



ment

management

a practical introduction

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management

A Practical Introduction

Angelo Kinicki

Arizona State University

Brian K. Williams



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Cover: The Golden Gate Bridge, which spans San Francisco Bay in California. Some great achievements of history were accomplished by individuals working quietly by themselves, such as scientific discoveries or works of art. But so much more has been achieved by people who were able to leverage their talents and abilities—and those of others—by being managers. None of the great architectural wonders of the world, such as this one, was built single-handedly by one person. Rather, all represent triumphs of management.

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about the authors



ANGELO KINICKI is Professor and Dean's Council of 100 Distinguished Scholars at Arizona State University. He joined the faculty in 1982, the year he received his doctorate in business administration from Kent State University. His specialty is organizational behavior.

Angelo is recognized for both his research and teaching. He has published over 75 articles in a variety of leading academic and professional journals and has coauthored three textbooks. Angelo's success as a researcher also resulted in his selection to serve on the editorial review boards for the *Academy of Management Journal*, *Journal of Vocational Behavior*, and the *Journal of Management*. He also received the All-Time Best Reviewer Award from the *Academy of Management Journal* for the period of 1996–1999. Angelo's outstanding teaching performance resulted in his selection as the Graduate Teacher of the Year and the Undergraduate Teacher of the Year in the College of Business at Arizona State University. He was also acknowledged as the Instructor of the Year for Executive Education from the Center for Executive Development at Arizona State University.

One of Angelo's strengths is his ability to teach students at all levels within a university. He uses an interactive environment to enhance undergraduates' understanding about management and organizational behavior. He focuses MBAs on applying management concepts to solve complex problems, and PhD students learn the art and science of conducting scholarly research.

Angelo is also a busy consultant and speaker with companies around the world. His clients are many of the Fortune 500 companies as well as a variety of entrepreneurial firms. Much of his consulting work focuses on creating organizational change aimed at increasing organizational effectiveness and profitability. One of Angelo's most important and enjoyable pursuits is the practical application of his knowledge about management and organizational behavior.

Angelo and his wife Joyce have enjoyed living in the beautiful Arizona desert for 20 years, but are natives of Cleveland, Ohio. They enjoy traveling, golfing, and hiking.




BRIAN K. WILLIAMS has been Managing Editor for college textbook publisher Harper & Row/Canfield Press in San Francisco; Editor-in-Chief for nonfiction tradebook publisher J. P. Tarcher in Los Angeles; Publications & Communications Manager for the University of California, Systemwide Administration, in Berkeley; and an independent writer and book producer based in the San Francisco and Lake Tahoe areas. He has a B.A. in English and an M.A. in communication from Stanford University. He has coauthored 19 books, which include such best-selling college texts as *Using Information Technology* with Stacey C. Sawyer, recently published in its fifth edition by McGraw-Hill/Irwin, and several other computer books. He has also written a number of college success books and health books, and is presently working on social science texts. In his spare time, he and his wife, Stacey Sawyer, enjoy travel, music, cooking, and exploring the wilds of the American West.

dedication

To John and Barbara Di Giovanni, two of my “chosen” family members. I value our friendship and admire and respect what you two have accomplished. From starting and growing a business, to raising a wonderful family, you have done it all. You are also the best doggoned godparents that ever lived. Love, A.K.

To Stacey, for her 17 years of steadfast, patient support and for her collaboration and shared adventures; to Sylvia, for her many years of being the apple of her father’s eye; to Kirk, for being the son who continues to delight me. Much love, B.K.W.



Kinicki/Williams: Your Guide through the Book's Teaching and Learning Tools

MANAGEMENT: A PRACTICAL INTRODUCTION is intended for use as a concepts book in a one-semester or one-quarter introductory course in management. It is, we hope, a book that will make a difference to our readers. By blending our two strengths—Angelo's scholarship, teaching, and management-consulting experience and Brian's writing and publishing background—we have tried to create a research-based yet highly readable, practical text with an innovative pedagogical approach and an exciting magazine-like layout that appeals to today's visually oriented students. This approach was used in order to accomplish our primary goal of writing a text that students would enjoy reading.

The text covers the principles that most management instructors have come to expect—planning, organizing, leadership, controlling—plus the issues that today's students need to be aware of and know in order to succeed: customer focus, globalism, diversity, ethics, information technology, entrepreneurship, work teams, the service economy, and small business. Beyond these, our book has **five key features that make it unique:**

- **Student approach to learning**
- **Emphasis on practicality**
- **Expandability**
- **Readability**
- **End-of-chapter resources**

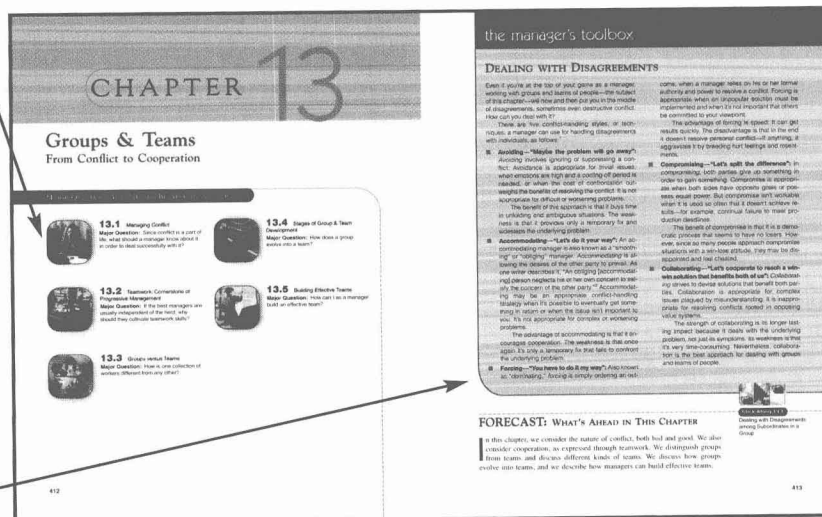
Feature #1:

A Student Approach to Learning— Reinforce Acquisition

This book takes a student approach to learning, breaking down the subject matter into constituent parts for easier comprehension. In a plan that has been tested since the book's inception, we have not only written the material but have actually determined and controlled how it should be laid out on the page. The first key feature of the book, therefore, is that it has a carefully thought-out strategy that integrates words, pictures, and layout into a program of learning reinforcement. Here's how it works:

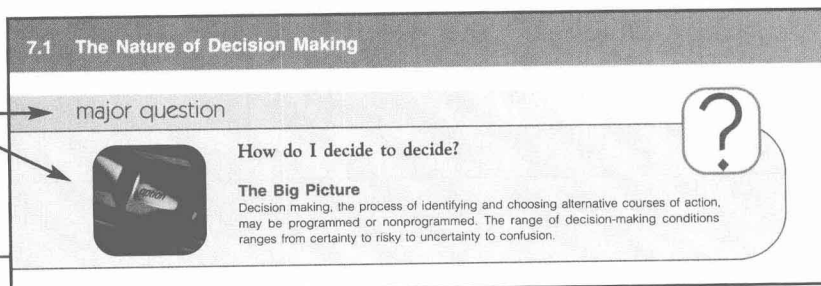
“Major Questions” help student read with purpose: Each chapter begins with four to eight **Major Questions**—which correspond to the four to eight sections within the chapter. We worded the Major Questions so that they will be provocative and motivational, not dry and passive. That is, they are written to appeal to students' concern about “what's in it for me?” and to help them read with purpose—to focus their attention while reading the text so as to be able to gain practical knowledge.

These opening questions are followed by **The Manager's Toolbox** feature—which gives students a practical sample pertaining to the material they are about to read—and then by the **Forecast: What's Ahead in This Chapter**, which provides a brief overview of the chapter.



Examples of Major Questions: “Challenges can make one feel alive. What are six challenges I could look forward to as a manager?” “To be an exceptional manager, what roles must I play successfully?” “How do I work with others to make things happen?”

Chapter topics/concepts are arranged in spreads of two, four, or six pages and begin with a Major Question and The Big Picture: These spreads (that is, left and right facing pages) offer easily manageable units of study to enhance reader motivation and optimize learning.



The Major Question is immediately followed by a brief description, The Big Picture, which gives students a preview or overview of the section they are about to read.

"Form Follows Function" Book Design to of Knowledge

Form follows function—subtopics discussed in multiple columns: The magazine-like layout within each section is designed both to appeal to today's visually oriented student and, in our student approach, to visually break the subject matter down into its constituent parts to help distinguish it for readers. Accordingly, instructors will observe that within the two-page spreads, text is laid out in multiple columns—that is, as one, two, three, or more columns—in a "form follows function" format appropriate to the subject matter.

1 For-Profit Organizations: For Making Money For-profit, or business, organizations are formed to make money, or profits, by offering products or services. When most people think of "management," they think of business organizations, ranging from Allstate to Zenith, from Altavista to Zagat.



2 Nonprofit Organizations: For Offering Services Managers in nonprofit organizations are often known as "administrators." Nonprofit organizations may be either in the public sector, such as the University of California, or in the private sector, such as Stanford University. Either way, their purpose is to offer services to some clients, not make a profit. Examples of such organizations are hospitals, colleges, and social-welfare agencies (The Salvation Army, The Red Cross). One particular type of nonprofit organization is called the *communal organization*. Unlike nonprofit service organizations, which offer services to



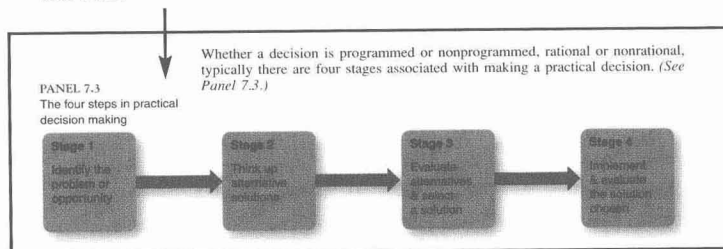
3 Mutual-Benefit Organizations: For Aiding Members Mutual-benefit organizations are voluntary collections of members—political parties, farm cooperatives, labor unions, trade associations, and clubs—whose purpose is to advance members' interests.



Example of form follows function: In Chapter 8, we say organizations are of three types—for-profit, nonprofit, and mutual-benefit—and we describe them in three columns.

Important note: In using this unique pedagogical approach we have carefully avoided forcing substantive coverage into this format and have taken pains to avoid padding or undue compression of the text.

Illustrations are positioned next to discussion: Figures and tables are positioned precisely where they are referenced in the text discussion. Thus, readers will avoid the irritation of having to flip pages back and forth in order to study an important illustration that is closely described in the text.



Examples are set off in boxes: It's important to clearly distinguish between concepts and examples, but in many books extended examples are often buried within the text. We have chosen to position 53 examples within boxes, so that these "mini-cases" or verbal illustrations of concepts stand alone in their own right and are highlighted for student readers. (See also page xiii.)

Learning Portfolio

Key Terms Used in This Chapter

benchmarking, 326	organization development, 328	radical innovation, 333
change agents, 326	process innovation, 333	technology, 322
incremental innovations, 333	product innovation, 333	
intervention, 330		

Summary

10.1 The Nature of Change in Organizations

- Two types of change are reactive and proactive. Reactive change is making changes in response to problems or opportunities as they arise. Proactive change, or planned change, involves making carefully thought-out changes in anticipation of possible or expected problems or opportunities.
- Forces for change may come from inside the organization or outside it. (1) External forces consist of four types: demographic characteristics, market changes, technological advancements, and social and political pressures. (2) Internal forces may be of two types: employee problems and managers' behavior.
- Four areas in which change is most apt to be needed are people, in thinking, structure, and strategy. (1) People changes may require changes in perceptions, attitudes, performance, or skills. (2) Technology is not just a computer technology; it is any machine or process that enables an organization to gain a competitive advantage in changing markets and to produce a finished product. (3) Changing structure may happen when one organization acquires another. (4) Changing strategy may occur because of changes in the marketplace.

10.2 The Future of Change: Managing Employee Fear & Resistance

- The degree to which employees feel threatened by change depends on whether the change is adaptive, innovative, or radically innovative. Adaptive change, the least threatening, is characterized by a limited pre-change practice that is new to the organization. Radically innovative change, the most threatening, involves introducing a practice that is new to the industry.
- Kurt Lewin's change model has three stages—unfreezing, changing, and refreezing—to explain how to initiate, manage, and stabilize planned change. (1) In the unfreezing stage, managers try to assist as employees the motivation to change. One technique used is benchmarking, a process by which a company compares its performance with that of high-performing organizations. (2) In the changing stage, employees need to be given the tools for change, such as new information. (3) In the refreezing stage, employees need to be helped to integrate the changed attitudes and behaviors into their new behavior.
- In a study corresponding with Lewin's, John Kotter's suggests an organization needs to follow eight steps to ensure the change process: create a sense of urgency, create the guiding coalition, develop a vision and strategy, and communicate the change vision. The next three steps represent the changing stage: remove barriers to change, generate short-term wins,

Summarizing topic coverage once again—end-of-chapter list of key terms and summary: To further encourage repetition for learning reinforcement, we give an extensive reprise of the subject matter at the end of the chapter, both in the list of **Key Terms Used in This Chapter** and in the **Summary**. Thus, the reader has several opportunities to focus on what's most important and to grasp the important ideas in the chapter: in the Forecast, in The Big Picture, and in the Key Terms and Summary.

Quizzes reinforce student learning: The student CD contains quizzes for each chapter. These quizzes provide readers with feedback regarding mastery of the subject matter. This completes the student approach to learning.



In sum: We're confident the student approach will induce readers to thoroughly question, preview, and review the material plus scrutinize its component parts in detail. In turn, this will help students acquire a far better knowledge of management principles than is usually the case with conventional textbooks.

We would like this book to be a “keeper” for students. Thus, we not only cover fundamental concepts of management but also offer a great deal of **practical advice**. This advice, of the sort found in general business magazines and the business sections of newspapers, is expressed not only in the text but also in the following:

the manager's toolbox

HOW EXCEPTIONAL MANAGERS MAKE DECISIONS

“Failure is a great teacher.”

That is one of the life lessons of David Dorman, who at age 45 is the CEO of a \$10 billion joint venture between AT&T and British Telecommunications.¹ During his meteoric career, Dorman has had to make many decisions—the subject of this chapter—for which failure is always a possible outcome. But he has learned that that possibility can't stop one from making decisions. And you can probably always learn from the result.

■ **When should you make a decision and when should you delay?** Often you want to stay open-minded before making a decision. But sometimes that can just be a cover for procrastination. (After all, not making a decision is in itself a kind of decision.) How do you know when you're keeping an open mind or are procrastinating? Ralph L. Keeney, coauthor of *Smart Choices: A Practical Guide to*

tough choices. “On a daily and weekly basis we can be faced with making hundreds of decisions,” says management consultant Odette Pollar. “Most of them are small, but the larger ones where more is at stake can be truly painful.” Here are some ways she suggests making decision making easier, some of which resemble Keeney's.²

Decide in a timely fashion: “Rarely does waiting significantly improve the quality of the decision,” says Pollar. In fact, delay can result in greater unpleasantness in loss of money, time, and peace of mind.

Don't agonize over minor decisions: Postponing decisions about small problems can mean that they simply turn into large ones later.

Separate outcome from process: Does a bad outcome mean you made a bad decision? Not necessarily. The main thing is to go through a well-

The Manager's Toolbox:

Many textbooks open a chapter with a case. Because many students simply skip over this, we've chosen instead to open with **The Manager's Toolbox**, offering readers practical advice pertaining to the chapter they are about to read. Besides providing practical nuts-and-bolts kinds of information they will find useful in their management careers, **The Manager's Toolbox** is designed to motivate readers for the forthcoming material.

Examples: “Five Rules for Staying Ahead in Your Career.” “Being a Successful Road Warrior.” “Dealing with Disagreements.” “How Exceptional Managers Make Decisions.”

Practical Action box:

The **Practical Action** box, which appears one or more times in each chapter, also offers practical advice that students will be able to use in the workplace.

Examples: “Managing Information Overload: Keep Your Eye on the Big Picture.” “How to Streamline Meetings.” “What Makes a Startup?” “The Challenge of Managing Virtual Teams: Reaching Across Time & Space.”

practical action

Toward a More Open Workplace: Treating Employees Right

Some companies are “toxic organizations,” Stanford University business professor Jeffrey Pfeffer's name for firms with high turnover and low productivity. Others take a contingency kind of approach, keeping employees through methods such as “open-book management,” *Inc.* magazine editor John Case's term for a company's being completely open with employees about its financial status, projections, costs, expenses, and even salaries.¹⁴

“Companies that manage people right will outperform companies that don't by 30% to 40%,” says Pfeffer. “If you don't believe me, look at the numbers.”¹⁵ The author of *The Human Equation: Building Profits by Putting People First*, Pfeffer says that employees' loyalty to employers isn't dead but that toxic companies drive people away.¹⁶ Companies such as Hewlett-Packard, Starbucks, and The Men's Warehouse have had lower turnover—and hence lower replacement and training costs—than their competitors for a reason: They have bent over backward to create workplaces that make people want to stay.

One way of challenging traditional military-style management and empowering employees and increasing earnings is through open-book management. This approach “means training employees in how the company is run,” says one account. “It means asking for employee input and acting on it. It means rewarding employees with bonuses when the goals they create are met.”¹⁷ By learning the key numbers, employees are able to use their heads instead of just doing their jobs and going home. “Whether or not you have equity ownership, open-book management helps employees to feel, think, and act like owners,” says Gary T. Brown, director of human resources for Springfield ReManufacturing Corp., a rebuilder of truck engines in Springfield, Mo.¹⁸ “True open-book management means asking employees what the goals should be.”

CompuWorks, a Pittsfield, Mass., computer systems-integration company, cultivates employee loyalty by piling on personal and team recognition, as in giving the Wizard of the Week award to the employee who goes beyond the call of duty. It also operates the Time Bank, into which every month 10 hours of free time is “deposited” for each employee to use as he or she wishes. Employees are trained how to read financial statements and how to chart billable hours and watch cash-flow levels. Regular bonuses are given based on company profits.¹⁹

Sometimes, despite the mantra that “the customer is always right,” companies will even side with employees against

**Example of Making Correct Diagnosis:
NASCAR Pit Crew Chief Wins Races**

Former NASCAR race car driver Ray Evernham, now boss of a pit crew for racer Jeff Gordon, heads a crew of seven who change tires and add fuel during pit stops. Using two-way radio communication with the driver, Evernham makes all the decisions as the race proceeds, such as when to make pit stops, how many tires to change, and how much gas to pump. Thus, if a driver says the car is oversteering or understeering, Evernham must determine what kind of repairs must be made at pit stops, such as adjusting weight bolts on tires. By witnessing how other drivers make their pit stops, Evernham plans his, always trying to save a little time.

One day in 1994, for example, Evernham's correct diagnosis shaved crucial seconds off Jeff Gordon's pit stop time, enabling him to overtake Rusty Wallace and win a major race. He watched as Wallace's crew spent 17 seconds changing all four tires. Thus, when Gordon pulled in, Evernham ordered his crew to change just two tires, which took only nine seconds. The eight seconds difference allowed Gordon to win the race by $2\frac{1}{2}$ seconds.¹³



Example boxes:

The theme of practicality also extends to the 53 “Example of . . .” boxes in the book, which use real-world situations to help explain text concepts.

Examples: “Example of Open & Closed Systems: Marketing to Generation Y.” “Example of Taking Care of the Customer: L. L. Bean’s No Questions Asked.” “Example of Off-the-Job Training: Practical Courses through Distance Learning.”

Web-based “Taking Something Practical Away from This Chapter” essay:

This website feature, which is presented at the end of each chapter, expands a topic introduced in the chapter to enable students to make use of it more thoroughly. The first instance of the “Taking Something Practical Away from This Chapter” essay appears in the text itself at the end of Chapter 1: “Getting Control of Your Time—Dealing with the Information Deluge in College & in Your Career.” The essays for all other chapters appear on the Kinicki/Williams website.

Examples: “Encouraging Creativity.” “Motivation through Goal Setting.” “How to Reduce Stress.” “Becoming an Effective Negotiator—Winning Tactics.” “Online Job Hunting, Resumes, & Interviews.”

Taking Something Practical Away from This Chapter

Getting Control of Your Time: Dealing with the Information Deluge in College & in Your Career



Except for this first box, “Taking Something Practical Away from This Chapter” appears on the website accompanying this book, with one such box for every chapter. Each box offers you the opportunity to acquire useful experience that directly applies to your career.

One great problem most college students face—and that all managers face—is how to manage their time. This first box describes skills that will benefit you in college and later in your career.

“I’ve managed to ratchet my schedule down so I can have an outside life,” says Doug Shoemaker, a San Francisco architect who tries to be home by 6:00 every night. “I’m a highly organized guy, I really focus on tasks, and I get them done.”³⁸

Professionals and managers all have to deal with this central problem: how not to surrender their lives to their jobs. The place to start, however, is in college. If you can learn to manage time while you’re still a student, you’ll find it will pay off not only in higher grades and more free time but also in more efficient information-handling skills that will serve you well as a manager later on.

Feature #3: Expandability through “Click-Along” Connections to Kinicki/Williams Website

Recognizing that a book of this length cannot possibly cover material to suit every instructor’s needs, we offer an expandability feature. Approximately 70 “Click-Along” icons appear in the text margins and direct students and instructors to visit the book’s website to find additional text regarding that concept. This feature allows expanded topic coverage for those who want to explore subjects in more detail. Wherever the Click-Along icon appears, go to www.mhhe.com/kw to access additional text.



Click-Along 6.2

Two Other Strategy Formulations: Driving Force Analysis & Strategies for New Venture Firms

Harvard Business School consultant strategists working for consulting firm McKinsey

Is this high praise? On competitive strategy instance, voted him the

Porter’s reputation that five forces affect in (2) bargaining power of substitute products or services industry firms.³⁵ An organization these five competitive forces to formulate effective strategies

Feature #4:

Imaginative Writing for Readability

Research shows that textbooks written in an imaginative, people-oriented style significantly improve students' ability to retain information.

In our book, we have employed a number of journalistic devices—such as the short biographical sketch, the colorful fact, the apt direct quote—to make the material as interesting and memorable as possible.

Having together written over two dozen textbooks and taught thousands of undergraduate students, we are vitally concerned with reinforcing students in acquiring knowledge and developing critical thinking. Accordingly, we offer several other learning aids:

- **Key terms and definitions in boldface:** Each key term **AND** its definition is **printed in boldface** within the text, in order to help readers avoid any confusion about which terms are important and what they actually mean. **The glossary also contains American slang expressions used in the text**, as an aid to students from other countries.
- **Important people names in boldface:** The names of important management theorists and scholars also appear in boldface, so that readers will know they should pay attention to these names for testing purposes.
- **Material in “bite-size” portions:** Major ideas are presented in bite-size form, with generous use of advance organizers, bulleted lists, and new paragraphing when a new idea is introduced.
- **Plenty of examples:** Extended examples are displayed in the “Example of . . .” boxes. There are also many short examples presented within the body of the text.

How Organizations Respond to Uncertainty

How do you personally respond to uncertainty? Do you react slowly? creatively? proactively? Do you watch to see what others do? Organizations in similar ways.

Scholars **Raymond E. Miles** and **Charles C. Snow** suggest that organizations adapt one of four positions when responding to uncertainty in their environment. They become *defenders*, *prospectors*, *analysts*, or *reactors*.¹⁰

Defenders—“Let’s Stick with What We Do Best, Avoid Other Involvements” Whenever you hear an organization’s leader say that “We’re sticking with the basics” or “We’re getting back to our core business,” that’s the hallmark of a defender organization. **Defenders are expert at producing and selling narrowly defined products or services.** Often they are old-line successful enterprises—such as Harley-Davidson motorcycles or Brooks Brothers clothiers—with a narrow focus. They do not tend to seek opportunities outside their present markets. They devote most of their attention to making refinements in their existing operations.

Prospectors—“Let’s Create Our Own Opportunities, Not Wait for Them to Happen” A company described as “aggressive” is often a prospector organization. **Prospectors focus on developing new products or services and in seeking out new markets, rather than waiting for things to happen.** Like 19th-century gold miners, these companies are “prospecting” for new ways of doing things. The continual product and market innovation has a price: Such companies may suffer a loss of efficiency. Nevertheless, their focus on change can put fear in the hearts of competitors.

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Feature #5:

End-of-Chapter Resources

Besides Key Terms Used in This Chapter and the Summary, end-of-chapter material includes the following:

Management in Action presents a recent case study or situation along with discussion questions.

Management in Action

Boeing Relies on a Variety of Management Theories to Cut Costs & Increase Profits³¹

Excerpted from J. Lynn Lunsford, “Lean Times: With Airbus on Its Tail, Boeing Is Rethinking How It Builds Planes,” *The Wall Street Journal*, October 5, 2001, pp. A1, A16.

Not far from the steady blatt-blatt of the rivet guns on its 757 assembly line just outside Seattle sits what Boeing Co. calls its moonshine shop. The people here distill work-saving ideas into contraptions that make it easier to build jets.

Consider the hay loader next to an almost-completed 757. Normally, this cross between a ladder and a metal-spiked conveyor belt would be dumping bales of hay onto waiting trucks. But to veteran mechanic Robert Harms, the hay loader is the perfect way to get bulky passenger seats from the factory floor up 13 feet to the door of the plane without having to use an overhead crane. “It might look funny, but when you see it work, you wonder why we didn’t do it this way all along,” he says.

Moonshine shops—so named because they work outside traditional channels and use whatever materials are available—are the essence of Boeing

digit profit margins despite the slowing world economy and sharp decline in aircraft orders from the major airlines. . . . Boeing had been gradually adopting “lean” manufacturing techniques since the early 1990s—a decade after the U.S. auto industry began emulating the Japanese approach. The basic philosophy: Everything from the design of a component to the machine used to build it is examined with the goal of making it as easy as possible for workers to boost output using less space and fewer movements.

Since late 1998, when the company began applying lean activities on its newest model, the 777, the time it takes to assemble the major components into a finished aircraft has dropped to 37 days from 71. And just since April, the company has trimmed two days out of what was a 20-day final assembly of its best-selling plane, the 737. . . . Seat-

Take It to the Net

During the 20th century the concept of the *learning organization* evolved. This concept posits that organizations and their members must be committed to continuous learning to remain competitive and viable in our turbulent and changing globalized economy.

One approach to building a learning organization is “Open Book Management.” This approach

includes three principles, all of which must be followed if it is to work. Outlined by John Case in his *Open Book Experience* (Perseus Books, 1998, pp. 2–3), they are (1) create a *transparent* company, a company in which everyone, not just those at the top, sees and understands the real numbers; (2) create a system of *joint accountability*, a system that holds everybody responsible for his or her part in

Take It to the Net provides online assignments requiring students to go online to research applicable concepts and topics discussed in the chapter.

Group Exercise

Who Are the Most Admired Companies & Why?

Objectives

1. To assess your group's awareness of the most admired companies in the United States (as of 2001).
2. To discover the different perceptions of these companies and their management practices.
3. To understand how companies achieve the reputation they have earned.

Introduction

For decades *Fortune* magazine has asked top managers who they think are the most-admired and best-managed companies in the United States. Over the years we have moved from a time when Frederick Taylor and Henry Ford tied productivity to profit to the current understanding of the effect of the other "bottom lines" that must be considered to assess how well a company is managed (for example, companies' effect on the environment). Only five companies have held the number 1 spot on this *Fortune* list since 1983. They are IBM (5 times), Merck (15 times), Rubbermaid (11 times), Coca-Cola (13

times), and General Electric (10 times). Only one of these was in the top 10 in 2001.

Instructions

Eight key attributes of reputation are used to rank the companies (there are 500 companies in the list).

innovation
financial soundness
employee talent
use of corporate assets
long-term investment value
social responsibility
quality of management
quality of products/services

Following is a list, in random order, of the most-admired companies for your group is to guess these based on the attributes listed. The highest ranking and number of attributes (out of 8) Group members' rankings and come to

*This exercise was adapted from <http://www.leadersdirect.com/howareyou.html>.

Group Exercises enable students to apply chapter content in teams. We structure these activities by providing learning objectives, instructions, and questions for discussion.

Video Case

The Exceptional Entrepreneur

Four entrepreneurs in three companies share their insights. Syl Tang of Hipguide.com, Dale Gray of Communications Services, and Debbie and Les Busfield of Strongfield-Trimco explain what it takes to be a successful entrepreneur. Common themes emerge from their experiences. All convey a passion and excitement at the prospect of going to work each day. They discuss the personality characteristics of an entrepreneur, the highs and lows of owning a business, and the payoffs of success. All relish "being your own boss" but also recognize that they still answer to others. At the business level, these owners discuss the role of a business plan, the need to rely on the expertise of others, and the importance of hiring the right people.

Discussion Questions:

1. Describe the personality characteristics of entrepreneurs.
2. What's the biggest challenge faced by an entrepreneur? What is their biggest payoff? Support your responses with evidence from the case.
3. Why is hiring the right people so important to these business owners?
4. What makes these entrepreneurs successful when so many others fail?
5. What are the common beliefs shared by the entrepreneurs?

Video Case pre-

sents a real-life case study of either a for-profit or nonprofit organization. There are six video cases in the book, one video for each of its six parts.

Ethical Dilemma

Recycling Automobile Air Bags Is a Common Practice

From Kimberly Weisul, "Car Talk: One Time Not to Recycle," *Business Week*, August 6, 2001.

BusinessWeek One unreported casualty of [July 2001] floods in Houston: 95,000 cars. Many of their air bags were water-damaged and should be junked. But because the damage isn't visible, many of the bags are ending up in repair shops as secondhand parts. Add the tens of thousands of air bags stolen each year, and the market for air bags is hot. There's plenty of incentive: A new air bag can cost up to \$1,500; a secondhand one might sell for \$400.

There's nothing illegal about air bags as secondhand parts. But there are also no regulations requiring repair shops to test them for safety or determine where they came from, and no requirement that drivers replace them after accidents.

That's causing growing safety concerns. Air bags with flood damage are dangerous because of residual moisture. They take up to a third of a second longer to inflate than new ones. By that time, "you've had your head buried in the steering wheel," says Peter Byrne, president of Airbag Testing Technology, which inspects recycled air bags.

Then there are the body shops and car owners who knowingly circumvent air-bag safety. Owners of

banged-up cars may tell body shop mechanics the air bags, since they can tack on a repair bill for even a fender-bender. "I know there's no air bag in there," says a baker, senior vice-president at the Data Institute. "The next buyer doesn't know. They require used cars to come equipped with air bags."

The National Highway Traffic Safety Administration, alert to safety concerns, is issuing a recall and is expected to report to Congress that will be too late for some drivers.

Solving the Dilemma

What would you do if you were a National Highway Traffic Safety Administration official?

1. Leave the laws as they are.
2. Create regulations requiring that professionals test all recycled air bags.
3. Do not allow secondhand air bags.
4. Invent other options. Discuss.

Ethical Dilemma presents an ethical situation based on a real event and asks students how they would have handled the dilemma.

Self-Assessment

What Is Your Level of Self-Esteem?

Objectives

1. To get to know yourself a bit better.
2. To help you assess your self-esteem.

Introduction: Self-esteem, confidence, self-worth, and self-belief are all important aspects of being a manager in any organizational structure. However, the need for strong self-esteem is especially vital today because organizations demand that a manager manage people not as appendages of machines (as in Scientific Management) but as individuals who possess skills, knowledge, and self-will. Managers used to operate from a very strong position of centralized power and authority. However, in our modern organizational settings power is shared, and knowledge is to some extent "where you find it." To manage effectively in this situation, managers need strong self-esteem.

Instructions: To assess your self-esteem, answer the following questions. For each item, indicate the extent to which you agree or disagree by using the following scale. Remember, there are no right or wrong answers.

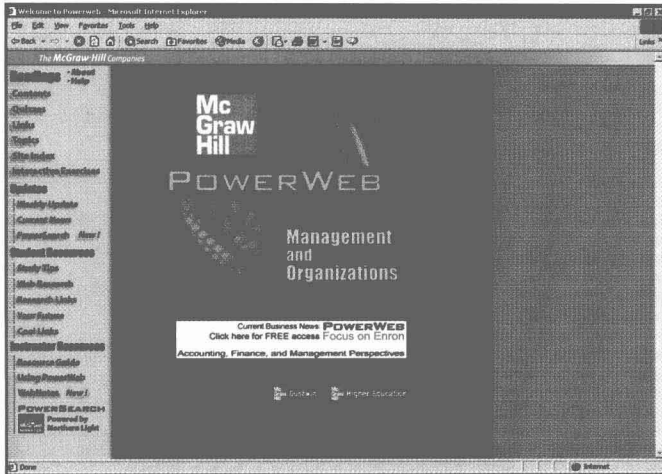
- 1 = strongly disagree
2 = disagree
3 = neither agree nor disagree
4 = agree
5 = strongly agree

Questions

- | | | | | | |
|---|---|---|---|---|---|
| 1. I generally feel as competent as my peers. | 1 | 2 | 3 | 4 | 5 |
| 2. I usually feel I can achieve whatever I want. | 1 | 2 | 3 | 4 | 5 |
| 3. Whatever happens to me is mostly in my control. | 1 | 2 | 3 | 4 | 5 |
| 4. I rarely worry about how things will work out. | 1 | 2 | 4 | 4 | 5 |
| 5. I am confident that I can deal with most situations. | 1 | 2 | 3 | 4 | 5 |

Self-Assessment exercises allow students to apply chapter content to themselves. To enhance learning, each exercise provides objectives, an introduction, instructions for taking the self-assessment, guidelines or norms for interpreting results, and questions for self-reflection.

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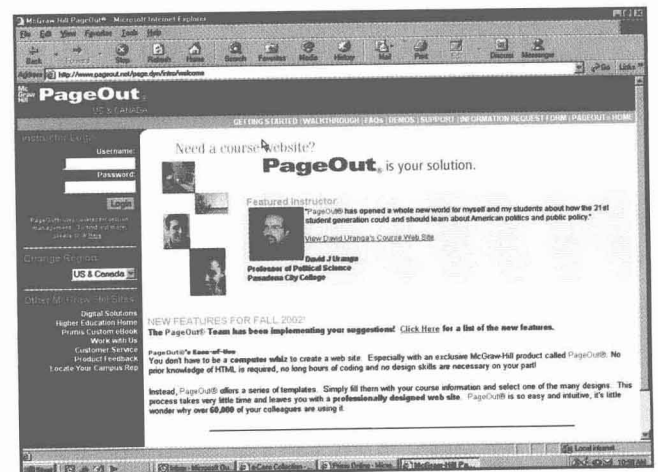


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Supplements for Students and Instructors

Instructor's Manual

The Instructor's Manual is easy to use for new instructors. The Instructor's Manual is unique in its integration with both the text and package. Each chapter opens with a repeat of the major questions that begin each chapter of the text. Following that is a brief overview of the chapter. To make this system even easier to use, the detailed lecture outline contains marginal notes recommending where to include examples, PowerPoint slides, figures, and Practical Action boxes.

Key terms are then presented along with their definition. An additional critical thinking exercise is included in each chapter, requiring students to analyze and apply chapter concepts, a great way to get students involved in the learning process. Lecture enhancers—short article summaries that provide additional examples for classroom use—are provided in each chapter to help you implement the latest business and social issues in your course. Suggested answers are also given for the Management in Action case study discussion questions, and Video Case notes are provided for each video in the six parts of the text. This new Instructor's Manual has been constructed by Gayle Ross, a respected expert in preparing such guides.

Test Bank

Each chapter of the print test bank includes multiple choice, true/false, and essay questions. Approximately 80–100 questions are included in each chapter. Each question also consists of a rationale and page number for the correct answer, as well as an indication of whether the question tests knowledge, understanding, or application. Eileen Hogan of Kutztown University authored the 1st edition Test Bank.

Instructor's Resource CD-ROM

This multimedia CD-ROM allows instructors to create dynamic classroom presentations by incorporating PowerPoint, videos, and every available print supplement.

Videos

Six new videos on management issues accompany this edition. The accompanying Video Cases are included in the text at the end of each part. Video notes are also included in the Instructor's Manual.

PowerPoint

This presentation program features two presentations for each chapter. One presentation includes a more typical lecture outline consisting of main concepts from the chapter, key terms, figures, and Ethical Dilemmas and Management in Action cases. The supplemental presentation includes such “extras” to include in your presentation as figures that expand upon the Click-Alongs in the text and slides that illustrate and apply the chapter concepts. The PowerPoint presentation was created by Mandi Goretcki and Angelo Kinicki.

Online Learning Center

www.mhhe.com/kw

This text-specific website follows the text chapter by chapter and also includes professional resources that apply to the course as a whole. Go online to access a Career Corner, the Click-Along materials highlighted in the book, self-grading quizzes to review material in each chapter, an instructors' bulletin board to share ideas, and additional exercises. The OLC can be delivered in multiple ways—professors and students can access it directly through the textbook website, through PageOut, or within a course management system (WebCT, Blackboard).

Student CD-ROM

This Student Resource CD-ROM contains chapter quizzes to help students study, crossword puzzles to help them review key terms, video clips that cover important text topics, a Career Corner, a learning style assessment, and links to Build Your Management Skills and Management Online—discussed below.

Build Your Management Skills

With this interactive resource (accessible through the Student CD included with each new book) students can access self-assessments on topics such as active listening, corporate culture preferences scale, identify their preferred organizational structure, and their conflict-handling style. Also included in the Test Your Knowledge section is the ability to participate in practice or test mode, depending on the students' level of comfort with the subject matter. Topics here include communicating, international management, leadership, motivation, and operations management.

Management Online

Applying the benefits of Flash Technology, students can choose exercises from a list of topics to run interactivities and self-assessments. Topics include planning and decision making, organizing, and leading. This resource can only help them evaluate and improve their skills in the principles of management course.

PowerWeb

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