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Management

A Practical Introduction

10e

**Mc
Graw
Hill**

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Denise Breaux Soignet**



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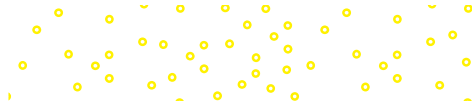
management

A PRACTICAL INTRODUCTION

TENTH EDITION

Mc
Graw
Hill





MANAGEMENT

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about the authors



Angelo Kinicki is an emeritus professor of management and held the Weatherup/Overby Chair in Leadership from 2005 to 2015 at the W. P. Carey School of Business at Arizona State University. He joined the faculty in 1982, the year he received his doctorate in business administration from Kent State University. He was inducted into the W. P. Carey Faculty Hall of Fame in 2016. Angelo currently is the Dean's Scholar in Residence at Kent State University. He is conducting seminars on the implementation of active learning in the classroom and publishing scholarly research. He also serves on the Dean's National Advisory Board.

Angelo is the recipient of six teaching awards from Arizona State University, where he taught in its nationally ranked undergraduate MBA and PhD programs. He also received several research awards and was selected to serve on the editorial review boards for four scholarly journals. His current research interests focus on the dynamic relationships among leadership, organizational culture, organizational change, and individual, group, and organizational performance. Angelo has published over 95 articles in a variety of academic journals and proceedings and is co-author of eight textbooks (37 including revisions) that are used by hundreds of universities around the world. Several of his books have been translated into multiple languages, and two of his books were awarded revisions of the year by McGraw Hill. Angelo was identified as being among the top 100 most influential (top .6%) Organizational Behavioral authors in 2018 out of a total of 16,289 academics.

Angelo is a busy international consultant and co-founder of Kinicki and Associates, Inc., a management consulting firm that works with top management teams to create organizational change aimed at increasing organizational effectiveness and profitability. He has worked with many Fortune 500 firms as well as numerous entrepreneurial organizations in diverse industries. His expertise includes facilitating strategic/operational planning sessions, diagnosing the causes of organizational and work-unit problems, conducting organizational culture interventions, implementing performance management systems, designing and implementing performance appraisal systems, developing and administering surveys to assess employee attitudes, and leading management/executive education programs. He developed a 360° leadership feedback instrument called the Performance Management Leadership Survey (PMLS) that is used by companies throughout the world.

Angelo and his wife of 39 years, Joyce, have enjoyed living in the beautiful Arizona desert for 38 years. They are both natives of Cleveland, Ohio. They enjoy traveling, hiking, and spending time in the White Mountains with Gracie, their adorable golden retriever. Angelo also has a passion for golfing.

Denise Breaux Soignet is an associate teaching professor of management and director of the Tyson Center for Faith and Spirituality in the Workplace at the Sam M. Walton College of Business at the University of Arkansas. She joined the University of Arkansas faculty in 2010 after receiving her PhD in business administration from Florida State University. Denise has received awards both for her teaching and her work to promote inclusion and diversity within the university and professional communities. She has taught courses in the Walton College's nationally ranked undergraduate and MBA programs, has developed several online undergraduate courses for her department, and sees active learning as a key component of all of her courses,



Cydney A. Soignet

both face-to-face and online. Denise's research interests include dysfunctional workplace behavior, inclusion and diversity, leadership, social influence, and job stress, and her work has been published in multiple premier management journals.

Denise is a Certified Professional for the Society for Human Resource Management, and she consults with public- and private-sector organizations. Her expertise includes diagnosing the causes of interpersonal problems in the workplace, implementing management solutions that enhance the quality of supervisor-subordinate relationships, assessing workplace religious inclusion and tolerance, and designing and delivering organizational learning and development programs. She also has specialized expertise in resolving the unique interpersonal challenges that arise in poultry production and has years of experience working with managers and technicians at some of the industry's largest firms.

Denise lives in Northwest Arkansas with her husband, Joe, and their two children. They are natives of South Louisiana and Cajuns at heart. They enjoy watching their two favorite football teams—the New Orleans Saints (WHO DAT!) and the Nicholls State University Colonels—and can often be found making food and cocktails for friends, gardening, listening to jazz, and traveling with their kids.

dedication



To Joyce Kinicki, the love of my life, best friend, and the wind beneath my wings.

—Angelo

To A and G, my everything. May you always make good choices, be kind to others, and have fun.

—Mom



new to the tenth edition

It all begins with a new author team

This edition brings a 22-year collaboration between Brian Williams and me (Angelo Kinicki) to an end. It was a great partnership and I am proud of what we accomplished and the student lives we influenced over the years. I am very excited about the future and would like to introduce my new co-author, Dr. Denise Breaux Soignet. Based on my 36 years of textbook writing experience, I selected Denise because she possesses all the skills and traits I desire in a co-author. Her content knowledge is vast and stems from exceptional training from academic scholars such as Dr. Pam Perrewé, Dr. Jerry Ferris, and Dr. Ben Tepper. She also is a beautiful writer and an outstanding teacher. She cares deeply about teaching and helping students, and this passion comes through in her commitment to our work. Denise is smart, humble, driven, honest, and hard working. She also pushes back and challenges me when needed. Finally, I like Denise and she's fun to work with. I can't ask for anything more in a co-author.

We are pleased to share these exciting new additions and updates!

All of our changes are based on the goal of providing the most up-to-date theory, research, and practical examples. For instance, we have used 56 examples to illustrate the application of management principles to the context of managing COVID-19 and the associated pandemic of 2020. We also wrote 13 new Management in Action chapter closing cases and replaced or updated 15 of our Legal/Ethical Challenge cases.

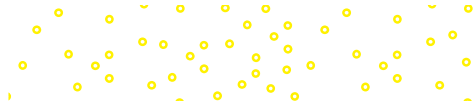
The tenth edition incorporates four major changes. The first entailed updating and extending our strategic theme regarding career readiness. The second involved integrated coverage regarding the concepts of creating shared value and sustainable development. The third was to increase the extent to which our examples were inclusive and representative of the diverse body of today's managers, not to mention the diversity of our students. The final change involved an overhaul of our Teaching Resource Manual 2.0 (TRM). Below is a review of these substantive changes.

Updated and Expanded Coverage of Career Readiness

Our ninth edition was the first textbook to introduce a strategic theme on career readiness. Our goal was to help students develop their career readiness competencies so that they would be more employable upon graduation. This was an important theme because research shows that employers believe college graduates are not career ready. We have expanded this theme in the tenth edition.

Our first change involved refining our model of career readiness in Chapter 1 based on recent research findings. The new model starts with seven core competencies—a set of competencies that are vital across jobs, occupations, and industries. We then categorize 20 additional career readiness competencies into four categories: knowledge, soft skills, attitudes, and other characteristics (KSAOs, see Figure 1.4). We have also taken great effort in this edition to link career readiness competencies to their respective chapter content. For example, Table 7.2 illustrates the career readiness competencies needed to effectively use big data across managerial levels.





“ [This] book is widely adopted, strongly supported, . . . and comprehensive. [The] integrated career readiness component to the materials bolsters what already is a strong product. ”

—Michael Shane Spiller,
Western Kentucky University

Creating Shared Value and Sustainable Development

Creating shared value and sustainable development represents a new approach to leading and managing, which replaces more traditional forms of corporate social responsibility (CSR). The core idea underlying the concept of creating shared value (CSV) is that companies can implement policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which they operate. As such, CSV results in an expanded “pie” or pool of value for the firm as well as for society. This approach toward management is based on a greater-good mentality in which the goals of a business involve more than making money. Executives are encouraged to make decisions that favorably impact all of their stakeholders. The integrations take five forms:

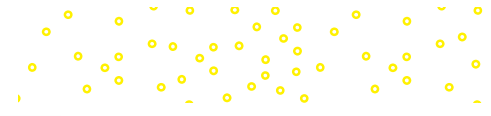
- We introduce the concept in Chapter 1 while discussing the seven challenges to becoming an exceptional manager. We define sustainable development and explain how the 193 members of United Nations adopted a set of 17 Sustainable Development Goals (SDGs) in 2015.
- We reintroduce the concept in Chapter 2’s coverage of management history, in a section that discusses contemporary approaches to managing and leading. Students will have a clear understanding how this new approach fits within the historical evolution of management thought.
- We provide further insight into the idea of CSV and sustainable development in Chapter 3 when discussing the social responsibilities required of managers. Students will learn that sustainable development represents one form of social responsibility.
- We present a new Learning Module 1 titled “Shared Value and Sustainable Development: A New Way to Think about Leading and Managing.” The module focuses on three learning objectives: (1) describe how the concept of shared value improves upon the traditional approach to corporate social responsibility, (2) discuss the roles various stakeholders play in creating shared value, and (3) explain recommendations for creating shared value in light of current progress and challenges.
- We weave examples in subsequent chapters when appropriate.

“ Sustainability is something our students will partake [in] one way or another in their careers. [Being] better prepared = good employees. ”

—David Lanzilla,
College of Central Florida

“ I think the ideas of CSR and Ethics need to be emphasized throughout the course. Students need to see how it applies across business functions—not just study it as a standalone construct. ”

—Jake Heller,
Tarleton State University



“ I incorporate sustainable business practices in all my course [and] the books I use do not cover it. I love this idea! It's about time! ”

—Jack Cichy,
Davenport University

“ I like the idea of a higher-level concept of sustainable development. It lays the foundation of starting a business with sustainability in mind from the beginning instead of needing to pivot later. And it begins to build that foundation in the minds of the students as they develop their own ideals. ”

—Ronda Taylor,
Ivy Tech Community College

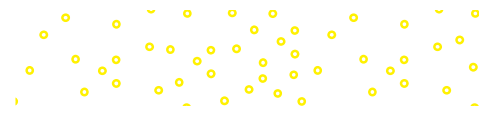
Inclusiveness and Representativeness

The United States is wonderfully diverse in its ethnic, racial, gender, and age makeup. So are our students. We want to celebrate the fact that some of the most innovative, powerful, and brilliant leaders in modern organizations are women and people of color—groups that have historically been underrepresented both in industry and in textbooks. Throughout this revision your students will find a multitude of wonderful examples. For just a few illustrations, check out the Example box on how Revolution Foods—founded by Kristin Richmond and Kirsten Tobey—creates shared value on pages 136–37 of Learning Module 1; the feature on how Stephanie Lampkin—founder and CEO of Blendoor—is building Artificial Intelligence into the hiring process on pages 398–99 in Chapter 9; and the story of the late Bernard Tyson—former CEO of Kaiser Permanente—and his empowering leadership on page 628–29 of Chapter 14. The tenth edition includes 165 examples of diverse individuals who have made a difference in their organizations. We hope that each one of your students sees themselves represented in this textbook.

Fully Revised Teaching Resource Manual 2.0 (TRM) Provides Complete Guidance for Instructors

The TRM was initially developed to provide instructors with a turnkey solution for implementing active learning with their students. It far exceeds traditional content covered in an instructor's manual by providing suggestions for creatively teaching topics, suggested videos outside of the McGraw Hill arsenal (e.g., YouTube, *The Wall Street Journal*, etc.), group exercises, lecture enhancers, and supplemental exercises that correspond with cases, videos, Self-Assessments, and Application-Based Activities. The TRM has been praised by instructors around the world for its depth, navigation, and experiential-based content. Despite this praise, we decided to undertake a major overhaul of the TRM based on (1) our reading of several recent books that focus on teaching today's students, and (2) feedback from faculty.

Moreover, our decision to overhaul the TRM also was based on our observation that many of us do not have the time to learn and apply the techniques associated with active learning. It takes knowledge, time, and effort to implement active learning in our classes, particularly in a COVID environment in which many of us are teaching online for the first time. We thus decided to further ease your preparation by developing new detailed lesson plans that incorporate active learning for every chapter learning objective for both in-person and online classes. These lesson plans are customized for each learning objective and draw from a wide variety of Connect- and non-Connect-based resources. Our hope is that they will assist you in increasing student engagement, developing career ready graduates, and promoting higher-order thinking skills.



Finally, we provide new web video links for each chapter. These free, short videos allow instructors to illustrate the practical applications of management principles. They are integrated within the detailed lesson plans for each learning objective. We also include new current online article links instructors can use to discuss material that supplements the text.

“ A very comprehensive TRM compared to the competitors. As a department chair, I strongly recommend the TRM to my new adjuncts. ”

—Mark Zarycki,
Hillsborough Community College (Brandon)

“ [The TRM] is perhaps the most comprehensive collection of material I have seen. ”

—Michael Bento,
Owens Community College

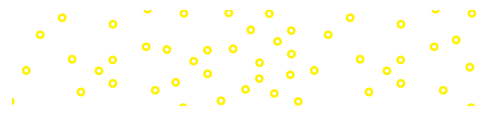
Completely revamped, revised, and updated chapters

In each chapter, we refreshed examples, research, figures, tables, statistics, and photos, as well as modified the design to accommodate new changes to this tenth edition. We also have largely replaced topics in such popular features as Example boxes, Practical Action boxes, Management in Action cases, and Legal/Ethical Challenge cases.

While the following list does not encompass all the updates and revisions, it does highlight some of the more notable changes.

CHAPTER 1

- Updated Manage U: Using Management Skills for College Success.
- Section 1.1—New Example box on efficiency versus effectiveness discusses how scientists are working to address rising food demands and changing food preferences. Revised discussion of the rewards of studying and practicing management. Updated management pay statistics.
- Section 1.3—Revised Figure 1.2 to include team leaders. Introduced “team leaders” as a new key term and added a discussion of four key elements of successful teams. Updated list of top managers. New examples of general managers. New data in Managers for Three Types of Organizations.
- Section 1.4—Completely revised section on The Manager’s Roles incorporating current research on how managers spend their time.
- Section 1.5—Updated statistics in the Practical Action box on developing soft skills.
- Section 1.6—Revised the layout and flow of entire section for enhanced readability. Revised discussion of Managing for Technological Advances (formerly Managing for Information Technology). Updated e-commerce statistics. New Example box about how direct-to-consumer genetics testing companies have harnessed big data to disrupt the health care industry. Updated discussion of Managing for Inclusion and Diversity to replace “Managing for Diversity.” Updated information on Christine Lagarde. Updated details on Volkswagen emissions scandal. New example of Houston Astros ethical scandal. Introduced new key term “sustainable development” in revised discussion of Managing for Sustainable Development (formerly Managing for Sustainability) and the UN Sustainable Development Goals.
- Section 1.7—Major revision to this section included an updated list of most attractive employers, new statistics on students’ career readiness, a new model of career readiness, and a new example of resilience featuring 2020 Heisman Trophy winner Joe Burrow.
- Section 1.8—Updated Career Corner on Managing Your Career Readiness with a new section on creating habits.
- New Management in Action case: Fast Fashion—Was Forever 21 Fast Enough?



CHAPTER 2

- Updated Manage U: What Type of Work Environment Do I Prefer?
- Section 2.1—New Example box explores the success of Wegmans Food Markets based on its employee- and customer-focused management. New Figure 2.1 depicts the progression of management perspectives.
- Section 2.2—Expanded coverage of Lillian Gilbreth's contribution to management science.
- Section 2.3—Updated Example box discussing open-plan offices and their impact on productivity.
- Section 2.4—This section was revised to include new coverage of evidence-based management and a new Practical Action box that discusses big data's role in evidence-based management.
- Section 2.5—New Example box illustrates how U.S. Steel uses systems theory to stay competitive.
- Section 2.6—Updated Example box applying the contingency viewpoint with manufacturers “pitching” jobs to parents of college students hoping they'll influence their children to consider open positions after high school graduation.
- Section 2.7—The old 2.7 was replaced with a new section, titled “Contemporary Approaches: The Learning Organization, High-Performance Work Practices, and Sustainable Management.” Learning organizations were previously discussed in Section 2.8, and content on high-performance work practices and sustainable management is new. New Example box discusses three organizations that exhibit high-performing work practices. Shifted content on quality management to Chapter 16.
- Section 2.8—Updated Career Corner on Managing Your Career Readiness
- New Management in Action case: Vegan Leather: Earth's Friend or Foe?
- Updated Legal/Ethical Challenge: What Should You Do about an Insubordinate Employee?

CHAPTER 3

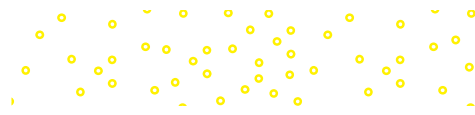
- New Manage U: Being Courageous at Work.
- Section 3.1—Updated discussion of the triple bottom line. New statistics regarding younger workers and their search for meaning.
- Section 3.2—Various content updates, including new examples of employees as internal stakeholders and an employee-owned company. Updated statistics on sole proprietorships. Updated research regarding gender diversity on boards of directors.
- Section 3.3— Reconfigured multiple sections throughout for enhanced readability. Updated statistics regarding unions, unemployment, demographic forces, sociocultural forces, and the use of drones. Updated Example box discusses

- Amazon's tax breaks. Updated Example box illustrates the Dark Side of Technology. Updated figure showcases the states in which marijuana is legal. Various content updates, including company examples for international forces, special interest groups, strategic allies, and competing firms, and an updated list of “America's Most Hated Companies.”
- Section 3.4—Revised introduction with new example on Bombas. Updated Example box featuring Volkswagen and ethics. Redesigned section on ethics and values, including an updated list of the six most common types of ethical misconduct at work and multiple new company examples. Updated discussion of how people learn ethics. New examples of recent SarbOx cases, white-collar crime, conflict of interest, and workplace cheating. New Figure 3.3 on global rates of unethical workplace behavior.
- Section 3.5—Updated Example box on CSR at Salesforce. Updated statistics on CEO dismissals and Bill and Melinda Gates. Updated Table 3.1 with current statistics that show how being ethically and socially responsible pays off.
- Section 3.6—New content on board characteristics, social responsibility, and firms' ethical behaviors/reputations. Introduction of new key term: CSR contracting. New Example box on corporate governance failure at Theranos.
- New Management in Action case: Who's to Blame for the College Admissions Scandal?
- Updated Legal/Ethical Challenge: Should You Apply to Have Your Student Loans Forgiven?

NEW: LEARNING MODULE 1: SHARED VALUE AND SUSTAINABLE DEVELOPMENT

This material is new to the tenth edition:

- Manage U: How Can You Contribute to a More Sustainable Future?
- Section LM 1.1—Introduces the concept of creating shared value (CSV) and explains how it differs from traditional CSR. Figure LM 1.1 introduces a model of shared value creation. A discussion of the new figure includes timely examples that illustrate how organizations create shared value. New Example boxes on shared value creation at Williams-Sonoma and the Campbell Soup Company.
- Section LM 1.2—Discusses the various stakeholders that play a role in CSV, including big and small businesses, entrepreneurs, and business schools. Includes timely examples woven throughout to illustrate the roles of different stakeholders in CSV. Figure LM 1.2 summarizes the UN Sustainable Development Goals (SDGs). New Example box on how the Bill and Melinda Gates Foundation encourages private-sector engagement with the UN SDGs. New Example box on how the start-up Ricult is pursuing CSV to empower rural farmers in developing countries.
- Section LM 1.3—Explores the progress made to date on CSV and the challenges that lie ahead for organizations that wish to pursue shared value creation. Provides recommendations



for how firms can tackle these challenges and forge ahead with CSV. Includes timely company examples woven throughout to illustrate the progress, challenges, and recommended solutions in CSV. New Example box on CSV at Revolution Foods.

CHAPTER 4

- Updated Manage U: Working Successfully Abroad: Developing Cultural Awareness.
- Section 4.1—Updated section opener with new statistics regarding U.S. imports in 2018. Updated Table 4.1 and corresponding content with competitiveness rankings for 2019. Updated Example box featuring international e-commerce company Alibaba.
- Section 4.2—Updated Example box discussing how to get an edge in the global job market.
- Section 4.3—Updated discussion on the foreign manufacturing of Apple products. An updated discussion of why companies expand internationally, including Coca-Cola, Costco, and China Investment Company. Updated examples for how companies expand internationally. Updated examples of global outsourced jobs, including an updated Table 4.2 with top exporting countries through 2018. Updated list of U.S. companies opening franchises overseas, including McDonald's and Marriott.
- Section 4.4—Updated Table 4.3 with the U.S.'s top ten trading partners through 2019. Updated content regarding tariffs with a discussion of the Trump administration as well as updated content pertaining to import quotas, dumping, and embargoes and sanctions. Updated table featuring organizations promoting international trade. Updated discussion on NAFTA and USMCA, the EU, and other trading blocs. Updated Example box to showcase the exchange rates on various common products like rent, movie tickets, and designer jeans. Updated statistics for major economies, including China, India, Brazil, Russia, and South Africa.
- Section 4.5—An updated discussion on language and personal space with a discussion on learning foreign language online and through apps. Updated Practical Action box discussing how to run an international meeting. Updated examples of expropriation, corruption, and labor abuses. An updated discussion on expatriates and why U.S. managers often fail.
- Section 4.6—Updated Career Corner: Managing Your Career Readiness.
- New Management in Action case: The Isolation of a Global Giant, which discusses Huawei.
- Updated Legal/Ethical Challenge: Should Qatar Be Hosting the 2022 World Cup?

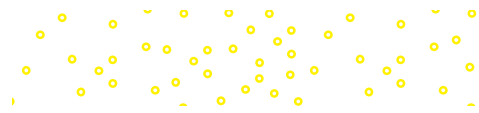
CHAPTER 5

- Updated Manage U: Start Your Career Off Right by Planning.
- Section 5.1—New Example box on Burger King's turnaround on the back of effective planning.

- Section 5.2—Value statement content has been updated with an example from SurveyMonkey. Updated Example box on Coca-Cola includes the company's mission, vision, and values statements. An updated Example box discusses Coca-Cola's six long-term strategies.
- Section 5.3—Updated Example box pertaining to long- and short-term goals at Southwest Airlines. New section on executing plans with examples from Katera and Handshake.
- Section 5.4—Updated table on the three types of objectives used in MBO. Updated Practical Action box on small businesses and goal setting.
- Section 5.5—New Example box applying the planning/control cycle through Pacific Gas and Electric Company.
- Section 5.6—Updated Career Corner: Managing Your Career Readiness.
- New Management in Action case: Amtrak Is on the Wrong Side of the Tracks.
- Updated Legal/Ethical Challenge: Are Profits More Important than Alzheimer's Patients?

CHAPTER 6

- Updated Manage U: Your Personal Brand Requires a Strategy.
- Section 6.1—New examples from Amazon, Fiat, and Dunkin Donuts portraying the levels of strategy. Updated Example box illustrating strategic planning at Evernote and Groove HQ.
- Section 6.2—Updated opening with coverage of Toyota's 2020 recalls. New examples from Microsoft for each of the five steps of the strategic management process.
- Section 6.3—Updated figure on SWOT analysis by changing verbiage to more closely link with organizational environment coverage in Chapter 3. Updated Example box using SWOT to analyze Toyota. Updated VRIO examples with a focus on Toyota. New Example box on Walmart's expansion to India through its purchase of Flipkart. New Figure 6.5 compares benchmarks for nine U.S. airlines.
- Section 6.4—New examples from Lululemon, Tabasco, and Bombardier for corporate strategy. Updated Dell example for discussion of the BCG Matrix.
- Section 6.5—New examples from Netflix to describe Porter's five competitive forces. New examples from companies such as Warby Parker and Viking Cruises to portray Porter's four competitive strategies. New section focuses on an executive's approach toward strategy development. We featured Jack Welch's approach toward strategy development.
- Section 6.6—Renamed Strategic Implementation: Creating, Executing, and Controlling Functional-Level Strategies. The section starts with a discussion of functional strategy using a new Figure 6.7 depicting strategic implementation at Kroger. New examples from Costco and Kroger portraying the three



core processes of business. New content on execution roadblocks as well as an updated Practical Action box on fueling execution in the workplace.

- Section 6.7—Updated Career Corner: Managing Your Career Readiness.
- New Management in Action case: La Croix is Losing the Sparkling Water Wars.
- Updated Legal/Ethical Challenge: Is Your School Selling Your Bank Accounts?

LEARNING MODULE 2: ENTREPRENEURSHIP (Formerly Learning Module 1)

- Updated Manage U: So You Want to Start a Business?
- Section LM 2.1—New content on social entrepreneurship, highlighting it as a new key term and linking it to the concept of creating shared value. New Example box on Two Blind Brothers, a business that is making a profit and doing good at the same time. Updated with new research and new characteristic of positive intentions and attitudes. Updated small business giants from 2019. Updated Table LM 2.1 with current facts about small businesses.
- Section LM 2.2—New content on franchising that includes its advantages, disadvantages, and how to start one. Updated content on choosing a legal structure. Updated Example box featuring the start and growth of a small business. New content on why entrepreneurial ventures fail, including an introduction of four common themes.

CHAPTER 7

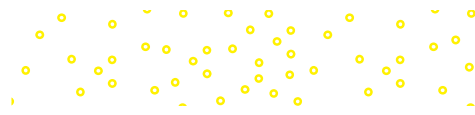
- Updated Manage U: How to Make Good Decisions. Includes a new section on how mindfulness can help managers make better decisions.
- Section 7.1—Updated Example box on how Starbucks used decision making to overcome a crisis. Expanded content on nonrational decision making with addition of hubris as a key term. We also updated Figure 7.2 regarding hindrances to perfectly rational decision making and provided new examples on Carlos Ghosn and Hallmark. Updated research and examples on intuition with updates to Example box on the power of intuition and Practical Action box on how to improve intuition.
- Section 7.2—Expanded content on business ethics that includes a new Figure 7.3 portraying reasons for CEO departures, updated examples of ethical lapses, and new research.
- Section 7.3—Begins with a new discussion of evidence-based decision making and career readiness. New examples of companies using evidenced-based decision making. Updated Example box on using analytics in sports. Expanded coverage of big data with new examples from companies such as Coca-Cola, Credit Suisse, Unilever, and Dallas County. A new Table 7.2 Illustrates the use of big data at

different levels of an organization, and there is a new Example box on Banco Bilbao Vizcaya Argentaria.

- Section 7.4—Content on decision-making styles was moved to Section 7.5, and this section was renamed “Artificial Intelligence Is a Powerful Decision-Making Resource.” This new section starts with a discussion of autonomous devices and artificial intelligence using examples from Home Depot. New Table 7.3 demonstrates the types of AI used at six companies, including Ford, Liberty Mutual, and Amtrak. New Figure 7.5 shows the benefits of AI, and a new Practical Action box describes how career readiness skills can facilitate collaboration with robots.
- Section 7.5—Content on decision-making biases was moved to Section 7.6. This section now includes the four general decision-making styles, which was formerly Section 7.4. New examples of leaders portraying different leadership styles, including Terry Jimenez, Ursula Burns, Bob Iger, and Larry Sutton.
- Section 7.6—Content on group decision making was moved to Section 7.7 and this section was renamed “Decision-Making Biases.” Biases were updated with new examples and research, as well as the addition of a tenth bias known as the categorical thinking bias.
- Section 7.7—This section now includes group decision making. “Sham participation” is introduced as a new key term under disadvantages of group decision making. New research on characteristics of group decision making. Updated table on the seven rules for brainstorming. Expanded content on project post-mortems, including new research.
- Section 7.8—Updated Career Corner: Managing Your Career Readiness.
- New Management in Action case: Juul Is Going Up in Smoke.
- Updated Legal/Ethical Challenge: Should Emotional Support Pets Be Treated the Same as Service Animals?

CHAPTER 8

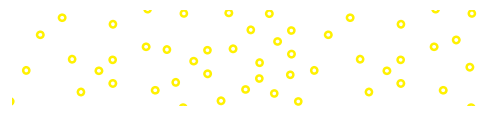
- Updated Manage U: How to Get Noticed in a New Job: Fitting into an Organization’s Culture in the First 60 Days
- Section 8.1—A new section title, “Aligning Culture, Structure, and Human Resource (HR) Practices to Support Strategy,” was used to replace the previous title, “Aligning Strategy, Culture, and Structure.” A new Figure 8.1 depicts how an organization’s culture, structure, and HR practices support strategic implementation. This figure informs content and discussions throughout the chapter. New discussions of HR practices and how leadership creates alignment between culture, structure, and HR practices. Various content updates including new company examples of HR practices, leadership as a force for alignment, organizational culture, and organizational structure. New Example box on how Patagonia aligns culture, structure, and HR practices to support its strategy.



- Section 8.2—Reconfigured ordering of the discussion within this section for enhanced flow. Introduced new Figure 8.2 on the levels of organizational culture. Updated Figure 8.4: What organizational variables are associated with organizational cultures? Revised discussion of Figure 8.4. A new section titled “Preparing to Assess P-O Fit Before a Job Interview,” was used to replace the section previously titled “What Does It Mean to ‘Fit?’” Various content updates, including new examples of each of the three levels of culture; the various ways employees learn culture; clan, market, and hierarchy cultures; and person-organization fit. New Figure 8.4 shows meta-analytic relationships between organizational culture and various antecedents and outcomes.
- Section 8.3—This section was refocused to highlight the fact that organizations use multiple change levers simultaneously to create culture change. New examples of 10 of the 12 mechanisms for culture change are presented. New Example box on how Dr. Li Wenliang used the power of a story to change culture. New Example box on how Total used multiple culture change mechanisms to improve its safety culture.
- Section 8.4—Shifted the language used throughout this section (previously Section 8.5) to refer to the “features” of an organization rather than the “elements” of an organization. Restructured discussion of authority and centralization versus decentralization for enhanced readability. New Figure 8.5 illustrates the concept of span of control. Moved Figure 8.6 (organization chart) to this section.
- Section 8.5—Previously Section 8.6, updated title from “Basic Types of Organizational Structure” to “Eight Types of Organizational Structure.” Updated Example box on Whole Foods Market’s use of a horizontal design. Various content updates including a revised Figure 8.10 on matrix structure and new company examples of modular and virtual structures.
- Section 8.6—Updated Career Corner on Managing Your Career Readiness (formerly Section 8.7). New examples of companies that displayed adaptability.
- Updated Management in Action case: Wells Fargo’s Sales Culture Fails the Company.
- Updated Legal/Ethical Challenge: Should Socializing Outside Work Hours Be Mandatory?

CHAPTER 9

- Updated Manage U: How to Prepare for a Job Interview.
- Section 9.1—This section was completely rewritten. Our goal was to explain how HR practices can generate superior firm performance and competitive advantage. The section starts with a new Figure 9.1 that depicts a set of five generic HR practices and illustrates them with examples from multiple companies. A new section discusses how Internal and External HR Fit Promote Strategic HRM and centers on a new Figure 9.2 that shows how HR practices, in combination with organizational culture and organizational structure, drive successful strategic implementation. New key term, “strategic HRM”, and a new example of a company that practices strategic HRM. Updated discussion of human and social capital. New discussion of two approaches to strategic HRM complete with multiple new company examples. New Example box on how T-Mobile used strategic HRM in its customer service function. New examples of HR practices at some of *Fortune*’s best places to work.
- Section 9.2—New statistics on the costs of recruitment and selection. Reconfigured sections on recruitment and selection, including multiple new company examples; new data on the use of background information; a new section discussing how Fit figures into recruitment; and three new key terms: “boomerangs,” “employee referrals,” and “person-job fit.” Updated Example box discussing the lies job applicants tell. Updated Example box listing the pros and cons of personality tests and updated information on personality tests. New discussion on the use of criminal and financial background checks in selection.
- Section 9.3—Updated statistics on benefits.
- Section 9.4—Renamed “Onboarding and Learning and Development.” Opens with an updated discussion linking onboarding and learning and development to strategic HRM. New Table 9.1 on the effects of positive and negative onboarding experiences and a new discussion of onboarding best practices. Updated discussion of Figure 9.3: Five steps in the learning and development process, including new company examples and a new section on whether learning and development is worth the investment. Updated Example box on Keller Williams and its learning and development program.
- Section 9.5—Renamed “Performance Management.” Reconfigured section “Performance Appraisals: Are They Worthwhile?” and revised discussion of forced ranking, with new company examples in both. New Example box on performance management at Regeneron. New content on best practices for 360-degree performance appraisals. New company examples for customer appraisals and 360-degree assessments.
- Section 9.6—Reconfigured discussions of transfers as well as disciplining and demotion for enhanced readability. New content on tips for managing the demotion process. Updated discussion of firings and introduced new key term: “employment at will.”
- Section 9.7—Updated statistics on minimum wage, bullying, and workplace discrimination. Updated Example box discussing sexual harassment at work. Reconfigured discussions of bullying and what managers can do to prevent sexual harassment. New examples of affirmative action and a company using AI to reduce discrimination in hiring decisions.
- Section 9.8—Opens with updated statistics on labor unions. Updated Figure 9.5 showing right-to-work states. Updated Table 9.5 on union membership. Updated Table 9.6 on four



kinds of workplace labor arrangements. New company examples of two-tier wage rates and arbitration.

- Section 9.9—Updated Career Corner feature: Managing Your Career Readiness. Revised discussion of becoming a better receiver with new material on listening and self-compassion. Introduced new key terms: self-compassion and psychological capital.
- Updated Management in Action case: Difficulties Attracting and Retaining Human Capital in the Nursing Profession.
- Updated Legal/Ethical Challenge: Should Noncompete Agreements Be Legal? New company example.

CHAPTER 10

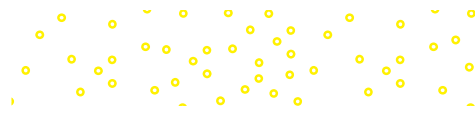
- Updated Manage U: How Can I Be More Creative at Work? Introduced new key term: “creativity.”
- Section 10.1—New Example box discussing radical change in the movie industry. New example box on reactive change discussing religious practices during COVID-19. Various content updates, including new examples of the supertrends shaping the future of business; proactive change; technological advancements as forces for change; shareholder, customer, and broader stakeholder concerns; and managers’ behavior. Updated example of human resource concerns and new data on demographic characteristics as forces for change.
- Section 10.2—Renamed “Forms and Models of Change.” New example of very threatening, radically innovative change. New example of Walmart’s use of robots in its stores woven throughout discussion of Lewin’s Change Model. Reconfigured discussions of force-field analysis and applying the systems model of change for enhanced readability. New company example to illustrate application of the systems model of change.
- Section 10.3—A new section title, “Improving Individual, Team, and Organizational Performance,” was used to explain the uses of OD: It replaces the previous title “Managing Conflict.” New Example box on career readiness interventions. Reconfigured discussion of how OD works for enhanced readability. New example of conflict in a company and revitalizing organizations.
- Section 10.4—Updated introduction section with new statistics and a new example. Content updates throughout, including new examples of product innovation, process innovation, improvement innovation, new-direction innovation, innovation strategy, commitment from senior leaders, how organizational structure and processes can promote innovation, crowdsourcing, developing the necessary human capital for innovation, and using resources for innovation. New section and example discussing whether innovation can go too far. Updated discussion of the components of an innovation system. Updated discussion of human resource policies, practices, and procedures along with a new company example. Updated Table 10.1: The

world’s most innovative companies. Updated Example box: IDEO’s Approach to Innovation.

- Section 10.6 –Updated Career Corner feature: Managing Your Career Readiness. Reconfigured discussion of Applying Self-Affirmation Theory.
- New Management in Action case: Were Deadly COVID-19 Outbreaks Aboard Carnival Cruise Ships the Result of Managers’ Resistance to Change?
- New Legal/Ethical Challenge: Does Clearview Technology Violate Rights?

CHAPTER 11

- Updated Manage U: Making Positive First Impressions.
- Section 11.1—Opens with updated information and statistics for employment and personality testing and the Big Five personality dimensions. Updated research regarding personality and individual behavior and work attitudes. Expanded content on emotional intelligence with a new table on the traits associated with EI and the related career readiness competencies. Updated Practical Action box on how technology can be used to develop emotional intelligence.
- Section 11.2—Updated research on values and behavior, as well as both research and statistics for attitudes. Updated Practical Action box on using cognitive reframing to reduce cognitive dissonance.
- Section 11.3—Updated research, statistics, and examples pertaining to distortions in perception. Expanded coverage of implicit bias to include its effects on employment decisions, courtroom decisions, utilization of technology. Updated Example box discussing the halo effect and how body weight affects careers. Updated Example box on the Pygmalion effect.
- Section 11.4—Opens with new content on employee engagement and a new Figure 11.3 showing the percentage of fully engaged employees around the world. New coverage of the four ways managers can increase employee engagement: design meaningful work, improve supervisor-employee relations, provide learning and development opportunities, and reduce stressors. Updated research, examples, and statistics on job satisfaction; organizational commitment; and important workplace behaviors like organizational citizenship, counterproductive behavior, performance and productivity, and absenteeism and turnover. Entirely new focus on prosocial behavior and prosocial motivation with a new Figure 11.4 depicting a model of prosocial behavior. “Prosocial behavior (PSB)” and “prosocial motivation (PSM)” are new key terms. This new content includes new research and examples from both the Bill and Melinda Gates Foundation and the coronavirus pandemic. Updated Example box on toxic workplaces.
- Section 11.5—Updated examples, research, and statistics regarding trends in workplace diversity, including age,



- gender, race, and sexual orientation. Updated research and examples pertaining to barriers to diversity. Updated Example box showcasing Ultimate Software.
- Section 11.6—Updated research, examples, and statistics on stress and its consequences. New Figure 11.6 shows the relationship between stress and performance. Updated research and examples on sources of stress. Expanded content on employee assistance programs with new statistics. Updated Example box showcasing Google’s wellness initiatives.
 - Section 11.7—Updated Career Corner: Managing Your Career Readiness.
 - New Management in Action case: Emotional Baggage at Away.
 - Updated Legal/Ethical Challenge: Should Airlines Accommodate Oversized People?

CHAPTER 12

- Updated Manage U: Managing for Motivation: Building your Own Motivation.
- Section 12.1—Updated introduction section and updated discussion of student loan debt and repayment. New examples of wellness incentives and intrinsic rewards.
- Section 12.2—Reconfigured discussions of Using the Hierarchy of Needs to Motivate Employees, McClelland’s Acquired Needs Theory, and Using Two-Factor Theory to Motivate Employees for enhanced readability. New company example of two-factor theory. Updated example for competence and new examples of autonomy and relatedness in discussions of Deci and Ryan’s Self-Determination Theory. Updated examples of hygiene factors and motivating factors.
- Section 12.3—New Example box on employee activism. New Example box on Dr. Anne-Marie Imafidon. Reconfigured discussions of equity/justice theory, expectancy theory, stretch goals, and two types of goal orientations for enhanced readability and clarity. Reconfigured discussion of practical results of goal-setting theory along with new company examples. Updated data on CEO compensation and new statistics on the desire for voice. New examples of employee perceptions of injustice, employee voice, appeals process, and instrumentality. New example of valence, discussing the rewards preferred by various generations of workers.
- Section 12.4—Updated introduction with new statistics on the percentage of people who are bored with their jobs. Reconfigured discussion of Fitting Jobs to People and how the Job Characteristics Model works for enhanced readability. New company examples of job enrichment and job redesign.
- Section 12.5—New title of Figure 12.10: “Four types of behavior modification” and a reconfigured discussion throughout this section that centers on behavior modification.

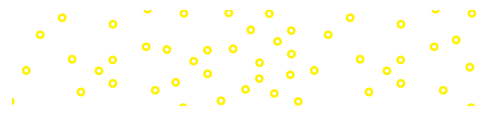
- Section 12.6—Reconfigured discussion of characteristics of the best incentive compensation plans, work-life benefits, and the need for a positive work environment for enhanced readability. Updated examples of companies that use bonuses, profit sharing, and stock options. Updated statistics on learning and development. New title of section “The Need for Personal Growth” to replace title “The Need to Expand Skills.” New title of section “The Need for Meaningful Work” to replace title “The Need to Matter—Finding Meaning in Work” along with three new examples in this section.
- Section 12.7—Updated Career Corner feature: Managing Your Career Readiness. Reconfigured discussion of “the self-management process” for enhanced readability and clarity. New discussion of recharging.
- New Management in Action case: What Motivated Workers in the Face of a Pandemic?
- Updated Legal/Ethical Challenge: Are Workplace Wellness Programs Using Proper Motivational Tools?

CHAPTER 13

- Updated Manage U: Managing Team Conflict Like a Pro.
- Section 13.1—Updated research and new examples pertaining to teams. New Example box showcasing T-Mobile’s approach to cross-functional teams. Expanded content on virtual teams with new statistics. Updated Practical Action box regarding best practices for virtual teams.
- Section 13.2—Updated content on punctuated equilibrium and its tie to Brexit.
- Section 13.3—Updated examples, research, and statistics on collaboration. Expanded content on trust with the addition of the trust triangle and its drivers. Revised Example box focuses on building trust using the trust triangle. Updated Practical Action box on building effective team norms. Expanded content on team reflexivity by linking with post-mortems.
- Section 13.4—Updated research and examples on conflict. Expanded and updated the discussion on kinds of conflict and included coverage of envy as a source of conflict. Updated Practical Action box on devil’s advocacy. New content on career readiness competencies to help you better handle conflict. Updated research on common conflict-handling styles.
- Section 13.5—Updated Career Corner: Managing Your Career Readiness.
- New Management in Action case: Must See Quarantine TV.
- Updated Legal/Ethical Challenge: Recreational Marijuana Use: A Manager’s Quandary.

CHAPTER 14

- Updated Manage U: Improving Your Leadership Skills.
- Section 14.1—Reconfigured discussion on “What Is the Difference between Leading and Managing?” for enhanced



readability. Updated Table 14.1 to include coping with complexity and coping with change. Updated discussion of sources of power to include sixth source—informational power. New examples of leadership versus management and all six types of power. New examples of all nine influence tactics in Table 14.2. New title of section “How to Use the Tactics to Influence Outcomes” to replace title “Match Tactics to Influence Outcomes” along with updates to the lessons from research and practice.

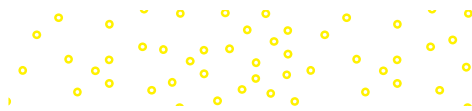
- Section 14.2—Updated Table 14.3 to clarify the difference between positive interpersonal attributes and negative interpersonal attributes. Completely revised discussion of “what do we know about gender and leadership,” including new examples of female leaders, a new Example box on gender and leadership during a crisis, and updated statistics on gender and leadership. Updated examples of three of the four basic skills for leaders in Table 14.4. New examples of dark triad traits, an organization that uses personality assessments, and a company that values cross-cultural competency.
- Section 14.3—Reconfigured discussion of Behavioral Approaches to focus on task-oriented behavior and relationship-oriented behavior. Moved discussion of transformational and transactional leadership to Section 14.5. New comparison of the results of the Ohio State and University of Michigan studies. New examples of task-oriented and relationship-oriented leadership.
- Section 14.4—Reconfigured discussion of the two leadership orientations in Fiedler’s model for enhanced readability. New discussion of what the path–goal theory looks like in practice along with a new example of a leader using this approach.
- Section 14.5—New title “The Full-Range Model: Using Transactional and Transformational Leadership” to replace title “The Uses of Transformational Leadership.” Updated discussion in this section to focus on the full-range model, which includes both transactional and transformational leadership. New examples of transactional leadership, transformational leadership, idealized influence, individualized consideration, and intellectual stimulation. New Example box featuring Ann-Marie Campbell as a leader who is both transactional and transformational. Revised discussions of Four Key Behaviors of Transformational Leaders and So What Do We Know about Transformational Leadership for enhanced readability.
- Section 14.6—New title “Contemporary Perspectives and Concepts” to replace “Three Additional Perspectives.” Moved discussions of servant leadership, empowering leadership, ethical leadership, and the role of followers to this section. Updated discussions of the LMX model and Humility for enhanced readability. New examples of servant leadership, a humble leader, and ethical leadership. Updated discussion of Satya Nadella as a humble leader and an updated Practical Action box that discusses how to be a good leader by being a good follower. New example of Bernard Tyson woven

throughout discussion of Empowering Leadership. Updated research on ethical leadership. New section on Abusive Supervision as a contemporary leadership concept, including discussions of what causes abusive supervision, how it affects employees, and how organizations might deal with it.

- Section 14.7—Updated Career Corner: Managing Your Career Readiness. Reconfigured section on Becoming More Self-Aware for enhanced readability.
- New Management in Action case: Adam Neumann’s Rise and Fall at WeWork.
- Updated Legal/Ethical Challenge: Should Starbucks Have a Corporate Loitering Policy?

CHAPTER 15

- New Manage U: Improving Your Use of Empathy.
- Section 15.1—New coverage of noise focuses on four components: physical, psychological, semantic, and physiological. Updated research on media richness and selecting the best medium. New example involving Captain Brett Crozier regarding the incorrect choice of communication medium. New Example box on how two health systems used the contingency approach to communication.
- Section 15.2—New examples of downward and external communication. New material on four ways managers can reduce negative aspects of the grapevine. Updated research on the grapevine. New Practical Action box offering tips for improving meetings.
- Section 15.3— Revised focus of Table 15.2 to center on how barriers happen in various steps of the communication process. Reconfigured discussions of all of the barriers to communication for enhanced readability. New examples of physical distance and facial expressions as communication barriers. New title “Attentional Issues” to replace title “Faulty Listening Skills” along with an updated discussion and two new suggestions for reducing the impact of these issues on communication. Updated discussion and statistics on generational differences as communication barriers. New Practical Action box on improving your cross-cultural communication fluency. Updated discussion of touch as a communication barrier with new general guidelines for physical affection at work. Revised discussion of gender differences as communication barriers to include a revised Table 15.3 that focuses on masculine and feminine social norms for communication.
- Section 15.4—Completely new content on how social media has changed our lives with new examples and statistics, as well as an updated figure showing the use of social media across various age groups. Updated research on social media and managerial and organizational effectiveness. Updated Practical Action box on building your own social media brand. New examples and research for employee and employer productivity, crowdsourcing, sales and brand recognition,



and reputation. Updated examples, statistics, table, and research pertaining to the downsides of social media, including new content on false information and fake news. New Practical Action box on defending against fake news. Updated table showing elements of an effective social media policy. New Example box illustrating samples of social media policies at IBM, Best Buy, Intel, Walmart, *Washington Post*, and GAP.

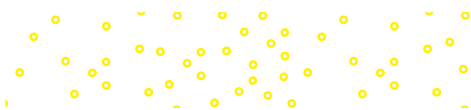
- Section 15.5—Reconfigured discussion of Nondefensive Communication for enhanced readability and included three suggestions for avoiding defensive communication and fostering nondefensive communication. Revised discussion of Being an Effective Listener with new points about active listening. Revised discussion of five recommendations for improving your listening skills with new examples throughout. New example of empathy. Revised discussion of Being an Effective Speaker for enhanced readability along with the inclusion of new statistics.
- Section 15.6—Updated Career Corner feature: Managing Your Career Readiness.
- Updated Management in Action case: Fyre and Fury.
- New Legal/Ethical Challenge: The Cost of Speaking Out Against Your Employer.

CHAPTER 16

- Updated Manage U: Mentors Can Help You Control Your Career.
- Section 16.1—New examples on why control is needed from higher education, the coronavirus pandemic, Ford, General Electric, and Amazon. Types of control moved to next section.
- Section 16.2—Renamed “The Control Process and Types of Control.” Revamped section opens with new examples and research pertaining to steps in the control process. Updated Example box on how UPS uses control to ensure success. Coverage of the types of control is now in this section with new examples from Southwest, the trucking industry, and Cigna.
- Section 16.3—Renamed “What Should Managers Control?” with a new focus on how the balanced scorecard can be used to effectively control an organization. Section opens with a new introduction and examples from Walmart, United

Airlines, and the coronavirus pandemic. New research and examples for all four perspectives of the balanced scorecard from companies including ExxonMobil, Ritz Carlton, and Phoenix Sintered Metals. The financial perspective includes new content on budgets, financial statements (including coverage of income statements, balance sheets, and statements of cash flows), and financial ratios, as well as a new table depicting select ratios. Customer perspective includes expanded coverage on customer satisfaction and retention. Internal business perspective includes expanded coverage of productivity, benchmarking, best practices, efficiency, quality, and safety. Innovation and learning perspective includes new content on employee attitudes, turnover, resource capabilities, and culture. Updated strategy map for Keurig Dr. Pepper.

- Section 16.4—This section now focuses on total quality management. Opens with an updated example of the 2019 Malcolm Baldrige National Quality Award recipient. Incorporation of content on quality, quality control, and quality assurance that used to be in Chapter 2. Updated research and examples pertaining to core TQM principles. Updated Example box on the Hyundai Genesis. Updated Example box on Kaizen methods. Updated Example box on how Nordstrom and Trader Joe’s provide excellent customer service. Updated research, examples, and statistics on TQM tools, techniques, and standards, including six sigma, lean six sigma, and ISO 9000/14000 series.
- Section 16.5—New section titled “Contemporary Control Issues” focuses on artificial intelligence and employee tracking and monitoring. Section opens with new research, statistics, and examples from the CDC, Siemens, and Trenitalia, portraying how artificial intelligence can be used to effectively control an organization. New content on the advantages and disadvantages of employee monitoring and tracking with a new Example box on Three Square Market’s practice of microchipping employees.
- Section 16.6—Updated Career Corner: Managing Your Career Readiness.
- New Management in Action case: The U.S. Shale Boom . . . and Bust.
- Updated Legal/Ethical Challenge: Using GPS to Track Employees.



Walkthrough Preface of 10e

Kinicki/Breaux Soignet, *Management: A Practical Introduction*, 10e, empowers students to develop the management career skills necessary in everyday life through the practical and relevant application of theory. Developed to help students learn management with a purpose, Kinicki/Breaux Soignet 10e takes a student-centered approach. **The revision expands its strategic career readiness theme and includes new coverage on the recently proposed management principle of creating shared value (CSV) and sustainable development.** The hallmark strengths that have made it the market best-seller have been maintained and include:

- A student-centered approach to learning.
- Imaginative writing for readability and reinforcement.
- Emphasis on practicality.
- Resources that work.

Our product covers the principles that most management instructors have come to expect in an introductory text—planning, organizing, leading, and controlling—plus current issues that students need to be aware of to succeed: career readiness, customer focus, globalism, diversity, ethics, social media, entrepreneurship, teams, innovation, artificial intelligence, big data, and person-organization fit.

“*The textbook does a good job covering the role of a manager. I would recommend [it] to any instructor who is teaching the Principles of Management course.*”

—Jerry D. Stevens,
Texas Tech University

“*Written with the modern student in mind. [This] book takes a very practical approach to management theory (and) especially shows how it applies to (someone) just starting a career.*”

—William Belcher,
Troy University

Based on a wealth of instructor feedback and blending Angelo’s scholarship, teaching, publishing, and management-consulting with Denise’s academic background and writing ability, we have worked tirelessly to create a research-based yet highly readable, practical, and motivational product for the introductory principles of management course. Our goal is to make a difference in the lives of you and your students.

Focus on Career Readiness

Global research shows that employers are finding it hard to find college graduates who possess the skills needed to be successful. These employers also think that colleges and universities need to do a better job making students career ready. Our goal in 10e is to contribute to overcoming this problem in two ways. First, we expanded and updated the coverage of career readiness in the product. Second, we developed activities for both online and face-to-face teaching that professors can use to develop students career readiness competencies. They are contained in our novel Teaching Resources Manual (TRM).

Building Your Career Readiness

Chapter 1 contains a section devoted to explaining the need, value, and process for becoming career ready. It includes a model of career readiness along with a table of competencies desired by employers.

1.7 Building Your Career Readiness

THE BIG PICTURE

Companies want to hire *career-ready* college graduates. In this section we describe a model of career readiness and offer tips for building your readiness.

LO 1-7

Define the core competencies, knowledge, soft skills, attitudes, and other characteristics needed for career readiness and discuss how they can be developed.

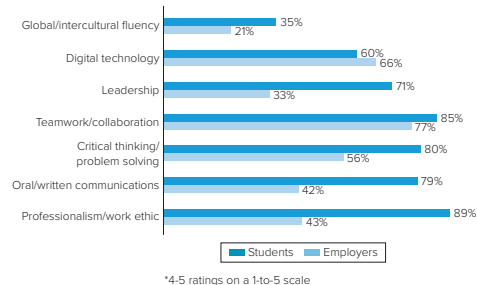
About 53,000 undergraduate students from 218 universities across the United States rated 2019's most attractive employers. The top 10 were (1) Google, (2) JPMorgan Chase, (3) Amazon, (4) Apple, (5) Goldman Sachs, (6) The Walt Disney Company, (7), Nike, (8) Deloitte, (9) Netflix, and (10) EY (Ernst & Young).¹¹² Would you like to work at these companies or others like them? If so, you need to be career ready.

Career readiness represents the extent to which you possess the knowledge, skills, and attributes desired by employers. How ready do you believe you are? Recent surveys of college students and employers reveal a big gap in the degree of readiness each group perceives in students. *Figure 1.3* shows some key results of a study of 201 employers and 4,213 graduating seniors. The majority of students rated themselves as career-ready on 6 of 7 skills, while the majority of employers perceived students to be well-prepared on only 3 of the skills. The three largest gaps were in professionalism/work ethic, leadership, and oral/written communication, skills that are very important to employers.¹¹³ Other studies have similarly demonstrated that employers see a major skills gap in college students' interpersonal skills.¹¹⁴

FIGURE 1.3
Employers and college graduates disagree about levels of career readiness

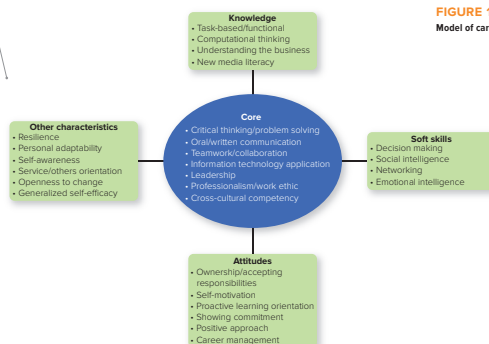
Sources: National Association of Colleges and Employers, "Are College Graduates 'Career Ready?'" February 19, 2018, <https://www.nacweb.org/career-readiness/competencies-of-college-graduates-career-ready/>. Data derived from NACE's "Job Outlook 2018" and "The Class of 2017 Student Survey Report."

Proportions Saying They/Recent College Graduates Are Proficient in Each Competency*



The good news is that merely acknowledging the existence of these gaps will impress potential employers because companies prefer to hire people with realistic self-perceptions. This underscores the need to obtain information about your strengths and weaknesses throughout your career.

FIGURE 1.4
Model of career readiness



SELF-ASSESSMENT 1.2 CAREER READINESS

To What Extent Do You Accept Responsibility for Your Actions?

People are more likely to work diligently toward accomplishing their goals and accept performance feedback when they accept responsibility for their actions. They also are less likely to blame others for their mistakes or poor performance. This self-assessment allows you to determine your status regarding this important attitude. The survey feedback will help you to maintain or improve your attitude about taking ownership/responsibility for your actions.

Please be prepared to answer these questions if your instructor has assigned Self-Assessment 1.2 in Connect.

1. Do you have a strong attitude about accepting responsibility for your actions? Do you agree with these results? Explain your thinking.
2. What can you do to increase the strength of this attitude?
3. What things would you say during an interview to demonstrate that you possess the career readiness competency of ownership/accepting responsibility?

Self-Assessments

Over 38 Self-Assessments allow students to assess the extent to which they possess aspects of the career readiness competencies desired by employers.

1.8 Career Corner: Managing Your Career Readiness

The goal of this section is to help you apply what you learn to building your career readiness. Let's begin with three keys to success:

1. It's your responsibility to manage your career. Don't count on others.
2. Personal reflection, motivation, commitment, and experimentation are essential.
3. Success is achieved by following a process. A **process** is defined as a series of actions or steps followed to bring about a desired result.

LO 1-8

Describe the process for managing your career readiness.

A Process for Developing Career Readiness

Figure 1.5 illustrates a process to guide the pursuit of managing your career readiness. We recommend the following four steps:

Step 1. The first step entails examining the list of career readiness competencies in Table 1.2 and picking two or three that impact your current performance at school, work, or extracurricular activities. You then need to assess your skill level for these competencies. This textbook contains 64 self-assessments you can take for this purpose. The first one was presented on page 29.

Step 2. The second step requires you to consider how you can use the material covered in a chapter to develop your targeted career readiness competencies. For example, do your targeted competencies at this point relate to any of the four functions of management: planning, organizing, leading, or controlling? If yes, reflect on what you learned while reading material regarding the functions of management and consider how you can apply ideas, concepts, or suggestions that were discussed.

Career Corner

Each chapter concludes with a section entitled "Career Corner: Managing Your Career Readiness." The material provides students with practical tips for developing targeted career readiness competencies. It also explains the linkage between the content covered in the chapter and the career readiness competencies desired by employers.

Concept Mastery

New exercises in Connect allow students to demonstrate lower levels of learning regarding career readiness. The TRM provides opportunities for higher levels of learning for career readiness competencies.

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connect®

Student-Centered Approach to Learning

Our writing style and product design is based on neuroscience research. Greater learning occurs when information is “chunked” to keep student attention. We break down topics into easily digestible portions with purposeful pedagogy to make theories and concepts easier to learn and apply. We made a concerted effort to increase the amount of chunked material in 10e. This accounts for the use of purposeful color, an extensive photo program, bulleted lists, and headings to appeal to the visual sensibilities, time constraints, and diverse learning styles of today’s students.

Chapter Openers

Each chapter begins with a list of key learning objectives that appeal to students’ concern about “what’s in it for me?” and to help them read with purpose.

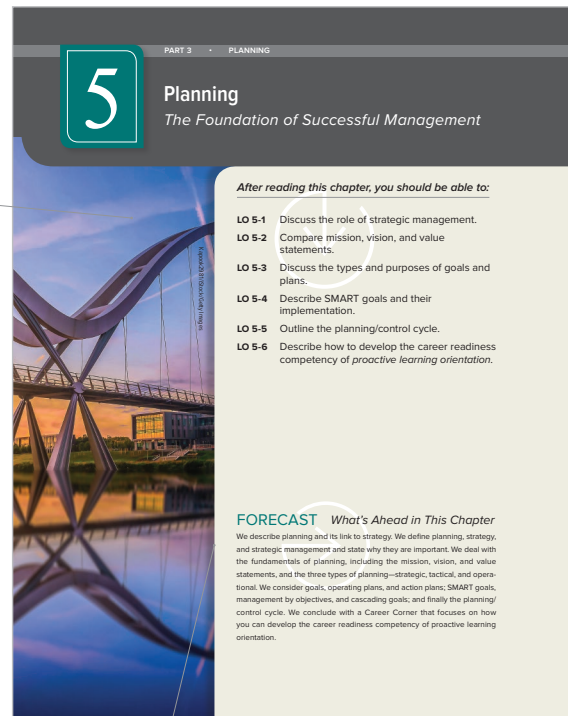
2.1 Evolving Viewpoints: How We Got to Today’s Management Outlook

THE BIG PICTURE

This section provides an overview of management history, starting with an overview of Peter Drucker’s four fundamental principles of management. We also review six reasons for studying management theory.

Chapter Sections

Within each chapter, sections are organized according to the major learning objectives. Generous use of headings and bulleted lists provide students with bite-sized chunks of information to facilitate retention. Each section begins with a recap of the **Learning Objective** and includes **The Big Picture**, which presents an overview of how the section addresses the stated objective.



Forecast

Shown below the learning objectives, the forecast provides a high-level of summary of what is covered in the chapter.

“ The good problem to have with this book and related materials is that the resources available . . . enhance student learning. ”

—Gerald Schoenfeld,
Florida Gulf Coast University

“ The book is well organized and offers a good variety of resources and activities [that can be] used in a face-to-face or online format. ”

—Patricia Lanier,
University of Louisiana at Lafayette

Imaginative Writing for Readability and Reinforcement

Research shows that products written in an imaginative, story-telling style significantly improve students' ability to retain information. We employ numerous journalistic devices to make the material engaging and relevant to students lives.

Example boxes

We utilize numerous Example boxes to emphasize the practical applications of business. These mini cases use snapshots of real-world companies to explain text concepts. "Your Call" questions stimulate class discussions and help students develop their critical thinking skills.

EXAMPLE

Local Communities as Stakeholders: Does Amazon Really Need Tax Breaks?



The Amazon Spheres at its urban campus in the Belltown neighborhood of Seattle. Paul Christian Gordon/Alamy Stock Photo

Amazon is becoming one of Ohio's largest employers,⁴³ and in Summer 2019 the company announced it would open two new fulfillment centers in the state, bringing the state's total number of Amazon fulfillment centers up to six.⁴⁴ Since 2016 Amazon has received more than \$15.8 million in tax credits for its facilities in Ohio. The city of Akron also plans to give Amazon an estimated \$17 million dollar tax rebate over 30 years in exchange for the company locating its facility there.⁴⁵

Amazon's tax breaks are not confined to Ohio. In fact, in 2019, Amazon saved at least \$171.9 million dollars due to tax incentives it received from its distribution centers across the United States.⁴⁶ These tax breaks are popular because "incentives give companies the ability to shop around in various states and ask for breaks," said Adam Michel, Washington, D.C.-based senior policy analyst. He added, "Because of the perceived ability of these firms to choose somewhere else, a lot of local governments feel pressure to give them sweetheart deals to lure them to their locality."⁴⁷

Impacts on Local Economies. New physical facilities bring great economic benefits according to Amazon and others who

support the use of tax incentives to lure companies to build warehouses and distribution centers in their locations. Amazon reasons that across its six facilities in Ohio it will have created more than 11,000 jobs in the state.⁴⁸ The company also says that its presence in Illinois has resulted in more than \$4 billion worth of investments in the state since 2010.⁴⁹ Finally, Amazon estimates that it has created at least 7,000 jobs in Illinois outside of Amazon.⁵⁰

Not everyone agrees that these tax incentives create jobs or do much to boost local economies. And since Amazon's infamous decision to retreat from its planned second headquarters in New York (which would have meant \$3.4 billion in tax incentives and grants for the company),⁵¹ lawmakers in at least seven states are working on legislation aimed at outlawing these incentives.⁵²

Some economists have warned that giving huge tax breaks to incoming businesses does little more than rob cities of resources needed by arguably more important entities like their school, housing, and transportation systems. What's more, these systems also may need expensive upgrades and improvements to accommodate the huge influx of Amazon workers moving in, and existing businesses and individual taxpayers would end up footing the bill.⁵³

San Jose, California, had been one of the cities vying for Amazon's second headquarters, but Mayor Sam Liccardo's offer made it clear that the e-commerce giant would receive no tax incentives for locating there. He said, "If you're offering incentives, those are dollars you could use to be building out transit . . . supporting an ecosystem of talent development."⁵⁴ Several studies suggest that tax incentives often fail to deliver the benefits they promise, and that in some cases, tax breaks may even harm employment growth and local economies.⁵⁵

YOUR CALL

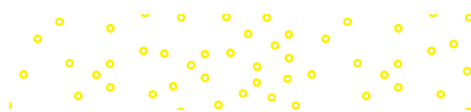
Do you think tax breaks for big companies like Amazon benefit local communities? Should these companies continue to receive tax breaks when they build new facilities? Why or why not?

“ [Has the] right level of rigor for the course . . . contains a logical structure of material . . . [and] current examples for students to relate to [their] course work. ”

—Jennifer Trout,
Rasmussen College

“ I devoted several weeks to reviewing textbooks. I started with 12, narrowed it down to 3 and Kinicki came up as my first choice. It is easy to read and not boring. Those are both important to me. ”

—Mihran Aroian,
University of Texas at Austin



Extended Emphasis on Practicality

Students are more engaged and motivated when they connect with the material being taught. This implies that textbook examples and illustrations must be relevant to readers. We accomplish this by using hundreds of practical examples that are both timely and inclusive. For example, we used 56 examples to illustrate how management principles could be applied to handling the coronavirus pandemic in 2020, and we incorporated 165 examples of diverse individuals who have made a difference in their organizations. Given the diversity of today's students, our use of these examples should resonate with students.

We want this tenth edition to be a cherished resource that students keep as they move into future courses and their future careers. We give students a great deal of practical advice in addition to covering the fundamental concepts of management.

Practical Action boxes Practical Action boxes offer students practical and interesting advice on issues they will face in the workplace.

PRACTICAL ACTION	
Setting Goals for a Small Business	
<p>Goal setting can seem like an intimidating process, but it's both a necessary and a helpful one for the millions of small businesses (defined as having 500 or fewer employees) in the United States. In fact, a research study of 231 small businesses found that goal setting had a positive impact on the firm's performance.⁵⁷ These findings are important, particularly because small businesses account for 44% of U.S. economic activity and two-thirds of the nation's new jobs.⁵⁸</p> <p>The Great Lakes Brewing Company, Ohio's first craft brewery, is a good example of goal setting in small businesses.⁵⁹</p> <ol style="list-style-type: none">1. Break large goals down into smaller ones: Great Lakes developed a five-year strategic plan in 2013 and focused on three "bottom lines": social, economic, and environmental. We'll focus on the social bottom line, which the brewery breaks down into areas such as equitable compensation, safety, and employee wellness. Safety is then broken down into a measurable goal, which is to keep the number of safety-related incidents (recordable incident rate) at or below the industry average for any given year.2. Track progress toward goals: Great Lakes has a safety committee that meets regularly to track the number of safety-related incidents at its factory. For example, in 2013 it was 3.05 and in 2018 it was 2.94. It then compares the incidents to that year's industry average (the industry average in 2018 was 3.1). The company knows it	<p>is meeting its goal if its incident rate is below the industry average.</p> <ol style="list-style-type: none">3. Keep the goal in sight: The brewery's management knows it must take action to ensure safety goals are met. For example, the company hired a full-time safety manager in 2015 to "give more attention to the development of safety programs and culture." The company also made some changes in 2017 to improve safety, such as changing its chemical storage policies and providing training and equipment for respiratory protection.4. Accept that setbacks will happen: Just because the company strives to make improvements doesn't mean the number of safety-related incidents will always decrease. For example, Great Lakes' incident rate significantly increased from 0.48 in 2017 to 2.94 in 2018. Based on this setback, the company decided to change its safety manager in 2019 and re-evaluate its safety program.5. Celebrate success: Great Lakes celebrated achieving 90% overall goal attainment in 2018. In recognition of this achievement, the company gave employees monetary bonuses.

YOUR CALL
What major goal of your own have you broken into smaller parts? If you have never done this, for what future goal do you think it would be an effective strategy for you?

SELF-ASSESSMENT 13.1 CAREER READINESS

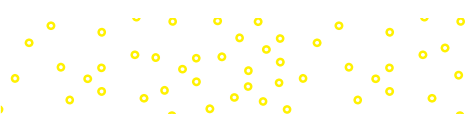
Attitudes toward Teamwork

The following survey was designed to assess your attitude toward teamwork. Please be prepared to answer these questions if your instructor has assigned Self-Assessment 13.1 in Connect.

1. What is your attitude toward teamwork?

2. If you do not have a positive teamwork attitude, consider the reason and identify what you might do to foster a more positive attitude.
3. What might you say during an interview to demonstrate that you possess the competency of teamwork/collaboration?

Self-Assessments Self-Assessment evaluations help students relate what they are learning to their own experiences and promote self-reflection, engagement, and development of their career readiness. Of the 64 total Self-Assessments included, nearly 38 of them pertain to a career readiness competency. For each of these, students are asked to consider how they might display the competency in an employment interview.



Management in Action cases Rather than using stories about companies, the new Management in Action cases now focus on higher levels of learning by asking students to solve real organizational problems using relevant management concepts. They develop students' core career readiness competencies of critical thinking and problem solving.

Management in Action

Amtrak Is on the Wrong Side of the Tracks

The National Railroad Passenger Corporation, better known as Amtrak, began operations in 1971. The railroad has more than 20,000 employees and serves more than 500 destinations in the United States and Canada on more than 21,400 miles of track. Amtrak customers took 32.5 million trips in 2019, setting a record year-over-year increase of 800,000 passengers.⁷² Congress created Amtrak because private railroads were failing. By the 1940s, rail travel became less popular as Americans chose buses, planes, and cars to get around the country. Eventually, the U.S. government consolidated the majority of passenger rail service under Amtrak's umbrella. The federal government is Amtrak's majority stockholder and guarantees its financial support, but the company is operated as a for-profit organization rather than a government entity. Though it was created to save an unprofitable railroad system, Amtrak itself has never earned a profit since its inception. For example, the company lost \$194 million and \$170 million in 2017 and 2018, respectively.

Americans continue to choose other modes of transportation over Amtrak, and government subsidies are all that stand between the railroad and bankruptcy.⁷³ Let's take a closer look at what's going on at America's only high-speed rail provider.

A LOSING MODEL

One of Amtrak's biggest problems is its price. For example, a four-hour Amtrak train from New York City to Boston is more expensive than hopping on a one-hour flight. Amtrak charges these high fares on popular Northeastern routes because its other routes across the country are either unprofitable or operating at a loss.⁷⁴ According to *Virginia Mercury*, ridership may be able to grow if Amtrak's prices were reduced.⁷⁵ Amtrak's other challenge is America's sheer size. It is the fourth largest country in the world with 3.8 million square miles of land. Compare this with Japan's rail service, which has to cover an area smaller than the state of California. All of this rail needs maintenance and repair, which Amtrak can't afford. For example,

Legal/Ethical Challenge cases Legal/Ethical Challenge cases ask students to resolve real ethical challenges faced by managers and organizations. They help develop students' critical thinking and problem-solving skills around ethical issues.

Legal/Ethical Challenge

To Delay or Not to Delay?

You have been hired by a vice president of a national company to create an employee attitude survey, to administer it to all employees, and to interpret the results. You have known this vice president for more than 10 years and have worked for her on several occasions. She trusts and likes you, and you trust and like her. You have completed your work and now are ready to present the findings and your interpretations to the vice president's management team. The vice president has told you that she wants your honest interpretation of the results, because she is planning to make changes based on the results. Based on this discussion, your report clearly identifies several strengths and weaknesses that need to be addressed. For example, employees feel that they are working too hard and that management does not care about providing good customer service. At the meeting you will be presenting the results and your interpretations to a group of 15 managers. You also have known most of these managers for at least five years.

You arrive for the presentation armed with slides, handouts, and specific recommendations. Your slides are loaded on the computer, and most of the participants have arrived. They are drinking coffee and telling you how enthused they are about hearing your presentation. You also are excited to share your insights. Ten minutes before the presentation is set to begin,

however, the vice president takes you out of the meeting room and says she wants to talk with you about your presentation. The two of you go to another office, and she closes the door. She then tells you that her boss's boss decided to come to the presentation unannounced. She thinks that he is coming to the presentation to look solely for negative information in your report. He does not like the vice president and wants to replace her with one of his friends. If you present your results as planned, it will provide this individual with the information he needs to create serious problems for the vice president. Knowing this, the vice president asks you to find some way to postpone your presentation. You have 10 minutes to decide what to do.

SOLVING THE CHALLENGE

What would you do?

1. Deliver the presentation as planned.
2. Give the presentation but skip over the negative results.
3. Go back to the meeting room and announce that your spouse has had an accident at home and you must leave immediately. You tell the group that you just received this message and that you will contact the vice president to schedule a new meeting.
4. Invent other options. Discuss.

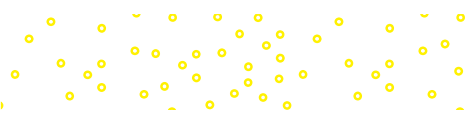
Boeing Continuing Case These new cases ask students to synthesize and apply what they've learned across the course to Boeing. Based on reviewer feedback, we've introduced these at the part level.

Boeing Continuing Case connect

Learn more about Boeing's ethical responsibilities in a globalized world, and the impact its decisions had on various stakeholders, including those outside the U.S. Assess your ability to apply concepts discussed in Chapters 3 and 4 to the case by going to Connect.

“ I'm a huge fan of the self-assessments . . . they [make] students . . . think critically and apply their learning . . . and also make [students] more open to learning if they recognize a weakness in themselves. The overall applicability is so needed. ”

—Kathleen Gosser,
University of Louisville



No matter how you teach your course—face-to-face, hybrid, or online—you're in the driver's seat. We offer the most robust set of resources to enhance your Principles of Management course. In addition to our unique Teaching Resource Manual 2.0 (TRM), packed with additional activities and supplemental teaching tools, PowerPoint presentations, and Test Bank questions, we have a wealth of assignable resources available in Connect®.

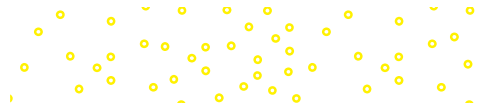
Connect®

The tenth edition continues to build on the power of Connect and furthers our quest to help students move from comprehension to application. McGraw Hill Connect® is a personalized teaching and learning tool powered by adaptive technologies so your students learn more efficiently, retain more, and achieve better outcomes. We used this platform to create exercises that are auto-graded in order to assist students in developing their career readiness. Here you will find a wide variety of learning resources that develop students' higher-order thinking skills, including:

- **SmartBook 2.0®** An adaptive learning and reading tool, SmartBook 2.0 prompts students with questions based on the material they are studying. By assessing individual answers, SmartBook learns what each student knows and identifies which topics they need to practice. This technology gives each student a personalized learning experience and path to success. SmartBook provides students with a seamless combination of practice, assessment, and remediation.
- **Matching and Multiple Choice** These activities help make the connection between theory and application through matching, ranking, or grouping. Every Career Corner has an exercise to help you assess students understanding about how to improve targeted career readiness competencies.
- **iSeeIt Animated Videos** These brief, contemporary videos offer dynamic student-centered introductions, illustrations, and animations to guide students through challenging concepts. Ideal for before class as an introduction, during class to launch or clarify a topic, or after class for formative assessment.
- **Self-Assessments** Designed to promote student self-awareness and self-reflection, these research-based activities also provide personal and professional development. For this edition, five new assessments were created to measure different career readiness competencies. In addition, new structured feedback explains how students should interpret their scores.
- **Case Analyses and Video Cases** Our assortment of written and video cases challenge students to analyze concepts as they manifest in scenarios related to a real-life product or company, fostering students' ability to think critically in lecture and beyond. Thought-provoking questions check the students' application of

the course material and develop their workplace readiness skills.

- **Manager's Hot Seat Videos** These actor-portrayed videos depict real-life situations where a manager is faced with a dilemma that needs to be analyzed based on management concepts. These videos enable students to see how managers in realistic situations deal with employees and complex issues. Students use their critical thinking skills to apply, analyze, and evaluate these managerial challenges, while learning from the manager's mistakes. Each Hot Seat includes follow-up multiple-choice questions that are assignable and auto-gradable.
- **Boeing Continuing Case** Students understand the application of and relationship between different concepts by applying them to the same company throughout the semester. Instructors now have a continuing case on Boeing that can be used as a summary case for each part. Each part-ending case includes multiple-choice questions that are assignable and auto-gradable, as well as essay-based questions.
- **Application-Based Activities** McGraw Hill's Application-Based Activities are highly interactive, automatically graded online exercises that provide students with a safe space to practice using problem-solving skills to apply their knowledge to realistic scenarios. Each scenario addresses key concepts and skills that students must use to work through and solve course-specific problems, resulting in improved critical thinking and relevant workplace skills. Students progress from understanding basic concepts to using their knowledge to analyze complex scenarios and solve real-life problems. Along the way, students see the implications of their decisions and are provided with feedback on how management theory should be informing their actions. They also receive detailed feedback at the conclusion of the activity.
- **Writing Assignment Premium** Available within McGraw Hill Connect® and McGraw Hill Connect® Master, the Writing Assignment tool delivers a learning experience to help students improve their written communication skills and conceptual understanding. As an instructor you can assign, monitor, grade, and provide feedback on writing more efficiently and effectively.



“ This is the best text on the market, [especially] with Connect and the dense and varied supporting materials available to instructors and students. ”

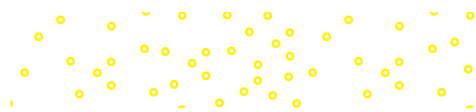
—Carol Bormann Young,
Metropolitan State University

“ McGraw Hill has accomplished a seamless delivery of theoretical and practical content that can be used over multiple platforms [face-to-face, hybrid, and online]. ”

—Lindy Archambeau,
University of Florida

“ This text is outstanding . . . [b]ut the additional resources provided to help us teach make it number one in my book. Connect, the test banks, the teacher resources, the relevant examples, the videos, and case studies make this a very easy and fun course to teach. I usually spend weeks finding my own relevant content. [The authors] have done this for me. ”

—Kathleen Gosser,
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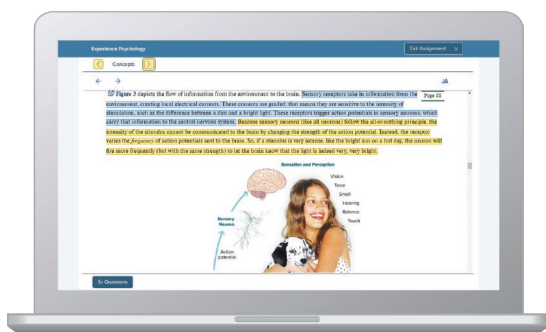


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"I really liked this app—it made it easy to study when you don't have your textbook in front of you."

- Jordan Cunningham,
Eastern Washington University



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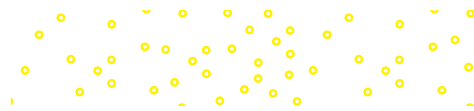
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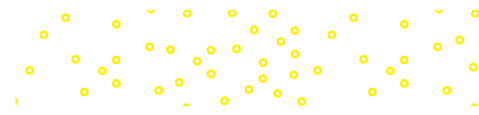
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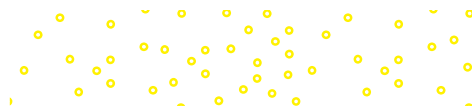
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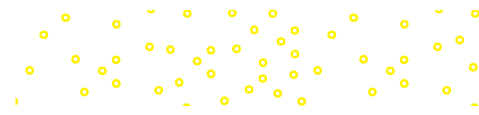
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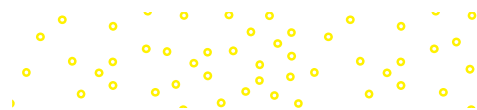
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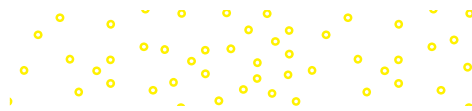
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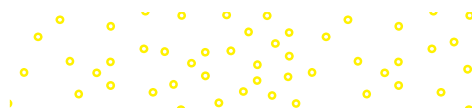
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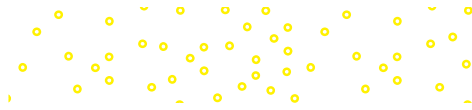
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From Angelo -

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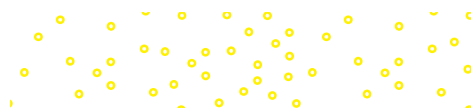
From Denise -

To the women who have inspired my career as well as many of the specific choices in this revision—Pam Perrewé (an extraordinary mentor to whom I am unspeakably grateful), Sonya Premeaux, Anne O’Leary-Kelly, Lauren Simon, Angèle Gautreaux, Mallorre Dill, Lai Moy, and my late mother. And to my snug harbor, Joe—this revision happened because of your unwavering love and support as a husband and father and I am, as always, in awe of you.

We hope you enjoy reading and applying the book. Best wishes for success in your career.

Angelo Kinicki

Denise Breaux Soignet



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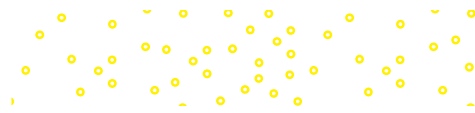
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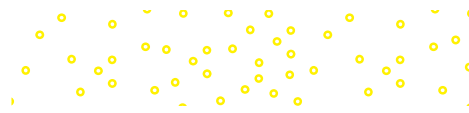
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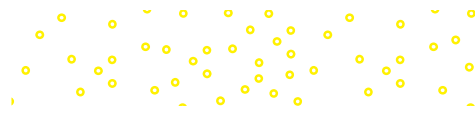
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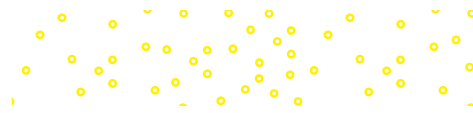
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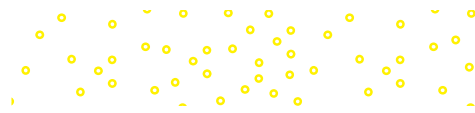
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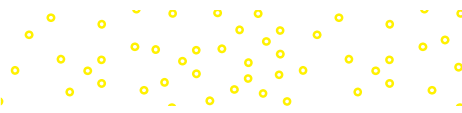
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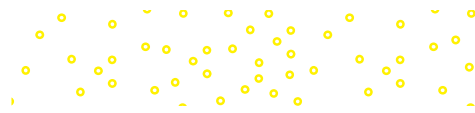
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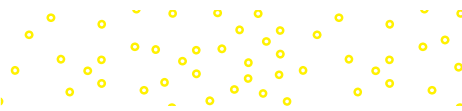
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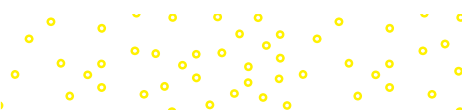
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1

The Exceptional Manager

What You Do, How You Do It

After reading this chapter, you should be able to:

- LO 1-1** Identify the rewards of being an exceptional manager.
- LO 1-2** List the four principal functions of a manager.
- LO 1-3** Describe the levels and areas of management.
- LO 1-4** Identify the roles an effective manager must play.
- LO 1-5** Discuss the skills of an outstanding manager.
- LO 1-6** Identify the seven challenges faced by most managers.
- LO 1-7** Define the core competencies, knowledge, soft skills, attitudes, and other characteristics needed for career readiness and discuss how they can be developed.
- LO 1-8** Describe the process for managing your career readiness.

FORECAST *What's Ahead in This Chapter*

We describe the rewards, benefits, and privileges managers might expect. We also describe the four principal functions of management—planning, organizing, leading, and controlling. We consider levels and areas of management and describe the three roles managers must play. We describe the three skills required of a manager and discuss seven challenges managers face in today's world. We then focus on a model of career readiness and offer tips for building your career readiness. The chapter concludes with a Career Corner that presents a process that can be used to develop your career readiness.



Using Management Skills for College Success

Our goal is to *make this book as practical as possible for you*. One place we do this is in the “Manage U” feature, like this one, which appears at the beginning of every chapter and offers practical advice for applying the topic of the chapter to your personal life and career. Here, for instance, we show you how to make teamwork one of your job strengths, starting now. This is an important skill that recruiters look for when hiring college graduates.¹

Functions of Management

In the chapter you will read about the four functions of management—planning, organizing, leading, and controlling. They represent essential activities that all managers undertake in the course of doing their jobs. Although they may sound a little abstract right now, you can use them today to work more successfully on team projects assigned by your professors.

Applying the Functions of Management to School Projects

Consider the students in a Princeton University summer business program. Working in teams, they had 10 weeks to prepare a pitch for a start-up idea and ask for funding. One of the teams ran a four-week pilot after-school program for five Trenton, NJ, girls and asked for \$324,000 to scale the program up to include 40 girls on a year-round basis. Their pitch was that the program would help more young women graduate from high school and have a positive effect on the entire community. The students planned their pilot program, its budget, and its schedule and curriculum; they organized the four weeks of activities for the girls they recruited; they led the girls through each day’s events; and they used before and after surveys to control (that is, measure) the effects of their efforts. In other words, they relied on the four functions of management to ensure that they worked together to achieve their goals.²

Think about how you might make better use of planning and controlling in a team assignment for a course. You might draw up a detailed schedule of tasks and assign them to team members (planning), and then identify checkpoint dates on which you measure progress toward your deadline (controlling). You could set up a way to best use the resources at your disposal, such as time, library materials, personal expertise, and outside experts (organizing), and then use the progress checkpoints to motivate your fellow team members to continue putting forth their best effort (leading). The experience you can gain by using these essential management skills now will serve you well in your studies and throughout your career.

Applying the Functions of Management in Your Personal Life

Consider how you might use the functions of management to run your first 10K race. Your plan would include dates and times to exercise on your Google or Outlook calendar along with distances and ideas for how you will fuel your body on longer runs. You then would make sure you have the resources (time, clothing, support network, nutrition plan) to assist you along your journey (organizing). You also may find it valuable to have a running buddy during some of your workouts (leading). Alternatively, some people may find it motivational to have an accountability partner to review their time and distance totals each week (controlling).

For Discussion Why would employers seek to hire people with good management skills? How can you strive to improve your managerial skills while working on class projects?

1.1 Management: What It Is, What Its Benefits Are

THE BIG PICTURE

Management is defined as the efficient and effective pursuit of organizational goals. Organizations, or people who work together to achieve a specific purpose, value managers because of the multiplier effect: Good managers have an influence on the organization far beyond the results that can be achieved by one person acting alone. Managers are well paid, with the chief executive officers (CEOs) and presidents of even small and midsize businesses earning good salaries and many benefits.

LO 1-1

Identify the rewards of being an exceptional manager.

When chief executive officer Mary Barra took the reins of Detroit-based General Motors (GM) in January 2014, she became the first female CEO of a global automaker anywhere in the world. She also became only the 22nd woman at the helm of a Fortune 500 company, one of those 500 largest U.S. companies that appear on the prestigious annual list compiled by *Fortune* magazine. (Other female CEOs of major companies include Michele Buck of Hershey, Safra Catz of Oracle, and Accenture's Julie Sweet.)

What kind of a person is Barra, a 40-year GM veteran? She has been called “nearly impossible to dislike” and is credited with bringing a much-needed “calm stability” to GM. Among her many people skills is the ability to engage and motivate others, including top executives who may have vied for her job but who have been persuaded to stay and work with her.³ Are these qualities enough to propel someone to the top of a great organization?

The Rise of a Leader

Barra grew up in suburban Detroit, joined GM at age 18 as an intern on the factory floor, graduated from General Motors Institute (now Kettering University) with a degree in electrical engineering, and then became a plant engineer in GM's Pontiac Division. Spotting her talent, GM gave her a scholarship to Stanford University, where she earned a graduate degree in business. She then began moving up the GM ladder, first as the executive assistant to the CEO and then as the company's head of human resources—formerly often as high as female executives ever got in the auto industry and many others. In 2011, Barra's big break came when she was promoted to lead GM's \$15 billion vehicle-development operations, a high-profile role that became the stepping-stone to the CEO spot. In 2016, she was also made chair of the board.⁴

The driving force. One quality that stands out about General Motors CEO Mary Barra is her obvious enthusiasm for cars. She is said to be given to talking excitedly about whatever car she is currently driving and what it demonstrates about GM's product line. Do you think passion about one's work is a necessary quality for managerial success?

Mark Lennihan/AP Images



Key to Career Growth: “Doing Things I’ve Never Done Before”

Did it help that Barra has such deep experience in the auto industry and at GM in particular? No doubt it did. But there is another key to career growth—the ability to take risks. Jeff Bezos, the founder of Amazon.com, was holding down a lucrative job as a Wall Street hedge fund manager in the 1990s when he read that the Internet had recently grown 2,300% in a single year. Even though it meant leaving a stable job with a big bonus on the way, Bezos made the risky leap to the start-up he called Amazon, working out of a garage. “I knew that I might sincerely regret not having participated in this thing called the Internet that I thought was going to be a revolutionizing event,” he says. “When I thought about it that way . . . it was incredibly easy to make the

decision.”⁵ Bezos built his company into the largest e-commerce hub in the world and now operates several other businesses and charities as well. He is one of the two or three richest people in the world.

The Art of Management Defined

Is being an exceptional manager a gift, like a musician having perfect pitch? Not exactly. But in good part it may be an art.⁶ Fortunately, it is one that is teachable.

Management, said one pioneer of management ideas, is “the art of getting things done through people.”⁷

Getting things done. Through people. Thus, managers are task oriented, achievement oriented, and people oriented. And they operate within an **organization**—a group of people who work together to achieve some specific purpose.

More formally, **management** is defined as (1) the pursuit of organizational goals efficiently and effectively by (2) integrating the work of people through (3) planning, organizing, leading, and controlling the organization’s resources.

Note the words *efficiently* and *effectively*, which basically mean “doing things right.”

- **Efficiency—the means.** Efficiency is the means of attaining the organization’s goals. To be **efficient** means to use resources—people, money, raw materials, and the like—wisely and cost-effectively.
- **Effectiveness—the ends.** Effectiveness regards the organization’s ends, the goals. To be **effective** means to achieve results, to make the right decisions, and to successfully carry them out so that they achieve the organization’s goals.

Good managers are concerned with trying to achieve both qualities. Often, however, organizations will erroneously strive for efficiency without being effective. Retired U.S. Army general Stanley McChrystal, former commander of all U.S. and coalition forces in Afghanistan, suggests that effectiveness is a more important outcome in today’s organizations.⁸

EXAMPLE

Effectiveness versus Efficiency: Have Scientists Found a Viable Solution to Address Rising Demands for Meat?

Current data suggest that 70% of the land on earth suitable for growing crops is currently being used for livestock farming. If this figure sounds high, consider that experts predict a 70% increase in the demand for meat products by 2050 as the earth’s population reaches 9 to 10 billion.⁹ With younger generations of consumers showing a clear preference for healthier nutrition sources and more sustainable alternatives to traditional livestock production, how should the food industry evolve in order to meet the changing population’s needs?

At least 30 start-ups across the globe think they have the answer. Scientists at companies like Mosa Meat, Finless Foods, Memphis Meats, SuperMeat, and Future Meat Technologies are “growing” meat in laboratories using stem-cell samples taken from live animals—no slaughter required.¹⁰ The resulting product is referred to interchangeably as “cultured meat,” “clean meat,” and “lab-grown meat,” and could potentially provide a healthier, less expensive, and more sustainable food source.

Sound crazy? Then you should know these companies have already received investments from billionaires Bill Gates and

Richard Branson,¹¹ and industry giants Cargill¹² and Tyson Foods.¹³ In 2019, Israeli-based Future Meat Technologies raised \$14 million in funding to build a production plant,¹⁴ and Memphis Meats received \$161 million in 2020 for the same reason.¹⁵ It’s possible that lab-grown meat products will hit supermarket shelves in as little as one to two years, with some analysts forecasting an \$85 billion-dollar market for cultured meats by 2030.¹⁶

Let’s take a look at this issue from both an effectiveness and efficiency perspective.

Effectiveness. If you’re currently having visions of Frankenstein, you’re not alone. There is evidence that the idea of lab-grown meat feels unnatural and even repulsive to many consumers. Can this product ever be socially acceptable enough to present a viable solution?¹⁷ Clearly if cultured meat producers wish to be successful, then they will need to supply food that consumers are willing to purchase and eat.

For those who aren’t completely turned off by the idea of a steak grown from stem cells, there are other concerns. For

example, consumers are skeptical of claims that cultured meats will taste the same as the farmed meats they are accustomed to eating. Taste-testers at a Memphis Meats event in San Francisco said they would eat the company's lab-grown chicken product again and that it "pretty much tastes like chicken."¹⁸ Still, many worry that laboratories just won't be able to replicate the taste and texture of traditional animal meat.¹⁹

There are also widespread fears of unforeseen negative health consequences. According to researchers at Maastricht University in the Netherlands, growing meat in laboratories eliminates the need for antibiotics and gives scientists control over things like cholesterol and fat levels, making these products a healthier option than conventional meats. But a substantial portion of consumers aren't ready to take the risk.²⁰

Efficiency. Lab-grown meat start-ups claim to offer a more environmentally friendly solution to increasing meat demands. For example, according to some research, it may be possible to produce as many as 175 million quarter-pound hamburgers with the stem cells from only one cow. (It currently takes about 440,000 cows to produce the same amount of meat.) Further, both Future Meat Technologies and Mosa Meats say their production processes use 99% less land and 96% less water than livestock production.²¹

But some experts believe that growing meat in labs could foster climate change. "Lab meat doesn't solve anything from an environmental perspective, since the energy emissions are so high," said Marco Springmann, senior environmental researcher at the University of Oxford. He added, "So much money is poured into meat labs, but even with that amount of money, the product still has a carbon footprint that is roughly five times the carbon footprint of chicken and ten times higher than plant-based processed meats." Scientists won't be able to assess the true carbon footprint of cultured meat until production facilities are operational, but some research suggests the potential for high levels of carbon dioxide pollution. This would question the environmental benefit of lab-grown meat, given that CO₂ stays in the atmosphere for several hundred years,



Lab-grown meat. Have scientists found a way to address rising food demands by growing meat in laboratories? Would you be willing to try a burger made from a cow's stem cells? nevodka/Shutterstock

while the methane produced in cattle farming dissipates after about 12 years.²²

There is also the issue of whether cultured meat products will ever be affordable. In 2013 a pound of lab-grown hamburger meat cost an astonishing \$1.2 million, but process and technology improvements have continued to drive these costs down. By 2018 a pound of Memphis Meats ground beef had dropped to around \$2,400,²³ and by late 2019, Future Meats could produce a pound of chicken and a pound of beef for \$150 and \$200, respectively.²⁴

Preliminary data surrounding all of these issues—from social acceptability to environmental impacts to costs—are mixed.²⁵ It will be difficult to answer any of these questions with precision until cultured meats are available to the mass market and more data are available.

YOUR CALL

Do you think that lab-grown meat companies will be effective in reaching their goals? Do you believe their processes will prove to be more or less efficient than traditional livestock production?

Why Organizations Value Managers: The Multiplier Effect

Some great achievements of history, such as scientific discoveries or works of art, were accomplished by individuals working quietly by themselves. But so much more has been achieved by people who were able to leverage their talents and abilities by being managers. For instance, of the top 10 great architectural wonders of the world named by the American Institute of Architects, none was built by just one person. All were triumphs of management, although some reflected the vision of an individual. (The wonders are the Great Wall of China, the Great Pyramid, Machu Picchu, the Acropolis, the Coliseum, the Taj Mahal, the Eiffel Tower, the Brooklyn Bridge, the Empire State Building, and Frank Lloyd Wright's Falling Water house in Pennsylvania.)

Good managers create value. The reason is that in being a manager you have a *multiplier effect*: Your influence on the organization is multiplied far beyond the results that can be achieved by just one person acting alone. Thus, while a solo operator such as a salesperson might accomplish many things and incidentally make a very good living, his or her boss could accomplish a great deal more—and could well earn two to seven times the income. And the manager will undoubtedly have a lot more influence.

What Are the Rewards of Studying and Practicing Management?

Are you studying management but have no plans to be a manager? Or are you trying to learn techniques and concepts that will help you be an exceptional management practitioner? Either way, you will use what you learn. Managerial competencies including time management, people skills, mastery of interpersonal and electronic communication, and the capacity to organize and plan are essential in both managerial and nonmanagerial careers.

The Rewards of Studying Management Students sign up for an introductory management course for all kinds of reasons. Many, of course, are planning business careers, but others are taking it to fulfill a requirement or an elective. Some students are in technical or nonprofit fields—computer science, education, health, and the like—and never expect to have to supervise people.

Here are just a few of the payoffs of studying management as a discipline:

- **You will have an insider’s understanding of how to deal with organizations from the outside.** Since we all are in constant interaction with all kinds of organizations, it helps to understand how they work and how the people in them make decisions. Such knowledge may give you skills that you can use in dealing with organizations from the outside, as a customer or investor, for example.
- **You will know from experience how to relate to your supervisors.** Since most of us work in organizations and most of us have bosses, studying management will enable you to understand the pressures managers deal with and how they will best respond to you.
- **You will better interact with co-workers.** The kinds of management policies in place can affect how your co-workers behave. Studying management can give you the understanding of teams and teamwork, cultural differences, conflict and stress, and negotiation and communication skills that will help you get along with fellow employees.
- **You will be able to manage yourself and your career.** Management courses in general, and this book in particular, give you the opportunity to realize insights about yourself—your personality, emotions, values, perceptions, needs, and goals. We help you build your skills in areas such as self-management, listening, handling change, managing stress, avoiding groupthink, and coping with organizational politics.
- **You might make more money during your career.** Managers are well compensated in comparison to other workers. At the lower rungs, managers may make between \$33,000 and \$87,000 a year; in the middle levels, between \$45,000 and \$146,000.²⁶ (For examples of managerial salaries, go to www.bls.gov/ooh/management/home.html.) There are also all kinds of fringe benefits and status rewards that go with being a manager, ranging from health insurance to stock options to large offices. And the higher you ascend in the management hierarchy, the more privileges may come your way.

The Rewards of Practicing Management Many young people want not only to make money but also to make a difference. As Swarthmore psychology professor Barry Schwartz, author of *Why We Work*, suggests, “We care about more than money. We



The multiplier effect. The Great Wall of China was constructed over thousands of years by hundreds of thousands of workers. Imagine the management required to coordinate such an effort!
axz700/Shutterstock

These three machinists are using several managerial skills to produce better products. One involves mentoring from the machinist in the middle.
stockbroker/123RF



want work that is challenging and engaging, that enables us to exercise some discretion and control over what we do, and that provides us with opportunities to learn and grow.”²⁷ Becoming a management practitioner offers many rewards apart from money and status, as follows:

- **You and your employees can experience a sense of accomplishment.** Every successful goal accomplished provides you not only with personal satisfaction but also with the satisfaction of all those employees you directed who helped you accomplish it.
- **You can stretch your abilities and magnify your range.** Every promotion up the hierarchy of an organization stretches your abilities, challenges your talents and skills, and magnifies the range of your accomplishments.
- **You can build a catalog of successful products or services.** Every product or service you provide—the personal Eiffel Tower or Empire State Building you build, as it were—becomes a monument to your accomplishments. Indeed, studying management may well help you in running your own business.
- **You can become a mentor and help others.** According to one survey, 75% of executives who had a **mentor**—an experienced person who provides guidance to someone new to the work world—said the relationship was crucial to advancing their careers.²⁸ ●

1.2 What Managers Do: The Four Principal Functions

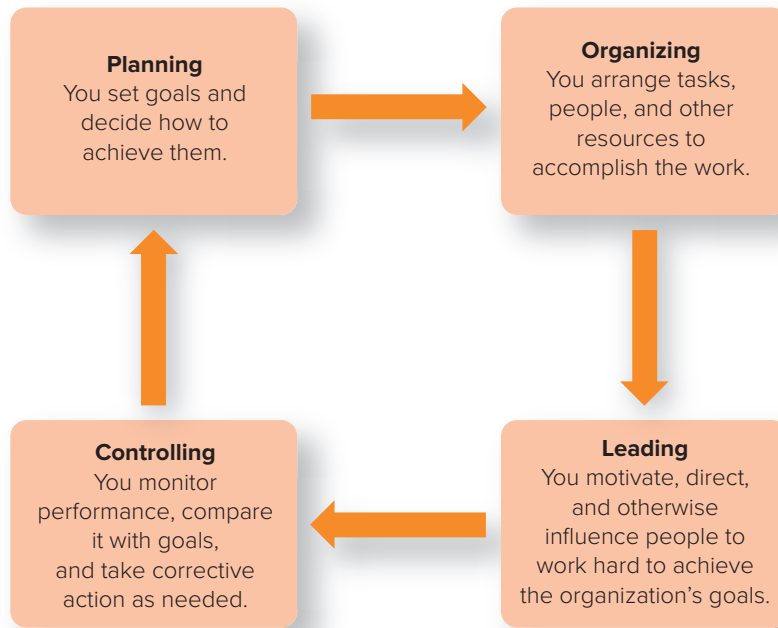
THE BIG PICTURE

Management has four functions: *planning, organizing, leading, and controlling.*

LO 1-2

List the four principal functions of a manager.

What do you as a manager do to get things done—that is, to achieve the stated goals of the organization you work for? You perform what is known as the management process, also called the **four management functions**: **planning, organizing, leading, and controlling.** (The abbreviation “POLC” may help you to remember them.) As Figure 1.1 illustrates, all these functions affect one another, are ongoing, and are performed simultaneously.

**FIGURE 1.1**

The management process
What you as a manager do to get things done—to achieve the stated goals of your organization.

Although the process of management can be quite varied, these four functions represent its essential principles. Indeed, as a glance at our text’s table of contents shows, they form four of the part divisions of the book. Let’s consider what the four functions are, using the management (or “administration,” as it is called in nonprofit organizations) of your college to illustrate them.

Planning: Discussed in Part 3 of This Book

Planning is defined as setting goals and deciding how to achieve them. Your college was established for the purpose of educating students, and its present managers, or administrators, now must decide the best way to accomplish this. Which of several possible degree programs should be offered? Should the college be a residential or a commuter campus? What sort of students should be recruited and admitted? What kind of faculty should be hired? What kind of buildings and equipment are needed?

Organizing: Discussed in Part 4 of This Book

Organizing is defined as arranging tasks, people, and other resources to accomplish the work. College administrators must determine the tasks to be done, by whom, and what the reporting hierarchy is to be. Should the institution be organized into schools with departments, with department chairpersons reporting to deans who in return report to vice presidents? Should the college hire more full-time instructors than part-time instructors? Should English professors teach just English literature or also composition, developmental English, and “first-year experience” courses?

Leading: Discussed in Part 5 of This Book

Leading is defined as motivating, directing, and otherwise influencing people to work hard to achieve the organization’s goals. At your college, leadership begins, of course, with the president (who would be the CEO in a for-profit organization). He or she is the one who must inspire faculty, staff, students, alumni, wealthy donors, and residents