Contents

Preface 17
Instructor Supplements 19
Student Supplements 20
About the Authors 22

Part 1 Introduction 24

Chapter 1 Managers and Management 24
Who Are Managers and Where Do They Work? 27
What Three Characteristics Do All Organizations Share? 28
How Are Managers Different from Nonmanagerial Employees? 28
What Titles Do Managers Have? 28
From the Past to the Present 1588–1705–1911–Today 29
What Is Management? 30

3 WAYS TO LOOK AT WHAT MANAGERS DO 31
4 Functions Approach 31
Management Roles Approach 32
Skills and Competencies 33

Is the Manager’s Job Universal? 33
And the Survey Says… 35
Why Study Management? 36
A Question of Ethics 36
What Factors Are Reshaping and Redefining Management? 37
Why Are Customers Important to the Manager’s Job? 37
Technology and the Manager’s Job | Is It Still Managing When What You’re Managing Are Robots? 38
Why Is Innovation Important to the Manager’s Job? 39
Importance of Social Media to the Manager’s Job 39
Importance of Sustainability to the Manager’s Job 40
Wrapping It Up… 40

Review
Chapter Summary 41 • Discussion Questions 41 • Management Skill Builder | Political Skill 42 • Experiential Exercise 44 • Case Application 1—Happier Employees = More Profit? 45 • Case Application 2—Building a Better Boss 45 • Case Application 3—Saving the World 47 • Endnotes 48

History Module: A Brief History of Management’s Roots 49
Early Management 49
Classical Approaches 50
Behavioral Approach 51
Quantitative Approach 52
Contemporary Approaches 53
Endnotes 55

Chapter 2 The Management Environment 56
What Is the External Environment and Why Is It Important? 59
How Has the Economy Changed? 60
What Role Do Demographics Play? 61
How Does the External Environment Affect Managers? 62
Technology and the Manager’s Job | Can Technology Improve the Way Managers Manage? 63
A Question of Ethics 65

WHAT IS ORGANIZATIONAL CULTURE? 66
How Can Culture Be Described? 67
Where Does Culture Come From? 67

How Does Organizational Culture Affect Managers? 68
How Does Culture Affect What Employees Do? 68
How Does Culture Affect What Managers Do? 68
And the Survey Says… 69

Review
Chapter Summary 70 • Discussion Questions 70 • Management Skill Builder | Understanding Culture 71 • Experiential Exercise 72 • Case Application 1—China Zhongwang 73 • Case Application 2—Not Sold Out 74 • Case Application 3—Wild Ride 75 • Endnotes 75

Chapter 3 Integrative Managerial Issues 76
What Is Globalization and How Does It Affect Organizations? 79
What Does It Mean to Be “Global”? 80
How Do Organizations Go Global? 80
WHAT ARE THE DIFFERENT TYPES OF GLOBAL ORGANIZATIONS? 81

What Do Managers Need to Know About Managing in a Global Organization? 82
From the Past to the Present 1970s–1980s–Today 83
What Does Society Expect from Organizations and Managers? 85
How Can Organizations Demonstrate Socially Responsible Actions? 85
Should Organizations Be Socially Involved? 86
What Is Sustainability and Why Is It Important? 87
And the Survey Says... 88

What Factors Determine Ethical and Unethical Behavior? 88
In What Ways Can Ethics Be Viewed? 89
How Can Managers Encourage Ethical Behavior? 89

What Types of Decisions and Decision-Making Conditions Do Managers Face? 114
How Do Problems Differ? 114
How Does a Manager Make Programmed Decisions? 115
How Do Nonprogrammed Decisions Differ from Programmed Decisions? 116
And the Survey Says... 116
How Are Problems, Types of Decisions, and Organizational Level Integrated? 116
What Decision-Making Conditions Do Managers Face? 117

How Do Groups Make Decisions? 117
What Are the Advantages and Disadvantages of Group Decision Making? 117
When Are Groups Most Effective? 118
How Can You Improve Group Decision Making? 119

A Question of Ethics 119

What Contemporary Decision-Making Issues Do Managers Face? 120
How Does National Culture Affect Managers’ Decision Making? 120
Why Are Creativity and Design Thinking Important in Decision Making? 121

Review
Chapter Summary 124 • Discussion Questions 124 • Management Skill Builder | Being a Creative Decision Maker 125 • Experiential Exercise 127 • Case Application 1—The Business of Baseball 127 • Case Application 2—Tasting Success 128 • Case Application 3—Decision Making, Saudi Style 129 • Endnotes 130

Quantitative Module: Quantitative Decision-Making Aids 131

Payoff Matrices 131
Decision Trees 132
Break-Even Analysis 133
Ratio Analysis 134
Linear Programming 136
Queuing Theory 138
Economic Order Quantity Model 138
Endnotes 141

Chapter 5 Foundations of Planning 142

What Is Planning and Why Do Managers Need to Plan? 145
Why Should Managers Formally Plan? 145
What Are Some Criticisms of Formal Planning and How Should Managers Respond? 146
Does Formal Planning Improve Organizational Performance? 147

What Do Managers Need to Know About Strategic Management? 147
WHAT STRATEGIES DO MANAGERS USE? 152
Corporate Strategy 152
Competitive Strategy 153
Functional Strategy 153
A Question of Ethics 155
How Do Managers Set Goals and Develop Plans? 155
What Types of Goals Do Organizations Have and How Do They Set Those Goals? 155
From the Past to the Present 1954–1960s and 1970s–Present 157
What Types of Plans Do Managers Use and How Do They Develop Those Plans? 158
And the Survey Says… 160
What Contemporary Planning Issues Do Managers Face? 161
How Can Managers Plan Effectively in Dynamic Environments? 161
How Can Managers Use Environmental Scanning? 162
Review
Chapter Summary 163 • Discussion Questions 163 • Management Skill Builder | Being a Good Goal Setter 164 • Experiential Exercise 166 • Case Application 1—Flip Flop 166 • Case Application 2—Primark Takes on Burberry and Alexander McQueen 167 • Case Application 3—Shifting Direction 168 • Endnotes 169

Part 3 Organizing 170

Chapter 6 Organizational Structure and Design 170
What Are the Six Key Elements in Organizational Design? 173

WHAT CONTINGENCY VARIABLES AFFECT STRUCTURAL CHOICE? 182
Mechanistic OR Organic 183
Strategy → Structure 183
Size → Structure 184
Technology → Structure 184
Environment → Structure 184

From the Past to the Present 1965–1967–1984–Present 185
What Are Some Common Organizational Designs? 186
What Traditional Organizational Designs Can Managers Use? 186
What Contemporary Organizational Designs Can Managers Use? 187
And the Survey Says… 189
What Are Today's Organizational Design Challenges? 190
How Do You Keep Employees Connected? 190
How Do Global Differences Affect Organizational Structure? 190
Technology and the Manager's Job | The Changing World of Work 191
How Do You Build a Learning Organization? 191
How Can Managers Design Efficient and Effective Flexible Work Arrangements? 192
Review
Chapter Summary 195 • Discussion Questions 195 • Management Skill Builder | Increasing Your Power 196 • Experiential Exercise 198 • Case Application 1—A New Kind of Structure 198 • Case Application 2—Volunteers Work 199 • Case Application 3—You Work Where? 200 • Endnotes 201

Chapter 7 Managing Human Resources 202
What Is the Legal Environment of HRM? 206
From the Past to the Present 1913–Present 208
A Question of Ethics 209
How Do Managers Identify and Select Competent Employees? 209
How Are Employees Provided with Needed Skills and Knowledge? 216
How Are New Hires Introduced to the Organization? 216
Technology and the Manager's Job | Social and Digital HR 217
What Is Employee Training? 217
KEEPING GREAT PEOPLE: 2 WAYS ORGANIZATIONS DOTHIS 220
Performance Management System 220
Should people be compared to one another or against a set of standards? 220 • Traditional manager-employee performance evaluation systems may be outdated 222 • When employee’s performance is not up to par 222
Compensating Employees: Pay and Benefits 222
Compensation—Pay for doing a job 222 • Compensation—Employees benefits 224
What Contemporary HRM Issues Face Managers? 224
How Can Managers Manage Downsizing? 224
And the Survey Says… 225
How Can Workforce Diversity Be Managed? 225
What Is Sexual Harassment? 226
What Is Workplace Spirituality? 227
How and Why Are Organizations Controlling HR Costs? 229

Review
Chapter Summary 231 • Discussion Questions 231 • Management Skill Builder | Being An Effective Interviewer 232 • Experiential Exercise 234 • Case Application 1—Stopping Traffic 234 • Case Application 2—Résumé Regrets 236 • Case Application 3—HRM in the Hong Kong Police Force 236 • Endnotes 237

Career Module: Building Your Career 238

What Was Career Development Like, Historically? 238
What Is Career Development Like, Now? 238
How Can I Have a Successful Career? 239
Assess Your Personal Strengths and Weaknesses 239
Identify Market Opportunities 239
Take Responsibility for Managing Your Own Career 239
Develop Your Interpersonal Skills 239
Practice Makes Perfect 239
Stay Up to Date 240
Network 240
Stay Visible 240
Seek a Mentor 240
Leverage Your Competitive Advantage 240
Don’t Shun Risks 240
It’s OK to Change Jobs 241
Opportunities, Preparation, and Luck = Success 241

Chapter 8 Managing Change and Innovation 242
What Is Change and How Do Managers Deal with It? 245
Why Do Organizations Need to Change? 246
Who Initiates Organizational Change? 247
How Does Organizational Change Happen? 247
From the Past to the Present 1943–1944–1947–Present 248
How Do Managers Manage Resistance to Change? 250
Why Do People Resist Organizational Change? 251
And the Survey Says… 251
What Are Some Techniques for Reducing Resistance to Organizational Change? 251

WHAT REACTION DO EMPLOYEES HAVE TO ORGANIZATIONAL CHANGE? 252
What Is Stress? 252
What are the symptoms of stress? 253
What Causes Stress? 253
Job-related factors 253 • Personal factors 254
A Question of Ethics 254
How Can Stress Be Reduced? 255

How Can Managers Encourage Innovation in an Organization? 256
How Are Creativity and Innovation Related? 257
What’s Involved in Innovation? 257
How Can a Manager Foster Innovation? 258
How Does Design Thinking Influence Innovation? 260

Review
Chapter Summary 261 • Discussion Questions 261 • Management Skill Builder | Controlling Workplace Stress 262 • Experiential Exercise 264 • Case Application 1—the Next Big Thing 264 • Case Application 2—GM’s Latest Model 265 • Case Application 3—Stress Kills 266 • Endnotes 267

Part 4 Leading 268

Chapter 9 Foundations of Individual Behavior 268
What are the Focus and Goals of Organizational Behavior? 271
What Is the Focus of OB? 272
What Are the Goals of Organizational Behavior? 272
What Role Do Attitudes Play in Job Performance? 273
What Are the Three Components of an Attitude? 273
What Attitudes Might Employees Hold? 273
Do Individuals’ Attitudes and Behaviors Need to Be Consistent? 274
What Is Cognitive Dissonance Theory? 274
And the Survey Says… 275
How Can an Understanding of Attitudes Help Managers Be More Effective? 275

WHAT REACTION DO EMPLOYEES HAVE TO ORGANIZATIONAL CHANGE? 252
What Is Stress? 252
What are the symptoms of stress? 253
What Causes Stress? 253
Job-related factors 253 • Personal factors 254
A Question of Ethics 254
How Can Stress Be Reduced? 255

How Do Managers Need to Know About Personality? 276
How Can We Best Describe Personality? 276
Can Personality Traits Predict Practical Work-Related Behaviors? 278
A Question of Ethics 279
How Do We Match Personalities and Jobs? 280
Do Personality Attributes Differ Across Cultures? 281
How Can an Understanding of Personality Help Managers Be More Effective? 281

What Is Perception and What Influences It? 282
What Influences Perception? 282
How Do Managers Judge Employees? 283
How Can an Understanding of Perception Help Managers Be More Effective? 285
From the Past to the Present 1927–1971–Present 263

HOW DO LEARNING THEORIES EXPLAIN BEHAVIOR? 285
Operant Conditioning 286
Social Learning Theory 287
Shaping Behavior 287
How Can an Understanding of Learning Help Managers Be More Effective? 288
What Contemporary OB Issues Face Managers? 289
How Do Generational Differences Affect the Workplace? 289
How Do Managers Deal with Negative Behavior in the Workplace? 290

Chapter 10 Understanding Groups and Managing Work Teams 300
What Is a Group and What Stages of Development Do Groups Go Through? 303
What Is a Group? 303
What Are the Stages of Group Development? 304
And the Survey Says… 304
A Question of Ethics 305

5 MAJOR CONCEPTS OF GROUP BEHAVIOR 306
Roles 306
Norms 306
Conformity 307
Status Systems 307
Group Size 308
Group Cohesiveness 308

From the Past to the Present 1951–Today 310
How are Groups Turned into Effective Teams? 310
Are Work Groups and Work Teams the Same? 311
What Are the Different Types of Work Teams? 311
Technology and the Manager’s Job | IT and Teams 313
What Makes a Team Effective? 313
How Can a Manager Shape Team Behavior? 316
What Current Issues Do Managers Face in Managing Teams? 317
What’s Involved with Managing Global Teams? 317
When Are Teams Not the Answer? 319

Review
Chapter Summary 291 • Discussion Questions 292 • Management Skill Builder | Understanding Employee Emotions 292 • Management Skill Builder | Understanding Employee Personality 293 • Experiential Exercise 296 • Case Application 1—Great Place to Work 297 • Case Application 2—Odd Couples 297 • Case Application 3—Employees First 298 • Endnotes 299

Chapter 11 Motivating and Rewarding Employees 328
What Is Motivation? 331
And the Survey Says… 331

4 EARLY THEORIES OF MOTIVATION 332
Maslow’s Hierarchy of Needs Theory 310
McGregor’s Theory X and Theory Y 311
Herzberg’s Two-Factor Theory 311
McClelland’s Three-Needs Theory 313

How Do the Contemporary Theories Explain Motivation? 336
What Is Goal-Setting Theory? 336
From the Past to the Present → 1959–1977–Today 337
How Does Job Design Influence Motivation? 338
What Is Equity Theory? 339
A Question of Ethics 340
How Does Expectancy Theory Explain Motivation? 341
How Can We Integrate Contemporary Motivation Theories? 342

What Current Motivation Issues do Managers Face? 343
How Can Managers Motivate Employees When the Economy Stinks? 344
How Does Country Culture Affect Motivation Efforts? 344
How Can Managers Motivate Unique Groups of Workers? 345
How Can Managers Design Appropriate Rewards Programs? 346

Review
Chapter Summary 349 • Discussion Questions 349 • Management Skill Builder | Being a Good Motivator 350 • Experiential Exercise 353 • Case Application 1—Passionate Pursuits 353 • Case Application 2—Best Practices at Best Buy 354 • Case Application 3—Searching For? 355 • Endnotes 355

Chapter 12 Leadership and Trust 356
Who Are Leaders, and What Is Leadership? 359
From the Past to the Present 1951–1960–Today 359

WHAT DO EARLY LEADERSHIP THEORIES TELL US ABOUT LEADERSHIP? 360
The Leader: What Traits Do Leaders Have? 360
The Behaviors: What Behaviors Do Leaders Exhibit? 362
University of Iowa studies 362
Ohio State studies 362
University of Michigan studies 362
Managerial Grid 362

What Do the Contingency Theories of Leadership Tell Us? 363
What Was the First Comprehensive Contingency Model? 363
How Do Followers’ Willingness and Ability Influence Leaders? 364
And the Survey Says… 366
How Participative Should a Leader Be? 366
How Do Leaders Help Followers? 367
WHAT IS VALUE CHAIN MANAGEMENT AND WHY IS IT IMPORTANT? 447

What Is Value Chain Management? 447
Who has power in the value chain? 448
Goals of value chain management 449
How Does Value Chain Management Benefit Businesses? 449

How Is Value Chain Management Done? 450
What Are the Requirements for Successful Value Chain Management? 450

And the Survey Says… 451
What Are the Obstacles to Value Chain Management? 453

A Question of Ethics 454

What Contemporary Issues Do Managers Face in Managing Operations? 454
1 What Role Does Technology Play in Operations Management? 455
Technology and the Manager’s Job | Welcome to the Factory of the Future! 455
2 How Do Managers Control Quality? 456
How Are Projects Managed? 458

Review
Chapter Summary 464 • Discussion Questions 464 • Management Skill Builder | Being a Good Project Manager 465 • Experiential Exercise 466 • Case Application 1—Tragedy in Fashion 467 • Case Application 2—Dreamliner Nightmare 468 • Case Application 3—Stirring Things Up 469 • Endnotes 470

Entrepreneurship Module: Managing Entrepreneurial Ventures 471

What Is Entrepreneurship? 471
Who’s Starting Entrepreneurial Ventures? 471
What Do Entrepreneurs Do? 472
What Planning Do Entrepreneurs Need to Do? 472
What’s in a Full Business Plan? 473

What Issues Are Involved in Organizing an Entrepreneurial Venture? 474
What Are the Legal Forms of Organization for Entrepreneurial Ventures? 474
What Type of Organizational Structure Should Entrepreneurial Ventures Use? 474
What Human Resource Management (HRM) Issues Do Entrepreneurs Face? 475

What Issues Do Entrepreneurs Face in Leading an Entrepreneurial Venture? 475
What Type of Personality Do Entrepreneurs Have? 476
How Can Entrepreneurs Motivate Employees? 476
How Can Entrepreneurs Be Leaders? 477

What Controlling Issues Do Entrepreneurs Face? 477
How Is Growth Managed? 478
How Are Downturns Managed? 478
What’s Involved with Exiting the Venture? 478
Why Is It Important to Think About Managing Personal Challenges as an Entrepreneur? 478

Endnotes 479

Glossary 480
Index 486