, Indonesia, Thailand, Malaysia, Vietnam, the Philippines, Poland, Hungary, Venezuela, and Tanzania. He has also served as a Visiting Professor of Management at the Chinese University of Hong Kong, as on-site Coordinator of the Ohio University MBA and Executive MBA programs in Malaysia, and as Kohei Miura visiting professor, Chubu University of Japan. He is also a member of the graduate faculty at Bangkok University, Thailand, serves as advisor to the Lao-American College in Vientiane, Laos, and was recently awarded an honorary doctorate by the University of Pécs Hungary.

A dedicated scholar, Dr. Schermerhorn is a member of the Academy of Management, where he served as chairperson of the Management Education and Development Division. He is known to educators and students alike as senior co-author of *Managing Organizational Behavior 8/e* (Wiley, 2003), and *Core Concepts of Organizational Behavior* (Wiley, 2004). He has also published numerous articles in the *Academy of Management Journal*, *Academy of Management Review*, *Academy of Management Executive*, *Organizational Dynamics*, *Asia-Pacific Journal of Management*, and the *Journal of Management Development*, among other journals.

Preface

Management today is like the colorful collage featured in the cover art. We live and work in a time of cultural pluralism, globalization, and significant change. Just as a beautiful collage offers the beholder a dynamic mix of colors, forms, and impressions, so too does the new workplace. There is no better time than the present to embrace its rich opportunities and prepare for an exciting future.

MANAGEMENT 8/E PHILOSOPHY

Today's students are tomorrow's leaders and managers. They are the hope of the 21st century. Just as the workplace in this new century will be vastly different from today's, so too must our teaching and learning environments be different from days gone by. Management educators must confidently move students forward on paths toward an uncertain future. New values and management approaches are appearing; the nature of work and organizations is changing; the age of information is not only with us, it is transforming our lives.

Management 8/e is part of the same transformation. This edition has been extensively revised with a sincere commitment to learning in today's complex environment. It is based on four constructive balances that I believe remain essential to the agenda of higher education for business and management.

- *The balance of research insights with formative education.* As educators we must be willing to make choices when bringing the theories and concepts of our discipline to the attention of the introductory student. We cannot do everything in one course. The goal should be to make good content choices and to set the best possible foundations for lifelong learning.
- *The balance of management theory with management practice.* As educators we must understand the compelling needs of students to understand and appreciate the applications of the material they are reading and thinking about. We must continually bring to their attention good, interesting, and recognizable examples.
- *The balance of present understandings with future possibilities.* As educators we must continually search for the directions in which the real world of management is heading. We must select and present materials that can both point students in the right directions and help them develop the confidence and self-respect needed to best deal with them.
- *The balance of what "can" be done with what is, purely and simply, the "right" thing to do.* As educators we are role models; we set the examples. We must be willing to take stands on issues like managerial ethics and corporate social responsibility. We must be careful not to let the concept of "contingency" betray the need for positive "action" and "accountability" in managerial practice.

Today, more than ever before, our students have pressing needs for direction as well as suggestion. They have needs for application as well as information. They have needs for integration as well as presentation. Our instructional approaches and materials must deliver on all of these dimensions and more. My goal is to put into your hands and into those of your students a learning resource that can help meet these needs. *Management 8/e* and its supporting websites are my contributions to the future careers of your students and mine.

MANAGEMENT 8/E HIGHLIGHTS

Management 8/e introduces the essentials of management as they apply within the contemporary work environment. The subject matter is carefully chosen to meet AACSB accreditation guidelines while allowing extensive flexibility to fit various course designs and class sizes. There are many new things to look for in this edition. Along with updates of core material, *Management 8/e* offers a number of changes in the organization, content, and design that respond to current themes and developments in the theory and practice of management.

Organization

- The book is organized into five parts with themes relevant to today's organizations: (1) Introducing Management, (2) Context, (3) Mission, (4) Organization, (5) Leadership.
- *Part 1: Introducing Management*—focuses on understanding managers, what they do, the exciting new workplace, lessons of the past and present, and ethics and social responsibility.
- *Part 2: Context*—explores the contemporary environment in terms of competition, diversity, organization cultures, globalization, cross-cultural management, entrepreneurship, and small business.
- *Part 3: Mission*—addresses how managers use information, information technology, and decision making for planning and controlling, and in the process of strategic management.
- *Part 4: Organization*—reviews traditional and new developments in organization structures, organizational design contingencies and alternatives, as well as systems and work processes.
- *Part 5: Leadership*—presents the major models and current perspectives on leadership, individual behavior and performance, teams and teamwork, communication and interpersonal skills, and change leadership.

Content

In addition to core themes of ethics, diversity, competitive advantage, quality, globalization, and empowerment, specific coverage has been enhanced in *Management 8/e* on the following topics and more:

- Intellectual capital • multicultural organizations • ethnocentrism
- cultural relativism • strategic leadership • competitive advantage
- self-management • crisis management • change leadership • customer

relationship management • e-business • entrepreneurship • organizational learning • emotional intelligence • horizontal organizations • cross-functional teams • virtual teams • career readiness • virtual organizations • reengineering • work-life balance • strategic human resource planning • boundaryless organizations • performance-based rewards • personality • job stress • alternative work arrangements • cross-cultural communication • conflict management • negotiation • teamwork • innovation processes

Chapter Features

A most important feature of *Management 8/e* is the use of an integrated learning model to help guide students as they read and study for exams. Look for the following features in each chapter.

Planning Ahead—

- Key learning objectives and study questions
- Opening vignette

In Text—

- Learning Preview linking opening vignette to a visual chapter guide
- Learning Checks for each major section and learning objective
- Personal Management feature with recommended self-assessments
- Thematic boxes with current examples on timely themes
- Manager's Notepads with practical guidelines and suggestions
- Reality Checks reporting key facts and surveys
- Take-It-To-The-Case feature introducing chapter case
- Margin photo essays with additional examples
- Margin list identifiers pointing out things to remember
- Margin running glossary with definitions of key terms

End-of-Chapter Study Guide—

- Where We've Been linking back to opening vignette
- The Next Step guide to cases, projects, exercises, and assessments.
- Chapter Summary in bullet-list format
- Key Terms Review for major terms, concepts
- Chapter Self-Test with multiple-choice, short-answer, essay questions

Personal Management Workbook For Students

The expanded *Personal Management Workbook* to accompany *Management 8/e Update Edition* provides students and instructors with a rich variety of suggested learning activities.

- *Personal Management Features*—18 boxed features to help students to expand career skills and attitudes.
- *Personal Management Activities*—18 boxed activities intended for students' personal and professional growth.

- *Chapter Cases*—18 timely cases on well-recognized organizations
- *Integrating Cases*—two integrating cross-functional cases, including a special focus on ethics and social responsibility
- *Active Learning Projects*—10 suggestions for student projects (individual or group), including management in popular culture and service learning
- *Exercises in Teamwork*—30 exercises for in-class and out-of-class use
- *Self-Assessments*—30 personality and self-reflection instruments
- *Student Portfolio Builder*—a special guide to building a student portfolio complete with professional résumé and competency documentations

Student Website

An extensive Student Website supports *Management 8/e* both for classroom applications and for distance learning environments. This site, available at www.wiley.com/college/schermerhorn, includes the following special student learning resources.

- PowerPoint downloads for text and supplementary figures
- Interactive on-line versions of in-chapter Reality Checks
- Interactive on-line versions of all cases
- Interactive on-line versions of self-assessments
- An on-line study guide for students, including PowerPoint chapter reviews and chapter self-tests

Instructor's Support

Management 8/e comes with a comprehensive resource package that assists the instructor in creating a motivating and enthusiastic learning environment.

- *Complete Instructor's Resource Guide*—offers helpful teaching ideas, advice on course development, sample assignments, and chapter-by-chapter text highlights, learning objectives, lecture outlines, class exercises, lecture notes, answers to end-of-chapter material, and tips on using cases.
- *On-line Instructor's Implementation Guide*—provides a correlation guide for integrating the material in the *Personal Management Workbook* with the Update Edition text. Additional activity-based projects are provided to enable instructors to provide a career focus as they teach the course.
- *The Author's Classroom*—a unique Web resource offering the author's personal classroom materials from special PowerPoint slides to quick-hitting learning activities.
- *Comprehensive Test Bank*—completely updated and linked to the chapter "Learning Checks," questions are categorized by pedagogical element (margin notes, margin terms, or general text knowledge), page number, and type of questions. The entire test bank is available in a computerized version, MICROSOFT Diploma for windows, created by Brownstone Research Group.
- *Video Package*—offering video selections from the business news Nightly Business Report video supplements also available for the integrating cases.
- *Web CT and Blackboard*—full support.

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Management 8/e was initiated and completed with the support of my new editor Judith Joseph (associate publisher), my superb project editor, David Kear, and the assistance of a talented group of Wiley personnel: Susan Elbe (publisher), Harold Nolan (designer), Sara Wight (photo research), Suzanne Ingrao (Ingrao Associates), Patricia McFadden and Jeanine Furino (production), David Woodbury (marketing), and with the help of Anna Melhorn (illustrations), and Teri Stratford (photos).

Michael K. McCuddy and Wendy Pirie of *Valparaiso University* were the Case Editors for this project. The Integrating Case on Outback Steakhouse is from George Puia of *Indiana State University* and Marilyn Taylor, *University of Missouri*, Kansas City. Michael K. McCuddy also provided the instructor's resource guide and test bank.

Writing and revising *Management 8/e* came during yet further transitions in our family. I remain grateful to Ann, Christian, and Porter for allowing me to continue this project. I sincerely hope the results meet their expectations. I am also grateful for the support by *Chubu University* during my stay as Kohei Miura visiting professor.

I am grateful to the following colleagues whose help with this book at various stages of its life added to my understanding. Allen Amason, *University of Georgia*; Lydia Anderson, *Fresno City College*; Hal Babson, *Columbus State Community College*; Marvin Bates, *Benedictine University*; Joy Benson, *University of Wisconsin–Green Bay*; Peggy Brewer, *Eastern Kentucky University*; Jim Buckenmyer, *Southeast Missouri State University*; William Clark, *Leeward Community College*; Jeanie Diemer, *Ivy Tech State College*; Richard Eisenbeis, *Colorado State University–Pueblo*; Phyllis Flott, *Tennessee State University*; Shelly Gardner, *Augustana College*; Tommy Georgiades, *DeVry University*; Marvin Gordon, *University of Illinois–Chicago*; Carol Harvey, *Assumption College*; Lenie Holbrook, *Ohio University*; Marvin Karlins, *University of South Florida*; Beverly Little, *Western Carolina University*; Kurt Martsolf, *California State University–Hayward*; Brian Maruffi, *Fordham University*; Brenda McAleer, *University of Maine at Augusta*; Donald Mosley, *University of South Alabama*; Behnam Nakhai, *Millersville University of Pennsylvania*; Robert Nale, *Coastal Carolina University*; John Overby, *The University of Tennessee–Martin*; Javier Pagan, *University of Puerto Rico–Piedras*; Diana Page, *University of West Florida*; Wendy Pike, *Benedictine University*; Newman Pollack, *Florida Atlantic University*; Jenny Rink, *Community College of Philadelphia*; Joseph Santora, *Essex County College*; Rajib Sanyal, *The College of New Jersey*; Roy Shin, *Indiana University*; Shanthi Srinivas, *California State Polytechnic University–Pomona*; Howard Stanger, *Canisius College*; William Stevens, *Missouri Southern State College*; Chuck Stubbart, *Southern Illinois University*; Harry Stucke, *Long Island University*; Thomas Thompson, *University of Maryland*; Judy Thompson, *Briar Cliff University*; Michael Troyer, *University of Wisconsin–Green Bay*; Jeffrey Ward, *Edmonds Community College*; James Whitney, *Champlain College*; Garland Wiggs, *Radford University*; Eric Wiklendt, *University of Northern Iowa*; Yichuan Zhao, *Dalian Maritime University*.

How to Use This Book

Each chapter opens with **Planning Ahead**—a set of **study questions** that provides learning objectives for the chapter and a framework for the end-of-chapter review.

Planning Ahead

After reading Chapter 1, you should be able to answer these questions in your own words.

CHAPTER 1 study questions

1. What are the challenges of working in the new economy?
2. What are organizations like in the new workplace?
3. Who are managers and what do they do?
4. What is the management process?
5. How do you learn the essential managerial skills and competencies?

As the leading global online career site, Monster.com represents the growing field of online job placement services available on the Web. Its founder, Jeff Taylor, describes its birth this way:

"One morning I woke up at 4 a.m., and wrote an idea down on a pad of paper I keep next to my bed. I had this dream that I created a bulletin board called the Monster Board. That became the original name for the company. When I got up, I went to a coffee shop, and from 5:30 a.m. until about 10:00 a.m. I wrote the user interface for what today is Monster.com."

Media Metrix has called Monster.com the number-one destination for job seekers and one of the most visited domains on the Internet. It hosts over 36 million job seeker accounts. Job candidates search Monster's 800,000 job postings, some 175 million times each month. They also use Monster for interviewing advice, company research, and even moving tips.

Monster.com represents itself as a "lifelong career network" that serves everyone from recent college graduates all the way up to seasoned executives.



The **Opening Vignette** is a timely, real-world example that highlights chapter themes. The example is visited again in the end-of chapter **Where We've Been**.

PERSONAL MANAGEMENT

SELF-AWARENESS is one of those concepts that is easy to talk about but very hard to master. What do you really know about yourself? How often do you take a critical look at your attitudes, behaviors, skills, and accomplishments? Do you ever realistically assess your personal strengths and weaknesses—both as you see them and as others do? A high degree of self-awareness is essential for personal adaptability, to be able to grow and develop in changing times. This figure, called the Johari Window, offers a way of comparing what we know about ourselves with what others know about us.⁵⁹ Our "open" areas are often small, while the "blind spot," "the unknown," and the "hidden" areas can be quite large. Think about the personal implications of the Johari Window. Are you willing to probe the unknown, uncover your blind spots, and discover talents and weaknesses that may be hidden? As your self-awareness expands, you will find many insights for personal growth and development.



Get to know yourself better → Complete Self-Assessments #1—21st Century Manager, and #2—Emotional Intelligence, from the Management Learning Workbook.

The **Personal Management** feature integrates each chapter with personal development issues, including how to "get to know yourself better" by using key learning resources in the end-of-chapter **Management Learning Workbook**.

Chapter 1 Learning Preview

Monster.com is a creative company with great leadership that keeps it abreast of changing times. The purpose of Chapter 1 is to introduce you to managers and management as building blocks of all such high-performing organizations in the dynamic new workplace. As you read, keep this purpose in mind while checking your learning progress step-by-step in these major areas.

THE DYNAMIC NEW WORKPLACE

Study question 1	Study question 2	Study question 3	Study question 4	Study question 5
Working in the New Economy	Organizations in the New Workplace	Managers in the New Workplace	The Management Process	Learning How to Manage
<ul style="list-style-type: none"> • Intellectual capital • Globalization • Technology • Diversity • Ethics • Careers 	<ul style="list-style-type: none"> • What is an organization? • Organizations as systems • Organizational performance • Changing nature of organizations 	<ul style="list-style-type: none"> • What is a manager? • Levels and types of managers • Managerial performance • Changing nature of managerial work 	<ul style="list-style-type: none"> • Functions of management • Managerial activities and roles • Managerial agendas and networking 	<ul style="list-style-type: none"> • Essential managerial skills • Skill and outcome assessment • Management B/E learning framework
Learning check 1	Learning check 2	Learning check 3	Learning check 4	Learning check 5

The **Learning Preview** links the Opening Vignette with the major topics of the chapter and includes a graphic outline of major topics.

Thematic Boxes with photo-illustrated examples are embedded in each chapter. Themes are: **Career Connection, Around the World, and In Practice.**



IN PRACTICE

High-performance leadership values people

When Xerox needed to change or go out of business, its Board of Directors turned to an experienced insider for leadership. Their choice was Anne Mulcahy, a company veteran who had worked her way to the top in a 27-year career. With an undergraduate degree in English and Journalism, Mulcahy brought a charismatic and hands-on style of leadership to the struggling firm. She began by flying around the world to personally visit Xerox employees in all locations. Her goals were to raise morale and motivation, and refocus on future operations. Named the sixth most powerful woman in the world by *Fortune* magazine, Mulcahy says: "People have to feel engaged, motivated and feel they are making a contribution to something that is important."⁹

www.hudson.org



A Global Perspective

The Hudson Institute is an internationally recognized public policy research organization. Concerns for the digital future, global food issues, and workforce development are active themes in the institute's policy centers.

Margin Photo Essays give short examples relevant to chapter topics.

Boldfaced key terms are called out and defined in the margins, forming a **Margin Running Glossary.**

- ◉ **Prejudice** is the display of negative, irrational attitudes toward women or minorities.
- ◉ **Discrimination** actively denies women and minorities the full benefits of organizational membership.
- ◉ The **glass ceiling effect** is an invisible barrier limiting career advancement of women and minorities.
- ◉ **Ethics** set moral standards of what is "good" and "right" in one's behavior.

TAKE IT TO THE CASE



Apple Computer Inc.

Where people and design create the future

Innovative design is a mainstay of Apple's business model. But there's more to the company than that. Under the leadership of co-founder Steve Jobs, Apple is a model of operating efficiency and marketing savvy. He claims we are entering the third and "golden age" of personal computing.⁴¹ With this vision, there is no doubt that Jobs brings passion, inventiveness, and a great eye for customer markets to the firm. But the execution comes from people and the team-driven, technology-rich, and talent-based high-performance environment that represents life within Apple. If you want to study a company that operates in the world of the

new economy with a new workforce and new organization, take a look at Apple. Even in the intensely competitive computer industry, the wizardry of Apple sets a benchmark for the rest of the pack.

Margin List Notes call attention to key bulleted or numbered lists throughout the text.

← Key personal characteristics for managerial success

A Critical Thinking Case for each chapter is introduced with **Take-It-To-The-Case**, which applies the case to the material being discussed.

Innovative **Reality Checks** in each chapter introduce key facts or survey results relevant to text discussion. Each is linked to an interactive on-line activity that probes further into the issue.

REALITY CHECK 1.1

Barriers to advancement for women of color

A comprehensive three-year study reported by Catalyst identified the four most commonly identified barriers cited by women of color that limit their paths upward in business. Lack of high-visibility assignments was one of the barriers. Take the online "Reality Check" to learn more.

should mean "enabling" or her potential." A female of man environment tribute. Even be made study 1 corporations w from 8 up from women force,

Critical survival skills for the new workplace

MANAGER'S NOTEPAD 1.1

- **Mastery:** You need to be good at something; you need to be able to contribute something of value to your employer.
- **Contacts:** You need to know people; links with peers and others within and outside the organization are essential to get things done.
- **Entrepreneurship:** You must act as if you are running your own business, spotting ideas and opportunities, and stepping out to embrace them.
- **Love of technology:** You have to embrace technology; you don't have to be a technician, but you must be willing and able to fully utilize IT.
- **Marketing:** You need to be able to communicate your successes and progress, both yours personally and those of your work group.
- **Passion for renewal:** You need to be continuously learning and changing, always updating yourself to best meet future demands.

Manager's Notepads in each chapter offer lists of helpful "do's" and don'ts" of managerial behavior.

Learning check 2

Be sure you can • describe how organizations operate as open systems • explain productivity as a measure of organizational performance • list several ways in which organizations are changing today • distinguish between performance effectiveness and performance efficiency • explain the concept of TQM

At the end of each section, **Learning Checks** prompt you to stop and review the key points you have just studied. If you cannot answer these questions, you should go back and read the section again.

Each chapter ends with **Where We've Been**, which looks back at the chapter opening vignette as a helpful reminder for summary and review purposes

Where We've Been**BACK TO MONSTER.COM**

The opening example of Monster.com focused on you, your career, and the great opportunities for career success that exist in today's dynamic environment. You don't need to create your own company like Jeff Taylor did to achieve career success, although you could. What you must do, is discover the learning "monster" within yourself and commit it to academic success and career development. In Chapter 1 you learned about the new work environment, from the challenges of technology utilization, to the forces of globalization, to diversity and ethical behavior, and more. You also gained insight into the nature of organizations, the managerial roles, and the critical importance of developing essential managerial and leadership skills.

**THE NEXT STEP
INTEGRATED LEARNING ACTIVITIES****Cases/Projects**

- Apple Computer, Case
- Outback Steakhouse, Case
- Project 1—Diversity Lessons
- Enron and Anderson case

Self-Assessments

- A 21st-Century Manager (#1)
- Emotional Intelligence (#2)
- Diversity Awareness (#7)
- Are You Cosmopolitan? (#18)

Experiential Exercises

- My Best Manager (#1)
- What Managers Do (#2)
- Defining Quality (#3)
- The Future Workplace (#14)

The Next Step directs you to cases, projects, self-assessments, and experiential exercises included in the **Management Learning Workbook** at the back of the text.

The **Summary** is a bullet list summary of key points for each chapter opening Study Question.

STUDY QUESTIONS SUMMARY

1. What are the challenges of working in the new economy?
 - Today's turbulent environment challenges everyone to understand and embrace continuous change and developments in a new information-driven and global economy.
 - Work in the new economy is increasingly knowledge based, and people, with their capacity to bring valuable intellectual capital to the workplace, are the ultimate foundation of organizational performance.
 - The forces of globalization are bringing increased interdependencies among nations and economies, as customer markets and resource competition intensify.
 - Ever-present developments in information technology and the continued expansion of the Internet are reshaping organizations, changing the nature of work, and increasing the value of knowledge workers.
 - Organizations must value the talents and capabilities of a workforce whose members are increasingly diverse with respect to gender, age, race and ethnicity, ability, and lifestyles.
 - Society has high expectations for organizations and their members to perform with commitment to high ethical standards and in socially responsible ways, including protection of the natural environment and human rights.

SELF-TEST 1**MULTIPLE-CHOICE QUESTIONS:**

1. The process of management involves the functions of planning, _____, leading, and controlling.
(a) accounting (b) creating (c) innovating (d) organizing
2. An effective manager achieves both high-performance results and high levels of _____ among people doing the required work.
(a) turnover (b) effectiveness (c) satisfaction (d) stress
3. Performance efficiency is a measure of the _____ associated with task accomplishment.
(a) resource costs (b) goal specificity (c) product quality (d) product quantity
4. The requirement that a manager answer to a higher-level boss for results achieved by a work team is called _____.
(a) dependency (b) accountability (c) authority (d) empowerment

An end-of-chapter **Self-Test** helps assess your understanding of key chapter topics, including multiple-choice, short response, and essay questions.

KEY TERMS REVIEW

Accountability (p. 17)	Knowledge worker (p. 6)	Planning (p. 20)
Administrators (p. 17)	Leading (p. 20)	Prejudice (p. 8)
Conceptual skill (p. 24)	Lifelong learning (p. 23)	Productivity (p. 12)
Controlling (p. 21)	Line managers (p. 17)	Project managers (p. 16)
Corporate governance (p. 9)	Management (p. 19)	Quality of work life (p. 17)
Discrimination (p. 8)	Manager (p. 15)	Skill (p. 23)
Emotional intelligence (p. 24)	Managerial competency (p. 24)	Staff managers (p. 17)
Ethics (p. 8)	Middle managers (p. 16)	Supervisor (p. 16)
Functional managers (p. 17)	Open system (p. 12)	Team leader (p. 16)
General managers (p. 17)	Organization (p. 11)	Technical skill (p. 24)
Glass ceiling effect (p. 8)	Organizing (p. 20)	Top managers (p. 15)
Globalization (p. 6)	Performance effectiveness (p. 12)	Total quality management TQM (p. 14)
Human skill (p. 24)	Performance efficiency (p. 13)	Workforce diversity (p. 7)
Intellectual capital (p. 6)		

The **Key Terms List** is a reminder about key concepts, along with page references to where they are defined.

Memorandum

To: *Management 8/e Readers*
From: *Professor Schermerhorn*
Subject: *Personal Management*

Welcome to *Management 8/e* and its theme—"personal management."

We live and work today in very complex times. The uncertainties of international relations, the economic forces of globalization, and business ethics scandals are just three of the emerging forces and trends that are having an undeniable impact on our society. The dynamics of ever-present change extend into the workplace and raise for all of us a host of new career challenges. There is no better time than now to commit your energies and intellect to continuous learning and personal development. Indeed, your future depends on it.

Management 8/e is designed with your learning and personal development in mind. A major goal is to help you join the world of work on your terms, and in a positive and progressive way. Importantly, this edition emphasizes *personal management*—the ability to understand yourself individually and in the social context, to assess personal strengths and weaknesses, to exercise initiative, to accept responsibility for accomplishments, to work well with others, and to adapt by continually learning from experience in the quest for self-improvement.

Every chapter of *Management 8/e* contains a Personal Management Box written to help you personalize the topics, theories, and applications. The boxes raise issues, offer tips, ask questions, and suggest learning activities for your professional development. If you take full advantage of them, your confidence will grow and your portfolio of career skills and attitudes will expand.

Management 8/e is a student's book. I teach management every year to undergraduate and graduate students. Just as when I work with them, my goal here is to bring to you the best of my knowledge and experience. Although we can't be in class together, we can meet through the pages and learning activities of *Management 8/e*, and through the resources of the companion website: www.wiley.com/college/schermerhorn

Please join my students and me in working hard to make your introductory study of management a positive and relevant learning experience—one with rich and enduring personal management implications. Get started by reading my attached primer on "Personal Management and Career Readiness."

PERSONAL MANAGEMENT AND CAREER READINESS

In my Memorandum to the Reader, I describe **personal management** as an essential skill, one that is critical for your continued growth and career success. It is the ability to understand yourself individually and in the social context, to assess personal strengths and weaknesses, to exercise initiative, to accept responsibility, to work well with others, and to adapt by continually learning from experience.

One of the best ways to demonstrate personal management is in the way you approach college, your academic courses, and the rich variety of related development opportunities that are available on campus and off. Your introductory course in management offers many ways to explore existing skills and capabilities, and to identify and develop new ones. It will also be rich in ideas and suggestions that can help you find career direction and establish the personal foundations for life-long career success. But always remember: What happens is up to you! Thus, there is no better time than the present to commit to yourself to learning and personal growth.

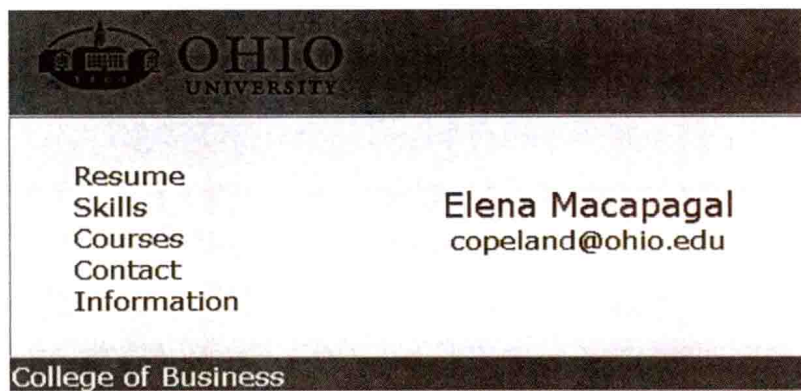
The Brand Called “You”

The best career advice returns again and again to the message just delivered: What happens is up to you. Don’t let yourself down, now or in the future. Step forward and take charge of your continued learning and professional development. Build, refine, and market what author and consultant Tom Peters refers to as the “brand called you.” He advises each of us to work hard to create and maintain a unique and timely package of skills and capabilities with career potential. In Peters’s words, your personal brand should be “remarkable, measurable, distinguished, and distinctive.”² It has to set you apart positively from the competition—others who, like you, want good jobs and satisfying careers in today’s very challenging economic times.

Building a Student Portfolio

A good way to visualize and package this “brand called you” is in a **student portfolio**—a compendium of materials that document your accomplishments in college and communicate to others your skills and career readiness.³ In the Management Learning Workbook included with *Management*

8/e you will find an introduction to student portfolios, including a basic template for building one of your own—both in print and in electronic form. A student portfolio will help you begin the process of brand building and to prepare step-by-step your credentials for maximum career impact. Your portfolio, as suggested in this screen shot of the front page from an electronic portfolio, should include at a minimum an up-to-date résumé, a list of courses in your major and related areas, and a summary of relevant skills.



At Ohio University, we use portfolios to help students focus their learning and also to document achievements for both academic and employment purposes. The first thing that building a student portfolio reminds you is that a good résumé is essential. It should present your experiences and accomplishments in a professional and compelling way. Your résumé should catch the attention of potential employers or internship sponsors, and differentiate you from others who want the same positions. A commitment to résumé building and personal management throughout one's college years can create a very substantial foundation of work experience. In the example shown, the résumé helped a student obtain her first choice of full-time employment after graduation. Importantly, her résumé wasn't created for the one interview, and it wasn't created overnight. It was built step-by-step as she progressed through college and used her time well with a goal in mind—getting the job she wanted upon graduation.

A student portfolio is also a way to document how the learning from your courses and other activities creates a core set of personal skills and competencies. As shown in the screenshot example, I encourage my students to document for me and potential employers their competencies in professionalism, leadership, communication, teamwork, critical thinking, and self-management. I also encourage students to be specific and make sure that their unique talents are well described. In the screen shot example, you can see how this student used her study of Japanese language and culture to show readiness for an international business career. Other documentation in her portfolio includes a paper on international relations—demonstrating critical-thinking skills and a letter written to a summer employer offering a proposal for job advancement—demonstrating professionalism and communication skills.

WORK EXPERIENCE	<u>American Express Financial Advisors</u> , Hudson, Ohio June 2000 - December 2002 Intern	
	<ul style="list-style-type: none"> • Successfully promoted beneficial offerings to existing clients and worked alongside a senior financial advisor in a mentorship program • Handled advisor projects and assisted client-advisor seminars and meetings • Planned/managed client-appreciation nights including over 300 clients • Built relationships with clients through telecommunication • Supported advisors in various marketing/promotion projects • Enhanced company communication through the OST and IDSNet database • Handled and organized accurate and confidential financial documents to help serve clients effectively • Helped advisors provide clients with an efficient, effective, and comfortable financial portfolio 	
	<u>College Book Store</u> , Athens, Ohio Service Desk Representative	September 2002 - December 2002
	• Handled customer questions, complaints, concerns	
STUDENT ACTIVITIES	<u>American Marketing Association</u> Market Research Committee	September 2000 - June 2002
	<ul style="list-style-type: none"> • Researched current market conditions and interesting current practices • Assisted in the organization of various AMA events 	

SKILLS	Communication Demonstrates ability to share ideas and findings clearly in written and oral expression <u>Group Contract</u> - I wrote this contract for a group I was a member of after discussing and agreeing upon each issue. <u>Japanese composition</u> - This composition is written in Japanese. The topic was to describe a person whom we admire.
	Critical Thinking Demonstrates ability to gather and analyze information for creative problem solving. <u>International Relations</u> - This paper is regarding order and stability in the current international system, based on the international relations theories of realism and liberalism.
	Leading Demonstrates ability to influence and support others to perform complex and ambiguous tasks. <u>Multinational Business Group Leader</u> - As the group leader for this presentation, I helped direct the research involved and the direction our recommendations took for Umberto Bilancioni (Italian Retailer).
	Professionalism Demonstrates ability to sustain a positive impression, instill confidence and advance in a career. <u>Job Proposal for advancement</u> - The attached work proposal was presented to my current employers. They had previously asked me of my intentions after graduation. Since this proposal was given to them I was offered a position within the company and have accepted their offer.

Early Career Advice

The management of one's career and career development is extremely challenging in times like ours where change is ever-present, fast-moving, and often unpredictable. The challenges are often magnified at the point of career entry, when one is beginning a new job with a new employer. In terms of early career advice, consider the following lessons taken from my experience and from what my past students have told me.

Lesson one: There is no substitute for performance. No matter what the assignment, you must work hard to quickly establish your credibility and value in any new job.

Lesson two: Be and stay flexible. Don't hide from ambiguity; don't wait for structure. Instead, you must always be able and willing to adapt personally to new work demands, new situations and people, and new organizational forms.

Lesson three: Keep the focus. You can't go forward without talent. You must commit to continuous learning and professional development. In order to get and stay ahead in a career during very competitive times, you must become a talent builder—someone who is always adding to and refining your talents to make them valuable to an employer.

This early career advice places emphasis once again on your commitment to personal management, and on your ability to stay disciplined in continuously taking stock of yourself and seeking the learning available in your daily experiences. You must always be willing to learn. And sometimes, the very best learning comes from situations that you might otherwise turn away from—those that present problems, create anxieties, and otherwise prove difficult for you to deal with.

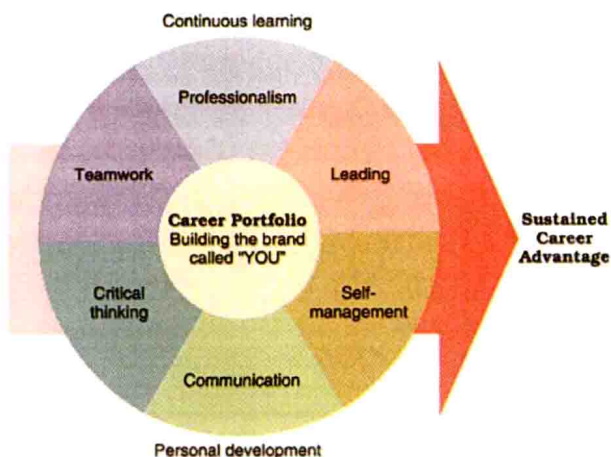
According to author and consultant Stephen Covey, the foundations for career success are within everyone's grasp. But the motivation and the effort required to succeed must come from within. Only you can make this commitment, and it is best made right from the beginning. Covey's advice is to take charge of your destiny and move your career forward by: (1) behaving like an entrepreneur, (2) seeking feedback on your performance continually, (3) setting up your own mentoring systems, (4) getting comfortable with teamwork, (5) taking risks to gain experience and learn new skills, (6) being a problem solver, and (7) keeping your life in balance.⁴

Sustaining Career Advantage

One of the important things you will learn in *Management 8/e* is the strategic management concept of “competitive advantage”—core competency that delivers high value and is very difficult for competitors to imitate. Just like an organization that must find competitive advantage and then continually innovate to maintain it, you too must adapt and grow

with the demands of an ever-changing workplace, economy, and career environment. As shown in the last screen shot, you must achieve a sustainable career advantage—a combination of personal attributes, skills, and capabilities that allows you to consistently outperform others.

Management 8/e is rich with insights into the new workplace, the nature of managerial work, and the great challenges organizations face in a highly competitive global economy. As you move forward in this exciting world of work, you must commit to personal management, continuous learning, and the process of brand building for a satisfying life-long career. Always remember the goal: sustainable career advantage. And you must never forget that its achievement is up to you.



Make the commitment to move forward, right now, in your management course. Get connected with learning and with yourself. Use the personal management resources of *Management 8/e* and its Management Learning Workbook to establish your career readiness and set a strong foundation for personal fulfillment and life-long career success.

¹ Tom Peters, "Is Your Job Your Calling," *Fast Company* (February–March, 1998), p. 108.

² Tom Peters, "The Brand Called You," *Fast Company*, (August–September 1997); "The New Wired World of Work," *Business Week* (August 28, 2000), pp. 172–173.

³ See David S. Chappell and John R. Schermerhorn, Jr., "Electronic Student Portfolios in Management Education," Chapter 5 in Charles Wankel and Robert DeFillipi (Eds.), *Educating Managers with Tomorrow's Technologies* (Greenwich, Conn.: Information Age Publishing, 2003), pp. 101–130.

⁴ Stephen Covey, "How to Succeed in Today's Workplace," *USA Weekend* (August 29–31, 1997), pp. 4–5.