

# FUNDAMENTALS OF MANAGEMENT

Eighth Canadian Edition

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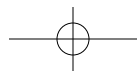
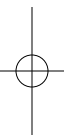
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# Preface

Welcome to the eighth Canadian edition of *Fundamentals of Management*, by Stephen P. Robbins, David A. DeCenzo, Mary Coulter, and Ian Anderson. This edition continues the fresh approach to management coverage of the previous editions through the following:

- current and relevant examples
- updated theory
- a new pedagogically sound design

The philosophy behind this revision was to put additional emphasis on the idea that *management is for everyone*. Students who are not managers, or who do not envision themselves as managers, may not always see why studying management is important. We use examples from a variety of settings to help students understand the relevance of studying management to their day-to-day lives.

## CHAPTER PEDAGOGICAL FEATURES

We have enhanced the eighth Canadian edition with a rich variety of pedagogical features, including the following:

- Learning outcomes to guide student learning begin each chapter. These questions are repeated at the start of each major chapter section to reinforce the learning outcome.
- An opening case starts the body of the chapter and is threaded throughout to help students apply a story to the concepts they are learning.
- The use of infographics in each chapter presents information graphically to help visual learners with the related concepts. In addition, an increase in photographs enhances business concepts throughout the text.
- *Think About It* questions follow the opening case to give students a chance to put themselves in the shoes of managers in various situations.
- *And the Survey Says . . .* provides relevant Canadian and global data to help students understand business metrics and the Canadian significance of various management topics.
- *Tips for Managers* provide “take-aways” from the chapter—things that managers and would-be managers can start to put into action right now, based on what they have learned in the chapter.

## END-OF-CHAPTER APPLICATIONS

The entire end-of-chapter section, *Review and Apply*, provides a wealth of exercises and applications.

- The *Summary of Learning Outcomes* provides responses to the outcome-based questions identified at the beginning of each chapter.
- *Discussion Questions* allow students to review their understanding of the chapter content.
- *Developing Management Skills* lets students apply material to their daily lives as well as to real business situations related to the chapter material, helping them see that planning, leading, organizing, and controlling are useful in one’s day-to-day life, too. This feature includes several exercises, such as the ones described below.
- *Dilemma* presents an everyday scenario for students to resolve using management tools.

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- *Becoming a Manager* provides suggestions for students on activities and actions they can do right now to help them prepare to become a manager.
- *3BL: The Triple Bottom Line* helps students apply sustainability to business situations.
- *Be the Consultant* emphasizes the importance of interpersonal and organizational skills.
- *Team Exercises* give students a chance to work together in groups to solve a management challenge.
- Two new exercises were added to the eighth Canadian edition: *Hey, You're the Boss Now* and *Diversity Matters*. These exercises increase the diversity component of the text and give students a hands-on perspective of being a supervisor or manager.
- *Your Essential Management Reading List* is new to the eighth edition to give students a glimpse of some of the top management books.
- The *Business Cases* are decision-focused scenarios that ask students to determine what they would do if they were in the situation described.

## NEW TO THE EIGHTH CANADIAN EDITION

In addition to the new pedagogical features highlighted above, we have introduced or revised other learning aids and made significant changes to content.

### Case Program

This edition offers a variety of cases that can be used in or out of the classroom.

- **End of Chapter Cases:** At the end of each chapter we offer brief, chapter-specific cases in the *Developing Management Skills* and *Business Cases* sections. These cases include a variety of open-ended questions for classroom discussion or small-group assignment.
- **Management Mini-Cases (MyManagementLab):** Hosted within MyManagementLab and tied to each chapter are a set of 12 Management Mini-Cases with associated multiple-choice questions. These mini-cases are perfect for assignments, as the students' results feed directly into the MyManagementLab Gradebook.

## CHAPTER-BY-CHAPTER HIGHLIGHTS

Below, we highlight the new material that has been added to this edition.

### Chapter 1

- New opening case on Calgary mayor Naheed Nenshi
- Expanded section on entrepreneurship

- *And the Survey Says . . .* on female board members in Canada
- New end-of-chapter (EOC) material (*Hey, You're the Boss Now* on mentoring of millennials, *Diversity Matters* on types of diversity, and a new Self-Assessment called *What Skills Do Effective Managers Possess?*)

### Chapter 2

- Updated opening case on TransCanada and the Keystone Pipeline Project
- New case on Joe Fresh
- *And the Survey Says . . .* on Canada's trading partners
- Expanded section on Hofstede, including a new exhibit comparing Canada with China and the United States
- New material on the Canadian–EU free trade deal, a new exhibit on styles of three generations, and *Tips for Managers* on how to avoid getting burned by a foreign distributor.
- New EOC material (*Hey, You're the Boss Now* on supervising a diverse workforce, *Diversity Matters* on becoming more culturally aware, and *Your Essential Management Reading List*.)

### Chapter 3

- New opening case on Stantec
- *And the Survey Says . . .* on planning
- Four new exhibits on reasons for planning, comparing traditional goal setting with MBO, types of plans, and examples of functional strategies
- New EOC material (*Hey, You're the Boss Now* on setting goals, *Diversity Matters* on diversity and inclusion as a strategic initiative, *Your Essential Management Reading List*, and an updated *Business Case* on the Canadian wine industry)

### Supplement 3:

- Brand-new supplement on communication and social media

### Chapter 4

- Two new cases on Blue Jays baseball and Coca-Cola and the science of OJ
- *And the Survey Says . . .* on the use of teams
- New EOC material (*Hey, You're the Boss Now* on tips for managing an older employee, *Diversity Matters* on the value of diversity in decision making, *Your Essential Management Reading List*.)

### Chapter 5

- New opening case on Sobeys
- New case on Pfizer
- *And the Survey Says . . .* on teleworking
- New material on designing office space, including a new exhibit comparing major office styles

- New EOC material (*Hey, You're the Boss Now* on delegation, *Diversity Matters* on diversity awareness, *Your Essential Management Reading List*, and an updated business case on Levitt)

### Chapter 6

- New chapter on operations management
- Two new cases on Apple and the supply chain and the Boeing Dreamliner
- New material on operations management, service versus manufacturing, improving productivity, the role of operations in strategy, supply chain management, value chain management, quality control, project management, and contemporary issues in operations management
- *And the Survey Says . . .* on manufacturing and operations
- Ten new exhibits on the operations system, goods versus services, Deming chain reaction, successful value chain management, Gantt chart, PERT charts, and a PERT network diagram
- New EOC material (*Hey, You're the Boss Now* on being a good project manager, *Diversity Matters* on female representation in the executive ranks, *Be the Consultant*, *3BL*, *Your Essential Management Reading List*.)

### Chapter 7

- New case on love in the workplace
- *And the Survey Says . . .* on sick leave
- New exhibit on the human resource management process, a new table on changes in the labour market, and a new example of a job description for a customer service representative
- Updated exhibits on source of hires by recruitment methods and corporate wellness initiatives
- New information on total rewards
- New EOC material (*Hey, You're the Boss Now* on being an effective interviewer, *Diversity Matters* on the use of immigrant workers, *Your Essential Management Reading List*, and *Tips to be a Successful Volunteer*)

### Chapter 8

- New opening case on Sheryl Sandberg of Facebook
- Two new cases on leadership legacy and results only work environments (ROWE)
- *And the Survey Says . . .* on critical leadership capabilities required in Canadian health care
- New mini-supplement *Portraits in Leadership*—profiles of two of Canada's future leaders
- New material on virtual leadership
- New EOC material (*Hey, You're the Boss Now* on tips for a first-time manager, *Diversity Matters* on RBC's Five Core Values, *Your Essential Management Reading List*.)

### Chapter 9

- Updated opening case on Yellow House
- Two new cases on DevFacto Technologies and Ubisoft Entertainment SA, and a profile of corporate executive and former NHL player Nevin Markwart
- *And the Survey Says . . .* on investing in corporate social responsibility
- New material on goal-setting theory, open book management, and employee engagement
- New EOC material (*Hey, You're the Boss Now* on motivating employees, *Diversity Matters* on Maslow's equity theory, and *Your Essential Management Reading List*)

### Chapter 10

- New opening case on the Virgin Group
- Two new cases on Whole Foods Canada and Toyota Canada
- *And the Survey Says . . .* on teams and motivation
- New exhibits on Belbin's team roles and deciding when to use teams
- Updated exhibit on team development
- New EOC material (*Hey, You're the Boss Now* on team considerations, *Diversity Matters* on managing diverse teams, *Your Essential Reading List*.)

### Chapter 11

- Updated opening case on the Canadian Curling Association
- *And the Survey Says . . .* on Canadian debt
- New exhibit on the balanced scorecard
- Material on organizational culture moved to Chapter 12
- Updated exhibit on the service profit chain
- New EOC material (*Hey, You're the Boss Now* on giving feedback, *Diversity Matters* on cultural impact on feedback, *Be the Consultant* on financing a new business venture, *Your Essential Management Reading List*.)

### Chapter 12

- New opening case on Men In Kilts
- New material on innovation and creativity, organizational culture's impact on innovation and change
- New *Tips for Managers* on creating a more innovative work environment
- New exhibits on innovation variables and four steps in organizational change
- Updated exhibits on mistakes managers make when leading change and helping employees accept change
- Material on organizational culture (moved from Chapter 11)
- New EOC material (*Hey, You're the Boss Now* on innovation creation, *Diversity Matters* on inherent and acquired diversity, *Your Essential Reading List*.)

## SUPPLEMENTS

We have created an outstanding supplements package for instructors, conveniently available online through MyManagementLab in the special instructor area and downloadable from our product catalogue at [www.pearsoncanada.ca](http://www.pearsoncanada.ca).

**Instructor's Resource Manual.** This resource includes lecture outlines and chapter overviews, suggested answers to the textbook end-of-chapter exercises, and additional activities.

**Computerized Test Bank.** Pearson's computerized test banks allow instructors to filter and select questions to create quizzes, tests or homework. Instructors can revise questions or add their own, and may be able to choose print or online options. These questions are also available in Microsoft Word format.

**Test Item File.** This comprehensive test bank contains more than 1000 multiple choice, true/false, and short essay questions.

**PowerPoint® Presentations.** PowerPoint slides are available with this edition, with a minimum of 25 slides per chapter.

**Image Library.** All the figures in the text are provided in electronic format, for use in PowerPoint slides, handouts, or other presentations.

**Pearson eText.** The Pearson eText gives students access to their textbook anytime, anywhere. In addition to note taking, highlighting, and bookmarking, the Pearson eText offers interactive and sharing features. Rich media options may include videos, animations, interactive figures, and built-in assessments, all embedded in the text. Instructors can share their comments or highlights, and students can add their own, creating a tight community of learners within the class.

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## MyManagementLab

**MyManagementLab** delivers proven results in helping individual students succeed. It provides engaging experiences that personalize, stimulate, and measure learning for each student. For the eighth Canadian edition, MyManagementLab includes powerful new learning resources, including a new set of online lesson presentations to help students work through and master key management topics, a completely restructured study plan for student self-study, and a wealth of engaging assessment and teaching aids to help students and instructors

explore unique learning pathways. MyManagementLab online resources include:

- **NEW Learning Catalytics.** Learning Catalytics is a “bring your own device” student engagement, assessment, and classroom intelligence system. It allows instructors to engage students in class with a variety of questions types designed to gauge student understanding.
- **NEW Personal Inventory Assessment (PIA).** Students learn better when they can connect what they are learning to their personal experience. PIA is a collection of online exercises designed to promote self-reflection and engagement in students, enhancing their ability to connect with concepts taught in principles of management, organizational behaviour, and human resource management classes. Assessments can be assigned by instructors, who can then track students' completions. Student results include a written explanation along with a graphic display that shows how their results compare to the class as a whole. Instructors will also have access to this graphic representation of results to promote classroom discussion.
- **NEW Interactive Lesson Presentations.** Students can now study key chapter topics and work through interactive assessments to test their knowledge and mastery of management concepts. Each presentation allows students to explore through expertly designed steps of reading, practising, and testing to ensure that students not only experience the content, but truly engage with each topic. Instructors also have the ability to assign quizzes, projects, and follow-up discussion questions relating to the online lessons to further develop the valuable learning experiences from the presentations.
- **NEW Study Plan.** MyManagementLab offers students an engaging and focused self-study experience that is driven by a powerful new study plan. Students work through assessments in each chapter to gauge their understanding and target the topics that require additional practice. Along the way, they are recognized for their mastery of each topic and guided toward resources in areas that they might be struggling to understand.
- **NEW Dynamic Study Modules.** These new study modules allow students to work through groups of questions and check their understanding of foundational management topics. As students work through questions, the dynamic study modules assess their knowledge and only show questions that still require practice. Dynamic study modules can be completed online using your computer, tablet, or mobile device.
- **Management Simulations.** Management simulations are real-world scenarios that invite students to apply the concepts they have just learned. Management simulations walk students through key management decision-making scenarios to help them understand how management decisions are made. Students are asked to make important decisions relating to core management concepts. At each



point, students receive feedback to help them understand the implications of their choices in the management environment. Both types of simulations can now be assigned by instructors and graded directly through MyManagementLab.

- **NEW Business Today Video Database.** Business Today is a dynamic and expanding database of videos that covers the disciplines of business, marketing, management, and more. In addition to the videos that have been specifically correlated to this text, you will find new videos posted regularly. Check back regularly to see up-to-date video examples that are perfect for classroom use.

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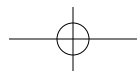
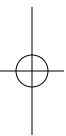
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 Jai Goolsarran, School of Business, Centennial College  
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 Sharon Archibald, Sir Sandford Fleming College  
 Carson Rappell, Dawson College  
 Melanie Simmons MBA, NAIT

I dedicate this book to Tracy, who is my loving support and inspiration; and my two sons, Shaun and Isaac.

Ian Anderson



# About the Authors



**STEPHEN P. ROBBINS** received his Ph.D. from the University of Arizona. He previously worked for the Shell Oil Company and Reynolds Metals Company and has taught at the University of Nebraska at Omaha, Concordia University in Montreal, the University of Baltimore, Southern Illinois University at Edwardsville, and San Diego State University. He is currently professor emeritus in management at San Diego State.

Dr. Robbins's research interests have focused on conflict, power, and politics in organizations, behavioural decision making, and the development of effective interpersonal skills. His articles on these and other topics have appeared in such journals as *Business Horizons*, the *California Management Review*, *Business and Economic Perspectives*, *International Management*, *Management Review*, *Canadian Personnel*, *Industrial Relations*, and *The Journal of Management Education*.

Dr. Robbins is the world's best-selling textbook author in the areas of management and organizational behaviour. His books have sold more than 5 million copies and have been translated into 20 languages. His books are currently used at more than 1500 U.S. colleges and universities, as well as hundreds of schools throughout Canada, Latin America, Australia, New Zealand, Asia, and Europe.

Dr. Robbins also participates in masters track competition. Since turning 50 in 1993, he's won 23 national championships and 14 world titles. He was inducted into the U.S. Masters Track & Field Hall of Fame in 2005 and is currently the world record holder at 100m and 200m for men 65 and over.



**DAVID A. DECENZO** (Ph.D., West Virginia University) is president of Coastal Carolina University in Conway, South Carolina. In his capacity as president, Dr. DeCenzo is responsible for the overall vision and leadership of the university. He has been at Coastal since 2002, when he took over leadership of the E. Craig Wall Sr. College of Business. Since then, the college established an economics major and developed an MBA program. During that period, student enrollment and faculty positions nearly doubled. The college also established significant internship opportunities locally, nationally, and internationally in major *Fortune* 100 companies. As provost, Dr. DeCenzo worked with faculty leadership to pass a revised general education core curriculum as well as institute a minimum salary level for the university's faculty members. Before joining the Coastal faculty in 2002, he served as director of partnership development in the College of Business and Economics at Towson University in Maryland. He is an experienced industry consultant, corporate trainer, and public speaker. Dr. DeCenzo is the author of numerous textbooks that are used widely at colleges and universities throughout the United States and the world.

Dr. DeCenzo and his wife, Terri, have four children and reside in Pawleys Island, South Carolina.



**MARY COULTER** (Ph.D., University of Arkansas) held different jobs, including high school teacher, legal assistant, and city government program planner, before completing her graduate work. She has taught at Drury University, the University of Arkansas, Trinity University, and Missouri State University. She is currently professor emeritus of management at Missouri State University. Dr. Coulter's research interests were focused on competitive strategies for not-for-profit arts organizations and the use of new media in the educational process. Her research on these and other topics has appeared in such journals as *International Journal of Business Disciplines*, *Journal of Business Strategies*, *Journal of Business Research*, *Journal of Nonprofit and Public Sector Marketing*, and *Case Research Journal*. In addition to *Fundamentals of Management*, Dr. Coulter has published other books with Prentice Hall including *Management* (with Stephen P. Robbins), *Strategic Management in Action*, and *Entrepreneurship in Action*.

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When she's not busy writing, Dr. Coulter enjoys puttering around in her flower gardens, trying new recipes, reading all different types of books, and enjoying many different activities with Ron, Sarah and James, Katie and Matt, and especially with her new grandkids, Brooklynn and Blake, who are the delights of her life!



**IAN ANDERSON** received his Master's of Business Administration in Innovation Leadership from the University of Fredericton. Before commencing his college teaching career, he was the director of human resources for a large Ottawa-based IT company. Ian is also a human resources and management consultant with Association Management, Consulting & Educational Services (AMCES), is a certified Change Management Professional, and has been actively consulting for more than 25 years. At Algonquin College, Ian is a professor in management, leadership, and human resources, and coaches students in business case and college marketing competitions.

In his spare time, Ian enjoys coaching Special Olympics soccer and basketball and volunteering with his favourite charity, the Capital City Condors. He has coached competitive and recreational hockey and soccer for more than 20 years. As a Sommelier, he works regularly with Groovy Grapes to provide tutored tastings and wine and scotch education. You can find Ian's wine reviews via his twitter handle @ #GroovyWineGuy. Ian's parents, Bob and Katharine, are from the Niagara area. Ian recently authored a chapter on knowledge management for CSAE's publication *Canadian Association Management*.