

Introduction to Management

John R. Schermerhorn

Introduction to Management

International Student Version

JOHN R. SCHERMERHORN, JR.





John Wiley & Sons, Inc.

To my sons, John Christian and Charles Porter

While you played

I wrote.

But always,

I was listening and loving

you.

1984

Hurry home when you can.

Come laughing, sons.

Tell us

vour

wonderful stories.

1999

It's later now.

Don't worry.

Time

means love shared,

by you and me.

1986

Songs riding winds.

Mimi,

Uncle George, Uncle Nelson.

Whispers and choirs.

Silence speaks.

2002

Think

of all the fun we have.

Here, there, everywhere,

doing things together.

1989

On the mountain, by Irish lakes, find beauty and

peace.

Fairies dance

there.

2004

Home,

now and forever,

will always be wherever

I can be with you. 1992

Mom loves

us, cats

and rainy days. Nana and Poppy

loved us too. 2007

Time

has its ways, doesn't it? Not enough, not enough, I often say.

1996

Bookstores, museums,

stories, paintings. And dreams. We travel, we laugh, joined in life.

2010

ABOUT THE AUTHOR

Dr. John R. Schermerhorn, Jr. is the Charles G. O'Bleness Professor of Management Emeritus 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 previously 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.

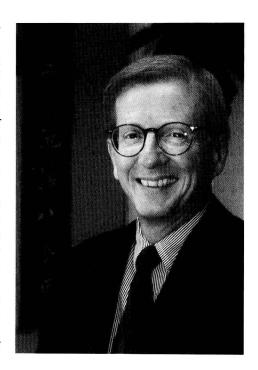
Dr. Schermerhorn focuses on bridging the gap between the theory and practice of management in both the classroom and in his textbooks. Because of his instructional excellence and teaching innovations, Ohio University named Dr. Schermerhorn a University Professor. This is the university's highest campus-wide honor for excellence in undergraduate teaching.

International experience also adds a unique global dimension to Dr. Schermerhorn's teaching and textbooks. He holds an honorary doctorate from the University of Pécs in Hungary. He has 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 at the Chubu University of Japan. Presently he is adjunct professor at the National University of Ireland at Galway, a member of the graduate faculty at Bangkok University in Thailand, and advisor to the Lao-American College in Vientiane, Laos.

An enthusiastic scholar, Dr. Schermerhorn is a member of the Academy of Management, where he served as chairperson of the Management Education and Development Division. Management educators and students alike know him as author of *Exploring Management* (Wiley, 2008), *Management* 9e (Wiley, 2008) and senior co-author of *Organizational Behavior* 10e (Wiley, 2009) and *Core Concepts of Organizational Behavior* (Wiley, 2004). Dr. Schermerhorn has also published numerous articles, including ones in the *Academy of Management Journal*, *Academy of Management Review*, *Academy of Management Executive*, *Organizational Dynamics*, *Asia-Pacific Journal of Management*, the *Journal of Management Development*, and the *Journal of Management Education*.

Dr. Schermerhorn is a popular guest speaker at colleges and universities. He is available for student lectures and classroom visits, as well as for faculty workshops on manuscript development, textbook writing, and instructional approaches and innovations.



PREFACE

Just as artists find inspiration in all the senses that bring our world to life, managers find inspiration in daily experiences, from the insights of management scholars, through relationships with other people, and among the goals that guide organizations in service of an ever more demanding society. And like artists, managers must master challenges as they strive to create the future from the resources of the present.

We live at a time rich with the forces of cultural pluralism, globalization, high technology, economic stress and significant change. But just as a beautiful formation of natural stone can offer the beholder a mix of forms balanced together in a compelling masterpiece, so too does a well managed workplace build, mix, and integrate with great success the beauties of human talent and organizational understanding. This capacity for positive impact is the goal bound into the pages of *Introduction to Management, Tenth Edition*. It is an opportunity to gain knowledge, find inspiration, and engage practices that can prepare each of us to help build the organizations we need to forge a better world.

INTRODUCTION TO MANAGEMENT, TENTH EDITION, PHILOSOPHY

Today's students are tomorrow's leaders and managers. They are our hope for the future. And just as the workplace is rapidly changing, so too must our teaching and learning environments change from the comforts and successes of days gone by. Management educators must confidently move students forward on paths that, although at times uncertain and even troublesome, will be full of promise and great opportunities. New values and management approaches are appearing; the nature of work and organizations is changing; the age of information is a major force in our lives; and the intricacies of globalization are not only proving complex, they are presenting major organizational and economic challenges.

Our students, well prepared, can be leaders and major players in organizations during this time of continuing social transformation. *Introduction to Management, Tenth Edition*, was written to help center students' attention on the usefulness of what they are reading and to find significance in the study of management. The focus is on helping them to understand their personal responsibilities for developing management skills and competencies, and then using them for positive social impact. The goal is to enhance our students' career readiness, help make them attractive as intern and job candidates, and inspire them toward life-long learning of essential career and life skills.

PEDAGOGICAL FOUNDATIONS

The pedagogical foundations of *Introduction to Management, Tenth Edition*, are based on four constructive balances. I believe each remains 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 learn 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 pursue 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 such as 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. *Introduction to Management, Tenth Edition*, and its supporting online resources are my contributions to the future careers of your students and mine.

INTRODUCTION TO MANAGEMENT, TENTH EDITION, HIGHLIGHTS

Introduction to Management, Tenth Edition, 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 still 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, Introduction to Management, Tenth Edition, offers a number of changes in organization, content, and design that respond to current themes and developments in management theory and practice.

Chapter Organization

The six parts of *Introduction to Management, Tenth Edition*, remain as in the last edition. Within each part you will notice the following chapter realignment that is designed to make the new edition as useful and flexible as possible

in meeting your course objectives. All chapters have also been updated and enriched with new materials and examples from the latest current events.

- Part 1: Introducing Management—Shortened to include two chapters that introduce management in terms of both present day dynamics and historical foundations—The Management Process, and History of Management Thought.
- Part 2: Management Environment—Now includes three chapters that set the environmental context—External Environment and Organizational Culture, Ethical Behavior and Social Responsibility, and International Management.
- Part 3: Planning—Retains a three-chapter sequence—The Decision Making Process, Fundamentals of Planning, and The Strategic Management Process.
- **Part 4: Organizing**—Rearranged three chapters for an improved flow—Fundamentals of Organizing, Organizational Change and Development, and Human Resource Management.
- Part 5: Leading—Rearranged five chapters into a building block sequence—Foundations of Individual Behavior, Motivation Theory and Practice, Teams and Teamwork, Communication, Conflict and Negotiation, and Essentials of Leadership.
- **Part 6: Controlling**—Retains two chapters—Fundamentals of Control, and Operations Management and Control.
 - *Appendix—An added appendix on Entrepreneurship and Small Business Management.

Integrated Learning Model

An important foundation of *Introduction to Management, Tenth Edition*, is the use of an integrated learning model. From the chapter opener, through chapter content, to end-chapter support, this integrated learning model (a) helps guide students as they read and study for exams, (b) encourages students to engage in self-reflection about personal development of management skills and competencies, (c) challenges students to engage in critical thinking and active learning, and (d) informs students of how management issues and themes apply both in our careers and in current events that affect everyday living. Look for the following chapter features that bring the learning model alive.

Reading and Studying

Each chapter begins with *Study Questions* that are linked to the major headings in the chapter. These headings and their major contents are highlighted in a *Visual Chapter Overview* that precedes the text discussion. Well designed *Figures* provide back-up to solidify student comprehension as concepts, theories, and terms are introduced. Where appropriate, *Small Boxed Figures and Summaries* are embedded with the discussion to help summarize and clarify major points. A *Learning Check* follows each major section as a point of self-assessment prior to continuing with the reading. A *Study Question Summary* and a *Chapter Self-Test* tie things together at the end of the chapter.

Critical Thinking and Active Learning

Within the chapter are special features that not only introduce students to examples, current events, and applications of chapter material, but also engage them in critical thinking and active learning opportunities. *Real*

Ethics challenges students to respond to an ethics problem or dilemma. Issues & Situations raises questions about personal behavior in common organizational situations. Research Brief both summarizes recent research on a chapter topic and suggests how the students might pursue further research of their own.

At the end of the chapter, a *Case Study* asks students to answer questions relating the case to chapter content. It also proposes *Further Research* to follow-up on the case, find current information, track the latest developments, and refine understanding of the case and chapter content in a dynamic context. The cases are useful for in-class discussions, and their Further Research questions offer additional opportunities for both individual and team writing and presentation assignments.

Practical Applications

Learning from Others opens each chapter with an example that places chapter content in the context of real people and organizations. The examples are chosen to both capture student interest in the chapter and remind them that many insights into chapter topics and themes can be found in everyday experiences. Included in the opening is an embedded *Benchmark* that summarizes a management lesson or question based on the example used.

Within a chapter, *Management Smarts* offers a bullet list summary of applications for a chapter concept or theory to support the focus on practical applications. Chapter discussions also include frequent *Embedded Examples* that introduce or highlight a content issue or theory. Many of these examples carry small photos to attract the attention of student readers. And at the end of the chapter, the *Team Exercise* and *Case Study* have been carefully chosen to further extend the students' understanding and abilities in applying chapter content to real situations.

Self-Reflection

Each chapter also opens with *Learning About Yourself*, a feature that focuses on a critical personal skill or characteristic relevant to chapter content—such as "self-awareness"—in Chapter 1. Students are provided information and insight on the topic, but are also asked to engage in a process of self-reflection. An integrated "Get to Know Yourself Better" box sets forth a further personal development challenge and directs students toward self-assessment instruments at the end of the chapter and in the online resources.

Each chapter ends with a *Self-Assessment* section with three components to further help consolidate the self-reflection process. *Back to Yourself* reminds students about how chapter discussion relates back to the chapter opening Learning About Yourself segment. *Further Reflection* provides a self-assessment instrument, along with scoring and interpretation, for additional personal insights relevant to the chapter. And, students are also reminded about additional *Online Self-Assessment* resources.

INTRODUCTION TO MANAGEMENT, TENTH EDITION, TEACHING AND LEARNING RESOURCES

Companion Website

The text's Web site at http://www.wiley.com/go/global/schermerhorn contains myriad tools and links to aid both teaching and learning, including resources described below.

Instructor's Resource Manual

Prepared by Francis Green of Pennsylvania State University, Brandywine, the Instructor's Resource Manual 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. Available only to adopting instructors.

PowerPoint Presentation Slides

Prepared by Jim LoPresti of the University of Colorado at Boulder, this robust set of slides for each chapter will enhance your students' overall experience in the management classroom. The PowerPoint slides can be accessed on the instructor portion of the Schermerhorn, *Introduction to Management, Tenth Edition*, Web site and include lecture notes to accompany each slide.

Web Quizzes

An online study guide with quizzes of varying levels of difficulty is designed to help your students evaluate their individual progress through a chapter. It is available on the student portion of the Schermerhorn, *Introduction to Management, Tenth Edition*, Web site.

Student Portfolio Builder

This special guide to building a student portfolio is complete with professional résumé and competency documentations. It can be found on the student Companion Web site.

WileyPLUS

WileyPLUS provides an integrated suite of teaching and learning resources, along with a complete online version of the text, in one easy-to-use Web site. WileyPLUS will help you create class presentations; create assignments; and automate the assigning and grading of homework or quizzes, track your students' progress, and administer your course. It also includes MP3 downloads of the key chapter topics, providing students with audio chapter overviews, team evaluation tools, experiential exercises, student self-assessments, flashcards of key terms, and more! For more information, contact your Wiley representative.

ACKNOWLEDGMENTS

Introduction to Management, Tenth Edition, was initiated and completed with the support of my inspiring, talented and dedicated editor Susan McLaughlin and ever-helpful Assistant Editor Carissa Marker, along with an expert Wiley team that includes Don Foley (publisher), Madelyn Lesure (designer), Hilary Newman (photo research), Suzanne Ingrao (Ingrao Associates), Sandra Dumas (production), Amy Scholz (marketing), and with the help of Teri Stratford (photos).

As always, I have been fortunate during this revision to have worked with the support and encouragement of my wife Ann. She perseveres even when "the book" overwhelms many of life's opportunities. I am also grateful to be working in a college and university that values teaching most highly, and to have the special advantages of scholarly challenge and inspiration from my colleagues Lenie Holbrook and Will Lamb.

I thank the following colleagues whose help with this book at various stages of its life added to my understanding. Carl Adams, University of Minnesota; 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; Santanu Borah, University of Northern Alabama; Peggy Brewer, Eastern Kentucky University; Jim Buckenmyer, Southeast Missouri State University; Michael Buckley, University of Oklahoma-Norman; Barry Bunn, Valencia Community College; William Clark, Leeward Community College; Frederick Collett, Mercy College; Jeanie Diemer, Ivy Tech State College; Richard Eisenbeis, Colorado State University-Pueblo; Phyllis Flott, Tennessee State University; Dwight Frink, Mississippi State University; Shelly Gardner, Augustana College; Tommy Georgiades, DeVry University; Marvin Gordon, University of Illinois-Chicago; Fran Green, Pennsylvania State University-Brandywine; Joe Hanson, Des Moines Area Community College; Carol Harvey, Assumption College; Lenie Holbrook, Ohio University; Gary Insch, West Virginia University; Kathleen Jones, University of North Dakota; Marvin Karlins, University of South Florida; John Lipinski, University of Pittsburgh; Beverly Little, Western Carolina University; Kristie Loescher, University of Texas; James LoPresti, University of Colorado–Boulder, Kurt Martsolf, California State University– Hayward; Brian Maruffi, Fordham University; Brenda McAleer and Grace McLaughlin, University of California-Irvine; Donald Mosley, University of South Alabama; Behnam Nakhai, Millersville University of Pennsulvania; Robert Nale, Coastal Carolina University; John Overby, The University of Tennessee-Martin; Javier Pagan, University of Puerto Rio-Piedras; Diana Page, University of West Florida; Richard Pena, University of Texas-San Antonio; Wendy Pike, Benedictine University; Newman Pollack, Florida Atlantic University; Anthony Racka, Oakland Community College; 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; Jerry Stevens, Texas Tech University; 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; Marta White, Georgia State University; James Whitney, Champlain College; Garland Wiggs, Radford University; Eric Wiklendt, University of Northern Iowa; Greg Yon, Florida State University; Yichuan Zhao, Dalian Maritime University.

BRIEF CONTENTS

PART ONE CHAPTER 1 The Management Process 1

INTRODUCING CHAPTER 2 History of Management Thought 31

MANAGEMENT

PART TWO CHAPTER 3 External Environment and Organizational Culture 57

MANAGEMENT CHAPTER 4 Ethical Behavior and Social Responsibility 87

CHAPTER 5 International Management 117

PART THREE CHAPTER & The Decision-Making Process 149

PLANNING CHAPTER 7 Fundamentals of Planning 179

CHAPTER & The Strategic Management Process 203

PART FOUR CHAPTER 9 Fundamentals of Organizing 235

ORGANIZING CHAPTER | Organizational Change and Development 263

CHAPTER | Human Resource Management 293

PART FIVE CHAPTER 12 Foundations of Individual Behavior 321

LEADING CHAPTER 13 Motivation Theory and Practice 347

CHAPTER 14 Teams and Teamwork 373

CHAPTER 15 Communication, Conflict and Negotiation 403

CHAPTER 16 Essentials of Leadership 431

PART SIX CHAPTER 17 Fundamentals of Control 459

CONTROLLING CHAPTER | Operations Management and Control 481

APPENDIX Entrepreneurship and Small Business Management 505

SELF-TEST ANSWERS AN-1

GLOSSARY G-1

ENDNOTES EN-1

ORGANIZATION INDEX OI-1

NAME INDEX NI-1

SUBJECT INDEX SI-1

LEARNING FROM OTHERS		CHAPTER 11	Professionalism!
CHAPTER 1	Monster.com: Smart People Create	CHAPTER 12	Ambition
CHAFTER	Their Own Futures	CHAPTER 13	Engagement
CHAPTER 2	Google: With the Right Foundations,	CHAPTER 14	Team Contributions
CHALLER	Practice Makes Perfect	CHAPTER 15	Communication and Networking
CHAPTER 3	Grameen Bank: Social Business Model	CHAPTER 16	Integrity
CHAFTER 3	Fights Poverty	CHAPTER 17	Strength and Energy
CHAPTER 4	Ben & Jerry's Homemade: We Can	CHAPTER 18	Self-Management
CHAFTER 4	Make the World a Better Place	0.17.11 12.11 10	oon management
CHAPTER 5	Limited Brands: With Globalization	Further Re	oflostions
CHALLERS	Businesses Are World Travelers	ruither Ke	enections
CHAPTER 6	Rap and Motown: Decisions Turn	CHAPTER 1	Career Readiness
CHAITERO	Potential Into Achievements	CHAPTER 2	Managerial Assumptions
CHAPTER 7	Oprah's Leadership Academy: Think	CHAPTER 3	Diversity Awareness
CHAITER	Now and Embrace the Future	CHAPTER 4	Terminal Values
CHAPTER 8	Starbuck's: Get and Stay Ahead	CHAPTER 5	Global Intelligence
CHAITERO	with Strategy	CHAPTER 6	Cognitive Style
CHAPTER 9	Dancing Deer Baking: Brands with	CHAPTER 7	Time Management Profile
CHAITERY	Values Are Really Sweet	CHAPTER 8	Intuitive Ability
CHAPTER 10		CHAPTER 9	Empowering Others
CHAI TER TO	Deserves to Be Pampered	CHAPTER 10	Change Leadership IQ
CHAPTER 11	Working Mother Media: Great	CHAPTER 11	Performance Appraisal
CHAITERTI	Employers Respect Diversity and Value		Assumptions
	People	CHAPTER 12	Internal/External Control
CHAPTER 12	Spanx: There Are Personalities Behind	CHAPTER 13	Student Engagement
CHAITER 12	Those Faces	CHAPTER 14	Team Leader Skills
CHAPTER 13		CHAPTER 15	Conflict Management Strategies
CID WITEK 15	Top Priority	CHAPTER 16	Least-Preferred Co-Worker Scale
CHAPTER 14	NASCAR Pit Crews: The Beauty Is in the	CHAPTER 17	After-Meeting Remorse
CHATTER 14	Teamwork	CHAPTER 18	Personal Numeracy
CHAPTER 15			
	Begins with Communication and	Team Exe	rcises
	Collaboration	CHAPTER 1	My Post Manager
CHAPTER 16	Southwest Airlines: Employees Are a	CHAPTER 2	My Best Manager
	Firm's Most Important Customers	CHAPTER 3	Evidence-Based Management
CHAPTER 17	·	CHAITEK 3	Which Organizational Culture Fits You?
	for Complacency	CHAPTER 4	Confronting Ethical Dilemmas
CHAPTER 18	Louis Vuitton: Speed and Flexibility	CHAPTER 5	American Football
	Rule Global Competition	CHAPTER 6	Lost at Sea
		CHAPTER 7	
LEARNING A	BOUT YOURSELF	CHAPTER 8	Personal Career Planning Strategic Scenarios
CHAPTER 1	Self-Awareness	CHAPTER 9	
CHAPTER 2	Learning Style	CHAPTER 10	The Future Workplace Force-Field Analysis
CHAPTER 3	Diversity Maturity	CHAPTER 11	Upward Appraisal
CHAPTER 4	Individual Character	CHAPTER 12	Job Satisfaction Preferences
CHAPTER 5	Cultural Awareness	CHAPTER 13	Why We Work
CHAPTER 6	Self-Confidence	CHAPTER 14	•
CHAPTER 7	Time Management	CHAPTER 15	Work Team Dynamics Feedback Sensitivities
CHAPTER 8	Critical Thinking	CHAPTER 16	
CHAPTER 9	Empowerment Empowerment	CHAPTER 17	Leading by Participation Defining Quality
CHAPTER 10	Tolerance for Ambiguity	CHAPTER 18	Straw Towers
	. S. Statice for Ambiguity	CITALIEN 10	Suaw IOWEIS

Cases for Critical Thinking		CHAPTER 10	Apple, Inc.: People and Design
CHAPTER 1 CHAPTER 2	Trader Joe's: Keeping a Cool Edge Zara International: Fashion at the Speed of Light	CHAPTER 11 CHAPTER 12	Create the Future Netflix: Making Movie Magic Facebook: Not Just for Kids
CHAPTER 3	Panera Bread Company: Staying on Top of Long-Term Trends	CHAPTER 13 CHAPTER 14	Pixar: Animated Geniuses NASCAR: Fast Cars, Passion, and Teamwork Create Wins
CHAPTER 4	Tom's of Maine: "Doing Business" Means "Doing Good"	CHAPTER 15	AFL-CIO: Managing Dissent While Supporting Labor
CHAPTER 5	Harley Davidson: Style and Strategy Have Global Reach	CHAPTER 16	Southwest Airlines: How Herb Kelleher Led the Way
CHAPTER 6	Amazon.com: One E-Store to Rule Them All	CHAPTER 17 CHAPTER 18	Electronic Arts: Fantasy Sports Toyota: Looking Far into the
CHAPTER 7 CHAPTER 8	Lands' End: Living the Golden Rule Dunkin' Donuts: Betting Dollars on	Appendix	Future Sprinkles: Leading a Sweet Trend
CHAPTER 9	Donuts Nike: Spreading Out to Stay Together		

CLASS EXERCISE My Best Manager 28 CHAPTER 1 CASE 1 Trader Joe's: Keeping a Cool Edge 28 The Management Process Learning From Others Monster.com: Smart People CHAPTER ? Create Their Own Futures 2 History of Management Thought 31 **Learning About Yourself** Self-Awareness 3 **WORKING TODAY** Learning From Others Google: With the Right Talent 5 Foundations, Practice Makes Perfect 32 Diversity 6 Learning About Yourself Learning Style 33 Globalization 7 CLASSICAL MANAGEMENT APPROACHES 34 Technology 8 Scientific Management 35 Ethics 8 Administrative Principles 36 Careers 9 Bureaucratic Organization 36 ORGANIZATIONS IN THE NEW WORKPLACE **BEHAVIORAL MANAGEMENT APPROACHES** 37 What Is an Organization? 11 Follett's Organizations as Communities 38 Organizations as Systems The Hawthorne Studies 38 Organizational Performance 12 Maslow's Theory of Human Needs 41 Changing Nature of Organizations 12 McGregor's Theory X and Theory Y MANAGERS IN THE NEW WORKPLACE 13 Argyris's Theory of Adult Personality 43 What Is a Manager? **MODERN MANAGEMENT FOUNDATIONS** 43 Levels of Managers Quantitative Analysis and Tools 44 Types of Managers Organizations as Systems Managerial Performance 15 Contingency Thinking 45 Changing Nature of Managerial Work Quality Management 46 THE MANAGEMENT PROCESS Knowledge Management Functions of Management 17 and Organizational Learning 47 Managerial Roles and Activities Evidence-Based Management 49 Managerial Agendas and Networks 20 MANAGEMENT LEARNING REVIEW 51 **LEARNING HOW TO MANAGE** 21 STUDY QUESTIONS SUMMARY 51 Essential Managerial Skills 21 SELF-TEST 51 Developing Managerial Competencies MANAGEMENT SKILLS AND COMPETENCIES 53 Management 10/e Learning Model 23 SELF-ASSESSMENT 53 Back to Yourself: Learning Style 53 MANAGEMENT LEARNING REVIEW Further Reflection: Managerial Assumptions 53 STUDY QUESTIONS SUMMARY 25 CLASS EXERCISE Evidence-Based Management Quiz 54 SELF-TEST 26 CASE 2 Zara International: Fashion at the Speed MANAGEMENT SKILLS AND COMPETENCIES 27 of Light 54 SELF-ASSESSMENT 27 Back to Yourself: Self-Awareness 27 Further Reflection: Career Readiness 27

PART ONE INTRODUCING MANAGEMENT

PART TWO MANAGEMENT ENVIRONMENT

CHAPTER 3

External Environment and Organizational Culture 57

Learning From Others Grameen Bank: Social
Business Model Fights Poverty 58
Learning About Yourself Diversity Maturity 59

EXTERNAL ENVIRONMENTS OF ORGANIZATIONS 60

Dynamic Forces and the General Environment 61 Stakeholders and the Specific Environment 64

ORGANIZATION-ENVIRONMENT RELATIONSHIPS 66

Competitive Advantage 66
Environmental Uncertainty 66
Customer and Supplier Relationships 67
Organizational Effectiveness 68

INTERNAL ENVIRONMENT AND ORGANIZATIONAL CULTURE 69

What Is Organizational Culture? 69 Levels of Organizational Culture 70 Values and Organizational Culture 71

ORGANIZATIONAL CULTURE AND DIVERSITY 74

Multicultural Organizations 75
Diversity and Organizational Subcultures 76
Managing Diversity 77

MANAGEMENT LEARNING REVIEW 80 STUDY QUESTIONS SUMMARY 80 SELF-TEST 80

MANAGEMENT SKILLS AND COMPETENCIES 82 SELF-ASSESSMENT 82

Back to Yourself: Diversity Maturity 82
Further Reflection: Diversity Awareness 82
TEAM EXERCISE Which Organizational
Culture Fits You? 83
CASE 3 Panera Bread Company: Staying Ahead of LongTerm Trends 83

CHAPTER 4

Ethical Behavior and Social Responsibility 87

Learning From Others Ben & Jerry's Homemade:
We Can Make the World a Better Place 88
Learning About Yourself Individual Character 89

WHAT IS ETHICAL BEHAVIOR? 90 Laws, Values, and Ethical Behavior 90 Alternative Views of Ethics 91 Cultural Issues in Ethical Behavior 93

ETHICS IN THE WORKPLACE 94

Ethical Dilemmas 94 Ethical Decision Making 95 Rationalizations for Unethical Behavior 98

MAINTAINING HIGH ETHICAL STANDARDS 99

Whistleblower Protection 100 Ethics Training 100 Codes of Ethical Conduct 101 Ethical Role Models 102 Moral Management 103 Social Entrepreneurship 104

SOCIAL RESPONSIBILITY AND GOVERNANCE 104

Stakeholder Issues and Analysis 105
Perspectives on Corporate Social
Responsibility 107
Evaluating Corporate Social Performance 108
Directions in Corporate Governance 109

MANAGEMENT LEARNING REVIEW 111 STUDY QUESTIONS SUMMARY 111

SELF-TEST 111

MANAGEMENT SKILLS AND COMPETENCIES 113

SELF-ASSESSMENT 113

Back to Yourself: Individual Character 113

Further Reflection: Terminal Values 113

CLASS EXERCISE Confronting Ethical Dilemmas 114

CASE 4 Tom's of Maine: "Doing Business" Means

"Doing Good" 115

CHAPTER 5

International Management 117

Learning From Others Limited Brands: With Globalization Businesses Are World Travelers 118 Learning About Yourself Cultural Awareness 119

MANAGEMENT AND GLOBALIZATION 120

Global Management 121 Why Companies Go Global 122 How Companies Go Global 122 Global Business Environments 125

GLOBAL BUSINESSES 128

Types of Global Businesses 128
Pros and Cons of Global Corporations 129
Ethics Challenges for Global Managers 130

CULTURE AND GLOBAL DIVERSITY 132

Cultural Intelligence 133
Silent Languages of Culture 134
Values and National Cultures 135

GLOBAL MANAGEMENT LEARNING 137

Are Management Theories Universal? 138 Cultural Insights from Project Globe 138 Global Management Attitudes and Learning 140

MANAGEMENT LEARNING REVIEW 142

STUDY QUESTIONS SUMMARY 142 SELF-TEST 143

MANAGEMENT SKILLS AND COMPETENCIES 144

SELF-ASSESSMENT 144

Back to Yourself: Cultural Awareness 144
Further Reflection: Global Intelligence 144
CLASS EXERCISE American Football 145
CASE 5 Harley-Davidson: Style and Strategy
Have Global Reach 145

PART THREE **PLANNING**

CHAPTER 6

The Decision-Making Process 149

Learning From Others Rap and Motown: Decisions
Turn Potential into Achievement 150
Learning About Yourself Self-Confidence 151

INFORMATION TECHNOLOGY AND

MANAGEMENT 152

What Is Useful Information? 152
Information Needs in Organizations 153
How Information Technology Is Changing
Organizations 154

INFORMATION AND MANAGERIAL DECISIONS 156

Managers as Information Processors 156
Managers as Problem Solvers 157
Types of Managerial Decisions 158
Decision Conditions 160

THE DECISION-MAKING PROCESS 162

Identify and Define the Problem 162
Generate and Evaluate Alternative
Courses of Action 163
Decide on a Preferred Course of Action 164
Implement the Decision 165
Evaluate Results 165

ISSUES IN MANAGERIAL DECISION MAKING 166

Decision Errors and Traps 166 Creativity in Decision Making 168 Individual Versus Group Decision Making 171 Ethical Decision Making 171

MANAGEMENT LEARNING REVIEW 173 STUDY QUESTIONS SUMMARY 173

SELF-TEST 173

MANAGEMENT SKILLS AND COMPETENCIES 175 SELF-ASSESSMENT 175

Back to Yourself: Self-Confidence 175 Further Reflection: Cognitive Style 175 TEAM EXERCISE Lost at Sea 176

CASE 6 Amazon.com: One E-Store to Rule Them All 177

CHAPTER 7

Fundamentals of Planning 179

Learning From Others Oprah's Leadership Academy: Think Now and Embrace the Future 180

Learning About Yourself Time Management 181

WHY AND HOW MANAGERS PLAN 182

Importance of Planning 182
The Planning Process 183
Benefits of Planning 183
Planning and Time Management 185

TYPES OF PLANS USED BY MANAGERS 186

Long-Range and Short-Range Plans 186 Strategic and Tactical Plans 187 Operational Plans 188

PLANNING TOOLS AND TECHNIQUES 190

Forecasting 190 Contingency Planning 190 Scenario Planning 191 Benchmarking 191 Use of Staff Planners 192

IMPLEMENTING PLANS TO ACHIEVE RESULTS 193

Goal Setting and Goal Alignment 193 Management by Objectives 194 Participation and Involvement 196

MANAGEMENT LEARNING REVIEW 198 STUDY QUESTIONS SUMMARY 198 SELF-TEST 198

MANAGEMENT SKILLS AND COMPETENCIES 200 SELF-ASSESSMENT 200

Back to Yourself: Time Management 200
Further Reflection: Time Management Profile 200
TEAM EXERCISE Personal Career Planning 201
CASE 7 Lands' End: Living the Golden Rule 201

CHAPTER 8

The Strategic Management Process 203

Learning From Others Starbuck's: Get and Stay Ahead with Strategy 204 Learning About Yourself Critical Thinking 205

STRATEGIC MANAGEMENT 206

Competitive Advantage 206 Strategy and Strategic Intent 207 Levels of Strategies 208 The Strategic Management Process

ESSENTIALS OF STRATEGIC ANALYSIS 210

Analysis of Mission, Values, and Objectives 210 SWOT Analysis of Organization and Environment 212 Analysis of Rivalry and Industry Attractiveness 213

CORPORATE-LEVEL STRATEGY FORMULATION 215

Grand or Master Strategies 215 Growth and Diversification Strategies 216 Restructuring Strategies 217 Global Strategies 218 Cooperative Strategies 218

E-Business Strategies 219 Strategic Portfolio Planning 220

BUSINESS-LEVEL STRATEGY FORMULATION 221

Competitive Strategies 221 Differentiation Strategy 222 Cost Leadership Strategy 222 Focus Strategy 223 Strategic Incrementalism 223

STRATEGY IMPLEMENTATION 224

Management Practices and Systems 224 Corporate Governance 225 Strategic Control 226 Strategic Leadership 227

MANAGEMENT LEARNING REVIEW 228 STUDY QUESTIONS SUMMARY 228

SELF-TEST 229

MANAGEMENT SKILLS AND COMPETENCIES 230

SELF-ASSESSMENT 230

Back to Yourself: Critical Thinking 230 Further Reflection: Intuitive Ability 230 TEAM EXERCISE Strategic Scenarios 231

CASE 8 Dunkin' Donuts: Betting Dollars on Donuts 232

PART FOUR ORGANIZING

CHAPTER 9

Fundamentals of Organizing 235

Learning From Others Dancing Deer Baking: Brands With Values Are Really Sweet 236 Learning About Yourself Empowerment 237

ORGANIZING AS A MANAGEMENT FUNCTION 238

What Is Organization Structure? 238 Formal Structures 239 Informal Structures 239

TRADITIONAL ORGANIZATION STRUCTURES 240

Functional Structures 240 Divisional Structures 242 Matrix Structures 243

HORIZONTAL ORGANIZATION STRUCTURES 245

Team Structures 245 Network Structures 246 Boundaryless Structures 247

ORGANIZATIONAL DESIGNS 249

Mechanistic and Organic Designs 250 Subsystems Design and Integration 251 Trends in Organizational Designs 252

MANAGEMENT LEARNING REVIEW 257 STUDY QUESTIONS SUMMARY 257 SELF-TEST 257

MANAGEMENT SKILLS AND COMPETENCIES 259 SELF-ASSESSMENT 259

Back to Yourself: Empowerment 259 Further Reflection: Empowering Others 259 TEAM EXERCISE The Future Workplace 260 CASE 9 Nike: Spreading Out to Stay Together 260

CHAPTER 10

Organizational Change and Development 263

Learning From Others Procter & Gamble: New Thinking Deserves to Be Pampered 264 Learning About Yourself Tolerance for Ambiguity 265