

# Fundamentals of Management

## **ELEVENTH EDITION**

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## **Preface**

This Eleventh Edition of Fundamentals of Management with MyLab Management covers the essentials of management in a way that provides a sound foundation for understanding the practical issues facing managers and organizations. The focus on knowing and applying the theories of management remains, while now also highlighting opportunities to develop employability skills. Fundamentals of Management with MyLab Management offers an approachable, streamlined, realistic emphasis around what works for managers and what doesn't—with the ultimate goal to help students be successful.

To improve student results, we recommend pairing the text content with *MyLab Management*, which is the teaching and learning platform that empowers you to reach every student. By combining trusted author content with digital tools and a flexible learning platform, MyLab personalizes the learning experience to help your students learn and retain key course concepts while developing skills that future employers are seeking in potential employees. From *Mini Sims* to *Personal Inventory Assessments, MyLab Management* helps you teach your course your way. Learn more at www.pearson.com/mylab/management.

## New to This Edition

- New chapter on entrepreneurship.
- All new Experiential Exercises. Each chapter's new Experiential Exercise is a hands-on
  activity in which students typically collaborate with other students to complete a task,
  such as writing a personal mission statement.
- Employability skills highlighted throughout book. Introduced in Chapter 1, these employability skills include critical thinking, communication, collaboration, knowledge application and analysis, and social responsibility. Each chapter is loaded with opportunities for students to use and work on the skills they'll need to be successful in the twenty-first-century workplace.
- *Material on early twentieth-century contributors: A diversity perspective.* Because management history is the result of the contributions of many diverse individuals, we added a section to the Management History Module highlighting some noteworthy contributors.
- Module on professionalism and employability. Expanded version of the module on Careers now focuses on professionalism and employability.
- Diversity material added to managing human resources chapter.
- Managing operations material presented in a modular format.
- Several new examples throughout, including Facebook's public scrutiny over what it was
  doing and not doing to protect its community of users, BMW's sustainability actions,
  digital currency use in Sweden, European "zombie" companies, Hootsuite's culture, the
  global cashew industry, Fox Sports World Cup advertising challenge, the organizational
  redesign at The Wall Street Journal, and many others.
- New and updated content, including current issues in organizational culture, antiglobalization, stumbling blocks to creativity, revision bias, crisis planning, digital tools as
  strategic weapons, managing disruptive innovation, remote work, multicultural brokers,
  inclusion, generational differences in the workplace, emotions and communication, alternate reality, toxic bosses, having civil conversations in the workplace, and workplace design.
- *Making Ethical Decisions in the Workplace*. This element has been renamed, and content is 60 percent new.

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- Case Applications. 58 percent new.
- New Management in the News in MyLab Management. News articles are posted regularly, along with discussion questions that help students to understand management issues in current events.
- New Capstone Mini Sims in MyLab Management help students master overarching course
  concepts like leadership, planning, motivation, and diversity. By combining key themes
  from multiple chapters into unique scenarios, students are able to better understand how
  management concepts are related to one another. Four new Capstone Mini Sims are included with this edition.

## Solving Teaching and Learning Challenges

Many students who take a principles of management course have difficulty understanding why they are taking the course in the first place. They presume that management is common sense, unambiguous, and dependent on intuition. They also need practice applying the concepts they are learning to real-world situations. Additionally, many students may not aim to be managers upon graduation, so they may struggle to see the parallels between this course and their career goals. We wrote *Fundamentals of Management* to address these challenges by developing a "management sense" grounded in theory for students while showing them how to apply concepts learned to real-world situations and enabling them to develop the necessary skills to be successful in any career.

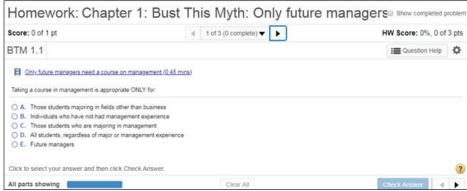
## Developing a "Management Sense"

Bust This Myth and Debunking Chapter Openers

**Bust This Myth** chapter openers include common myths that students may have about management. This feature debunks the common myths, helping students to better understand and develop their own management sense. Each one is accompanied by a Bust This Myth Video Exercise in *MyLab Management*.





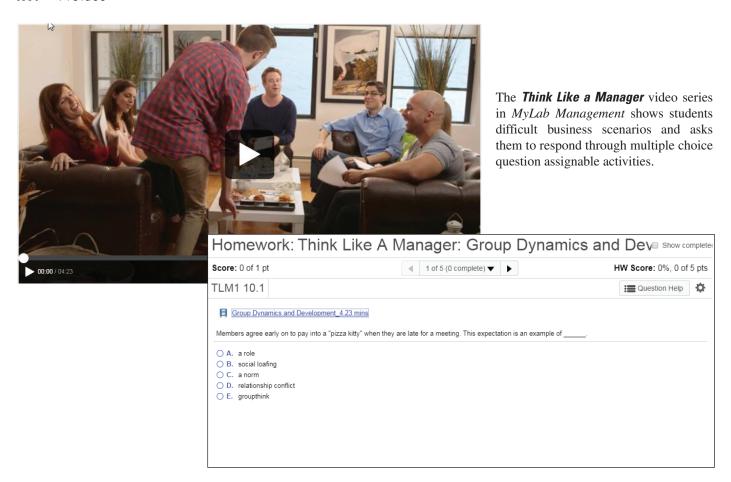








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## Apply Concepts to the Real World

The **NEW** *Chapter 7, Managing Entrepreneurial Ventures*, reflects the recent growth in entrepreneurial ventures, helping students to understand trends happening in the real world.





## Making Ethical Decisions in Today's Workplace

CVS Health Corporation announced in early 2018 that it would stop "materially" altering the beauty images used in its marketing materials that appear in its stores and on its websites and social media channels. Although the change applies to the marketing materials it creates, the drugstore chain has also asked global brand partners—including Revlon, L'Oreal, and Johnson & Johnson—to join its effort. The company will use a watermark—the "CVS Beauty Mark"—on images that have not been altered. What does that mean? You're seeing real, not digitally modified, persons. The person featured in those images did not have their size, shape, skin or eye color, wrinkles, or other characteristics enhanced or changed. The company's goal is for all images in the beauty sections of CVS's stores to reflect the "transparency" commitment by 2020. Not surprisingly, there are pros and cons to this decision. And not surprisingly, there are ethical considerations associated with the decision.

This text **tackles tough issues** such as globalization/anti-globalization, having civil conversations, anti-bias, and ethical dilemmas—giving students an accurate depiction of the business environment today.

## **Discussion Questions:**

**5** Striving for more realistic beauty/body image ideals: Who are potential stakeholders in this situation and what stake do they have in this decision?

**6** From a generic viewpoint, how do ethical issues affect decision making? In this specific story, what potential ethical considerations by CVS to stop altering beauty images and start usi

**Mini Sims** put students in professional roles and give them the opportunity to apply course concepts and develop decision-making skills through real-world business challenges. At the end of the simulation, the student will receive immediate feedback based on the answers they gave. These simulations reinforce chapter concepts and students' comprehension of those concepts.

**NEW!** Capstone Mini Sims help students master overarching course concepts like leadership, planning, motivation, and diversity. By combining key themes from multiple chapters into unique scenarios, students are able to better understand how management concepts are related to one another.



(Try It Mini Sim in MyLab Management for Chapter 12, Motivating and Rewarding Employees)

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## CASE APPLICATION #3

### Goals and Controls

Topic: Role of goals in controlling, control process, efficiency and effectiveness

esla. Elon Musk. You've probably heard of both. Tesla was founded in 2003 by a group of engineers who wanted to prove that buyers didn't need to compromise Tesla's board of directors as chairman. He soon took an active car, the Roadster, which was launched in 2008. Next came the Model S, introduced in 2012 as the world's first premium all-X in 2015, a sport utility vehicle, which achieved a 5-star safety rating from the National Highway Safety Administration. The Model 3 was introduced in 2016 and production began in 2017. From the beginning, Musk has maintained that Tesla's

could be "better, quicker, and more fun to drive than gasoline cars."60 Musk was not part of that original group but led the company's Series A investment (the name typically given to a looks and performance to drive electric—that electric cars company's first round of venture capital financing) and joined are nothing new in the automotive industry, Tesla is fightrole in the company and oversaw the design of Tesla's first uning to make a name for itself and production mishaps like this don't help that situation at all. One industry expert says that although Tesla may be a "pioneer in technology and a electric sedan. The next product line expansion was the Model trailblazer in the electric vehicle market," those strategic capabilities and core competencies don't necessarily translate to knowledge of the manufacturing process.<sup>67</sup> Scaling up production has its own unique set of challenges, as Tesla and Musk are discovering. In addition to the production challenges,

### Three End-of-Chapter Application Cases

per chapter feature real companies. These cases cover situations involving managers, management, and organizations. To help students apply management concepts to the real world, the cases ask students to assess a situation and answer questions about "how" and "why" and "what would you do?" These Case Applications cover a variety of companies, including Uber, Warby Parker, Netflix, General Electric, Tesla, and more.

(Case Application for Chapter 15, Tesla)

## **NEW! Experiential Exercises** are all new. Each one is a hands-on activity in which students typically collaborate with other students to complete a task.

## **Experiential Exercise**

Now, for a little fun! Organizations (work and educational) often use team-building exercises to help teams improve their performance. In your assigned group, select two of the characteristics of effective teams listed in Exhibit 10-6 and develop a team-building exercise for each your assigned group, select two of the characteristics of elective teams issed in exhibit 10-6 and develop a team-building exercises for each characteristic. In developing your exercises, focus on helping a group improve that particular characteristic. Be creativel Write a group report describing your exercises, being sure to explain how your exercises will help a group improve or develop that characteristic. Be prepared to share your ideas with your class IOR, be prepared to demonstrate the team-building exercise!

Then, once you've concluded the assigned group work, you are to personally evaluate your "group" experience in working on this task. How did your group work together? What went "right?" What didn't go "right?" What could your group have done to improve its work perfor-

mance and satisfaction with the group effort?

## **Developing Employability Skills**

For students to succeed in a rapidly changing job market, they should be aware of their career options and how to go about developing a variety of skills. With MyLab Management and Fundamentals of Management, we focus on developing these skills in the following ways:

A new *Employability Skills Matrix* at the end of Chapter 1 provides students with a visual guide to features that support the development of skills employers are looking for in today's business

graduates, helping students to see from the start of the semester the relevance of the course to their career goals.

EMPLOYABILITY SKILLS MATRIX						
	Critical Thinking	Communication	Collaboration	Knowledge Application and Analysis	Social Responsibility	
Classic Concepts in Today's Workplace	<b>√</b>	✓	✓	<b>✓</b>		
Making Ethical Decisions in Today's Workplace	1	1	1	1	1	
Managing Technology in Today's Workplace	<b>√</b>	<b>✓</b>	1	1	1	
MyLab: Write It, Watch It, Try It	<b>✓</b>	<b>✓</b>		<b>/</b>		
Management Skill Builder— Practicing the Skill		<b>✓</b>	1	1		
Experiential Exercise		<b>✓</b>	✓	<b>✓</b>		
Case Application 1	<b>√</b>			1	1	
Case Application 2	1	1		1		
Case Application 3	✓		1			

[Employability Skills Matrix from Chapter 1]

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Boxed Features Highlight Opportunities to Develop Key Employability Skills.

## Classic Concepts in Today's Workplace

Here's one way

to UNDERSTAND

CULTURAL

DIFFERENCES!

## Hofstede's 5 Dimensions of National Culture

An illuminating study of the differences in cultural environments was conducted by Geert Hofstede in the 1970s and 1980s. <sup>11</sup> He surveyed more than 116,000 IBM employees in 40 countries about their work-related values and found that managers and employees vary on five dimensions of national culture:

 Power distance. The degree to which people in a country accept that power in institutions and organizations is distributed unequally. It ranges from relatively equal (low power distance) to extremely unequal (high power distance). value relationships and show sensitivity and concern for the welfare of others.

- Uncertainty avoidance. This dimension assesses the degree to which people in a country prefer structured over unstructured situations and whether people are willing to take risks.
- Long-term versus short-term orientation. People in cultures with long-term orientations look to the future and

value thrift and persistence. A shortterm orientation values the past and present and emphasizes respect for tradition and fulfilling social obligations.

The following table shows a few

highlig tural d countr

## Making Ethical Decisions in Today's Workplace

Walt Disney Company. *Star Wars*. Two powerful forces combined. But is that force for good or for not-so-good?<sup>30</sup> It's not surprising that the popularity of the *Star Wars* franchise has given Walt Disney Co. exceptional power over the nation's movie theaters. The theater owners want the *Star Wars* releases, and there's only one way to get them...through Disney. With the latest release, movie theaters had to agree to "top-secret" terms that many theater owners said were the most oppressive and demanding they had ever seen. Not only were they required to give Disney about 65 percent of ticket revenue, there were also requirements about when, where, and how the movie could be shown. You'd think that because Disney needs the theaters to show their movies they might be better off viewing them as "partners" rather than subordinates. What do you think?

## Classic Concepts in Today's Workplace

help students to understand a classic management concept. Hofstede's five dimensions of national culture, are still beneficial to managers in today's workplaces.

**Making Ethical Decisions in Today's Workplace** presents students with an ethical dilemma and encourages them to practice their skills in ethical decision making and critical decision making.

## **Discussion Questions:**

- 5 Is there an ethical issue here? Why or why not? What stakeholders might be affected and how might they be affected? How can identifying stakeholders help a manager decide the most responsible approach?
- **6** Working together in your "assigned" group, discuss Disney's actions. Do you agree with those actions? Look at the pros and cons, including how the various stakeholders are affected. Prepare a list of arguments both pro and con. (To be a good problem solver and critical thinker, you have to learn how to look at issues from all angles!)

## Managing Technology in Today's Workplace

## MONITORING EMPLOYEES

Technological advances have made the process of managing an organization much easier. And technological advancements have also provided employers a means of sophisticated employee monitoring. Although most of this monitoring is designed to enhance worker productivity, it could, and has been, a source of concern over worker privacy. These advantages bring with them difficult questions regarding what managers have the right to know about employees and how far they can go in controlling employee behavior, both on and off the job. Consider the following:

The mayor of Colorado Springs, Colorado, reads the e-mail messages that city council members send to each other from their homes. He defended his actions by saying he was making sure that e-mails to each other were not being used to circumvent the state's "open meeting" law that requires most council business to be conducted publicly.

Just how much control a company should have over the private lives of its employees also becomes an issue. Where should an employer's rules and controls end? Does the boss have the right to dictate what you do on your free time and in your own home? Could your boss keep you from engaging in riding a motorcycle, skydiving, smoking, drinking alcohol, or eating junk food? Again, the answers may surprise you. Today many organizations, in their quest to control safety and health insurance costs, are delving into their employees' private lives.

Although controlling employees' behaviors on and off the job may appear unjust or unfair, nothing in our legal system prevents employers from engaging in these practices. Rather, the law is based on the premise that if employees don't like the rules, they have the option of quitting. Managers, too, typically defend their actions in terms of ensuring quality productivity

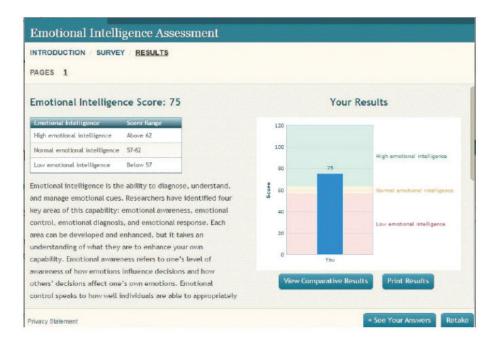
Managing Technology in Today's Workplace describes how managers are using technology to monitor employee performance, looking at ways to have a more efficient and effective workplace.





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**Personal Inventory Assessments** is a collection of online exercises designed to promote self-reflection and engagement in students, helping them better understand management concepts. These assessments help develop professionalism and awareness of oneself and others, skills necessary for future career success.



**End-of-Chapter Management Skill Builder** helps students move from merely knowing concepts to actually being able to use that knowledge.

The skill-building exercises included at the end of each chapter help you apply and use management concepts. We chose these skills because of their relevance to developing man-

agement competence and their linkage to one or more of the topic areas in this book.

## Management Skill Builder | UNDERSTANDING CULTURE

An organization's culture is a system of shared meaning. When you understand your organization's culture, you know, for example, whether it encourages teamwork, rewards innovation, or stifles initiative. When interviewing for a job, the more accurate you are at assessing the culture, the more likely you are to find a good person–organization fit. And once inside an organization, understanding the culture allows you to know what behaviors are likely to be rewarded and which are likely to be punished.<sup>48</sup>

## Expanded Module on Professionalism and Employability

In this newly expanded module, students are provided with very practical information in terms of being professional and employable. It's good to remind students that there is a future beyond getting their degree. But they must prepare themselves for it, with solid academic learning *and* practical advice.

## Chapter by Chapter Changes

In addition to all these major changes, here is a chapter-by-chapter list of the topic additions and changes in the Eleventh Edition:

## Chapter 1

- Rewrote box feature questions to focus on skills
- · New Making Ethical Decisions box
- Added material on employability skills, including Employability Skills Matrix
- New Experiential Exercise
- Two new cases (Walmart's management training, Intel's "chip" problem)
- Updated one case (Zappo's holacracy)
- Added "Topic" to Case Apps
- · Highlighted different employability skill in each case

## **History Module**

 Added new section on Other Early Twentieth-Century Contributors: A Diversity Perspective

## Chapter 2

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added new section on Current Issues in Organizational Culture
- New Experiential Exercise







- Two new cases (Uber, full pay transparency)
- Updated one case (movie theatre industry)
- Added "Topic" to Case Apps
- Highlighted different employability skill in each case

## Chapter 3

- · New opening Myth/Debunked
- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added new information about anti-globalization
- New Experiential Exercise
- Two new cases (Chinese battery companies, NCAA basketball scandal)
- Updated one case (Keurig)
- Added "Topic" to Case Apps
- Highlighted different employability skill in each case

## Chapter 4

- Rewrote box feature questions to focus on skills
- Added "revision bias" to section on Common Errors
- New Being Ethical box
- Added information on stumbling blocks to creativity
- New Experiential Exercise
- One new case (Panera Bread Company)
- Updated two cases (UPS, Baseball Data Analytics)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 5

- Rewrote box feature questions to focus on skills
- Added new material on digital tools as strategic weapons
- Added new material on crisis planning
- New Managing Technology in Today's Workplace box (using social media for environmental scanning)
- New Experiential Exercise
- Updated one case (Zara)
- Two new cases (Ford Motor Company, Domino's Pizza)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 6

- Rewrote box feature questions to focus on skills
- Added new section on managing disruptive innovation
- New Being Ethical box
- New Experiential Exercise
- Updated one case (UnderArmour)
- Two new cases (Volkswagen, Swiss watch industry)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 7

New chapter: Managing Entrepreneurial Ventures

## Chapter 8

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added new material on remote work
- New Experiential Exercise
- One new case (United Air)
- Updated two cases (NASA, PfizerWorks)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 9

- · New opening Myth/Debunked
- New examples
- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added additional material on sexual harassment
- Moved diversity material to this chapter
- Added discussion on inclusion
- New Experiential Exercise
- One new case (Starbucks and racial-bias training)
- Updated two cases (résumé discrepancies, attracting tech talent)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Professionalism and Employability Module

- New material on professionalism and employability
- Revised material on careers

## Chapter 10

- Rewrote box feature questions to focus on skills
- Added material on multicultural brokers
- New Experiential Exercise
- Two new cases (Microsoft and W. L. Gore)
- Updated case (health-care industry)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 11

- · Rewrote box feature questions to focus on skills
- Expanded discussion of generational differences in the workplace
- New Experiential Exercise
- Two new cases (Virgin Group, Adobe Systems)
- Updated case (Google)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 12

- Rewrote box feature questions to focus on skills
- New Experiential Exercise







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- One new case (unlimited vacation time)
- Two updated cases (Gravity Payments, Patagonia)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 13

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- New material on toxic bosses
- New Experiential Exercise
- Two new cases (General Electric, L'Oreal)
- One updated case (developing Gen Y leaders)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 14

- Rewrote box feature questions to focus on skills
- New material added to discussion of emotions and communication
- · Reworked visual spread
- Added discussion of alternate reality (AR)

- New material on having civil conversations in the workplace
- New material on workplace design
- New Experiential Exercise
- One new case (anytime feedback)
- Two updated cases (athletes and Twitter and eliminating e-mail)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Chapter 15

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- New Experiential Exercise
- Two new cases (Chipotle, Tesla)
- One updated case (positive feedback)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

## Managing Operations Module

• New presentation of material as a module

## Instructor Teaching Resources

This program comes with the following teaching resources.

Supplements available to instructors at www.pearsonhighered.com	Features of the Supplement			
Instructor's Resource Manual	Chapter-by-chapter summaries			
authored by Veronica Horton	Chapter Outlines with teaching tips			
	Answers to Case Application discussion questions			
	Solutions to all questions and exercises in the book			
Test Bank	Over 2,500 multiple-choice, true/false, and essay questions with answers and these annotations:			
authored by Carol Heeter	Learning Objective			
	<ul> <li>AACSB learning standard (Written and Oral Communication; Ethical Understanding and Reasoning Analytical Thinking; Information Technology; Interpersonal Relations and Teamwork; Diverse and Multicultural Work Environments; Reflective Thinking; Application of Knowledge)</li> </ul>			
	Difficulty level (Easy, Moderate, Challenging)			
	Question Category (Critical Thinking, Concept, Application, Analytical, or Synthesis)			
TestGen® Computerized Test Bank	TestGen allows instructors to:			
	Customize, save, and generate classroom tests			
	Edit, add, or delete questions from the Test Bank			
	Analyze test results			
	Organize a database of tests and student results			
PowerPoint Presentation authored by Veronica Horton	Presents basic outlines and key points from each chapter. Slides meet accessibility standards for student with disabilities. Features include, but not limited to:			
	Keyboard and Screen Reader access			
	Alternative text for images			
	High-color contrast between background and foreground colors			







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## Thank You!

Steve, Mary, and Dave would like to thank you for considering and choosing our book for your management course. All of us have several years of teaching under our belt, and we know how challenging yet rewarding it can be. Our goal is to provide you with the best resources available to help you excel in the classroom!



## **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.

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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 husband Ron, daughters and sons-in-law Sarah and James and Katie and Matt, and most especially with her two grandkids, Brooklynn and Blake, who are the delights of her life!







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