For Griffin Grace, Sutton Sloane, and Andrew Preston—I do this for them.
—R. W. G.
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Ronald J. Ebert is Emeritus Professor at the University of Missouri–Columbia, where he lectures in the Management Department and serves as advisor to students and student organizations. Professor Ebert draws on more than thirty years of teaching experience at such schools as Sinclair College, University of Washington, University of Missouri, Lucian Blaga University of Sibiu (Romania), and Consortium International University (Italy). His consulting alliances have included such firms as Mobay Corporation, Kraft Foods, Oscar Mayer, Atlas Powder, and John Deere. He has designed and conducted management development programs for such diverse clients as the American Public Power Association, the U.S. Savings and Loan League, and the Central Missouri Manufacturing Training Consortium.

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New to This Edition

Chapter Opening Cases
All cases have been updated or replaced. Covering a wide variety of topics and organizations, including Netflix and Wegmans, these real-world cases introduce relatable topics that draw students into the content.

Current Events
The author has added new coverage of the likely impact of Donald Trump’s election as president of the United States, the looming withdrawal of Great Britain from the European Union, the increasing diversity of the labor force, the continuing impact of social media, and the slow but steady growth of the U.S. economy. He has also added coverage on the emerging new relationship between the United States and Cuba. All data and statistics have also been updated to the most current information available.

End-of-Chapter Activities
Five kinds of chapter-ending involvement activities—to reinforce and practice the use of chapter concepts—are back by popular demand!

Questions & Exercises

Questions for Review
1. What are the advantages and disadvantages of globalization?
2. What are the three possible levels of involvement in international business? Give examples of each.
3. What are the elements of national competitive advantage? Give a current, real-world example of each condition.
4. Describe the five international organizational structures.

Application Exercises
5. Research and identify a protectionist tariff imposed by the United States. Do you support that tariff? If so, why?
6. Do you think that a firm operating internationally is better advised to adopt a single standard of ethical conduct or to adapt to local conditions? What are the advantages and disadvantages of adapting to local conditions?
7. The World Bank uses per-capita income to make distinctions among countries. Use Web or database research to

Solving Teaching and Learning Challenges
Many students who take Introduction to Business courses have difficulty seeing the relevance of course topics to their lives and future careers. This reduces the willingness of many students to prepare for class and to be engaged during class. We use the following resources to engage students with the content and to highlight how Introduction to Business is relevant and important for their employability and careers.

Applied Learning Opportunities Throughout Business Cases & Features

Managing in Turbulent Times
- Students learn from disappointments and challenges real companies face.
- New features look at recent IPOs, leadership in a virtual world, and workplace bullying.

**Managing in Turbulent Times**

*The Ups and Downs of Globalization*

As markets move toward globalization, many countries are experiencing an identity crisis of sorts. The U.S. is rethinking its relationship with the World Trade Organization and NAFTA and reconsidering trade embargoes with countries like Myanmar and Cuba. In Britain, after 43 years of strained relations with the European Union (EU), a large portion of the citizens pushed for the United Kingdom to exit the union. This movement took on the name “Brexit.” The European Union was formed after World War II to foster economic cooperation, and has grown to become a “single market,” essentially allowing goods and people to move around as if the member states were one country. It has its own currency, the euro, which is used by 19 of the member countries (but not Great Britain), and its own parliament. Being part of the single market gave UK businesses easy access to all 500 million customers in the member countries and allowed UK consumers and companies to purchase goods and services from across the continent free of most tariffs and restrictions. It also allowed the relatively free movement of people across borders, much as the people of the US are free to move from state to state. Still, the British people continued to voice concerns over continued participation in the EU.

In 2015, as part of his campaign for re-election, Prime Minister David Cameron promised to put a referendum on the ballot asking voters to decide if they wanted to stay in the EU or exit. The expected logical outcome was to remain with the EU, but the pivotal issues turned out to be a British desire for sovereignty and a fear of immigrants pouring into the country. On the day of the vote, with the result in doubt, Cameron, who had based his decision on the benefits of belonging to the EU as the cornerstone of his administration, resigned the day of the vote. The actual exit is a two-year process that is expected to culminate in 2019.

What does this mean for businesses around the world? As the economy and political climates change, expect to see traditional, long-standing relationships, treaties, and trade organizations struggle to keep up with the ups and downs of globalization.

Finding a Better Way

- This boxed feature reveals examples of organizations that are “finding a better way” to meet business challenges and describes how they are doing it.

**Finding a Better Way**

*Too Much of a Good Thing? China’s Success Creates More Jobs in Mexico*

In today’s competitive global economy, businesses strive for every possible advantage. Many manufacturers, for example, locate their factories in countries that have an ample supply of low-cost skilled labor. During the 1980s and 1990s, the place to be was Mexico. Hundreds of factories were built just across the U.S.-Mexican border, and workers streamed to the region from other parts of Mexico for stable and well-paying jobs. But in the late 1990s, the world started to shift.

Mexican prosperity, fueled in part by its role as a center of manufacturing, led to increases in the cost of living, followed quickly by wage increases so workers could keep up. At about that same time, China began to emerge as an attractive manufacturing alternative. For instance, in 2003, wages in China were only one-third of the wages in Mexico. And there was certainly no shortage of workers eager to take steady jobs in factories making products for other countries. China’s boom was Mexico’s bust, as one company after another reduced or eliminated manufacturing there and moved to Asia.

In recent years, things have started to tilt back in Mexico’s favor. As China’s economy has flourished, its labor costs have crept higher and higher, so it’s less of a bargain than it used to be. Whereas Mexican wages were once three times higher than wages in China, Mexican wages today are more than 40 percent less than those in China, according to research by Merit Lynch. When manufacturers factor in shipping costs (which have increased because of fuel prices), producing in Mexico may cost the same or less than in China. Time differences between the United States and China also can make it difficult to schedule videoconferences and telephone calls.

Several companies have also been burned by China’s lack of protection for intellectual property. Mexico is making enormous gains in the automobile sector. Companies such as Nissan, Honda, Volkswagen, and Mazda have invested billions of dollars in Mexican production vehicles, with over 3.4 million vehicles produced in 2016. Eighty percent of these cars are exported to other countries, with the bulk being sent to the United States. Because of NAFTA, as well as other trade agreements, Mexico can export cars without tariffs to North and South America as well as Europe and Japan. According to Volkswagen’s Vice President of Corporate Affairs in Mexico, “There’s not another country in the world where you can do that.” However, the future is uncertain, as the U.S. moves to renegotiate NAFTA and puts pressure on U.S. companies to dissuade them from investing in more projects in Mexico.
Entrepreneurship and New Ventures

- This updated boxed feature shows students entrepreneurs who have really made a difference, some in large firms, others in smaller start-up companies.

**entrepreneurship and new ventures**

**A Better Coconut Water**

Founded in 2009, Harmless Harvest is the manufacturer and distributor of a popular line of organic coconut water that is available in stores across the United States. Douglas Riboud and Justin Guilbert saw an opportunity with the sudden popularity of coconut water, but they were troubled by environmental and economic concerns. After extensive research, Riboud and Guilbert concluded that the best-tasting coconut water could be produced from a single species of coconut from Thailand, in spite of lower yields and more complex cultivation. Unlike other producers, their coconut water is pasteurized through high-pressure treatment rather than heat, creating a raw, better-tasting product. According to Riboud, "The most important thing for us is taste. And the best we can do, the hardest job you can do as a manufacturer who works in food, is not screw up the ingredient you had in the first place."15

Harmless Harvest has addressed environmental concerns by making sure that their product is organic, they made an early commitment to working with farmers to make sure that no harmful pesticides or synthetic fertilizers were used and worked to obtain organic certification. Although this process was time-consuming and costly, it assured Riboud and Guilbert that their entire supply chain was built upon their vision of sustainability.

Finally, Harmless Harvest has contributed to economic change in a number of ways. In 2015, Harmless Harvest combined its Nam Hom coconut water with organic coffee, creating a drink with 50 mg of naturally occurring caffeine, the equivalent of a shot of espresso. The Peruvian cooperative that harvests Harmless Harvest’s organic coffee beans has a focus on empowering women and the impoverished, with over 50 percent of members located in areas of extreme poverty. The organization has seen a significant decrease in domestic abuse against women, as well as an increased priority on educating children to strengthen the community as a whole. Guilbert notes that, “Sourcing from this cooperative is just another proof that better products can be made to benefit everyone involved. It’s worth the extra effort.”16

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**MyLab Intro to Business**

Not every student learns the same way or at the same rate. With the growing need for acceleration through many courses, it’s more important than ever to meet students where they learn. Personalized learning in the MyLab gives you the flexibility to incorporate the approach that best suits the needs of your course and students.

- The **Study Plan** acts as a tutor, providing personalized recommendations for each of your students based on his or her ability to master the learning objectives in your course. This allows students to focus their study time by pinpointing the precise areas they need to review and allowing them to use customized practice and learning aids—such as videos, eText, tutorials, and more—to get them back on track. Using the report available in the Gradebook, you can then tailor course
lectures to prioritize the content where students need the most support—offering you better insight into classroom and individual performance.

- **Dynamic Study Modules** help students study effectively on their own by continuously assessing their activity and performance in real time. Here’s how it works: Students complete a set of questions with a unique answer format that also asks them to indicate their confidence level. Questions repeat until the student can answer them all correctly and confidently. Once completed, Dynamic Study Modules explain the concept using materials from the text. These are available as graded assignments prior to class, and they are accessible on smartphones, tablets, and computers. NEW! Instructors can now remove questions from Dynamic Study Modules to better fit their course. Available for select titles.

- The **eText** keeps students engaged in learning on their own time, while helping them achieve greater conceptual understanding of course material. The worked examples, animations, and interactive tutorials bring learning to life, and algorithmic practice allows students to apply the very concepts they are reading about. Combining resources that illuminate content with accessible self-assessment, MyLab with Enhanced eText provides students with a complete digital learning experience—all in one place.

  And with the **Pearson eText 2.0 mobile app** (available for select titles) students can now access the Enhanced eText and all of its functionality from their computer, tablet, or mobile phone. Because students’ progress is synced across all of their devices, they can stop what they’re doing on one device and pick up again later on another one—without breaking their stride.

- **MediaShare for Business**—Consisting of a curated collection of business videos tagged to learning outcomes and customizable, auto-scored assignments, MediaShare for Business helps students understand why they are learning key concepts and how they will apply those in their careers.

  Instructors can also assign favorite YouTube clips or original content and employ MediaShare’s powerful repository of tools to maximize student accountability and interactive learning, and provide contextualized feedback for students and teams who upload presentations, media, or business plans.

- **UPDATED! Mini Sims** put your students in business professional roles and give them the opportunity to apply course concepts as they make decisions about real-world business challenges. The simulations branch based on each decision—creating various scenario paths and helping students understand the impact of their decisions on an organization—strengthen their critical thinking skills. These book-specific Mini Sims now come with a new design and workflow and are available for select titles.

**Wearing the Hats**

There’s an old adage about people wearing different “hats.” In general, this means that people usually have different roles to play in different settings. For example, your roles may include student, child, spouse, employee, friend, or parent. You could think of each of these roles as needing a different hat—when you play the role of a student, for example, you wear one hat, but when you leave campus and go to your part-time job, you put on a different hat. From the perspective of studying and interfacing with the world of business, there are a variety of different hats that you might wear:

- **The Employee Hat.** One hat is as an employee working for a business. Many people wear this hat during the early stages of their career. To wear the hat successfully, you will need to understand your place in the organization—your job, how to work with your co-workers and boss, and so on. You’ll begin to see how to best wear this hat as you learn more about organizing business enterprises in Chapter 6 and how organizations manage people in Chapter 10, as well as in several other places in this book.
The Employer or Boss Hat. It is also very likely that one day other people will be working for you. You’ll still need to know your own job responsibilities, of course. But you’ll now also need to understand how to manage other people—how to understand, lead, and motivate them and the social and legal parameters that affect how you deal with them. Chapters 3, 5, 8, and 9 provide a lot of information about how you can best wear this hat, although the role of manager runs throughout the entire book.

The Consumer Hat. Even if you don’t work for a business, you will still wear the hat of a consumer. Whenever you fill your car at Shell, buy an airline ticket from Delta and charge it on Visa, order a new backpack from Amazon, bid for something on eBay, buy clothes at H&M, or download a song from iTunes, you’re consuming products created by business. To wear this hat effectively, you need to understand how to assess the value of what you’re buying, your rights as a consumer, and so on. We discuss how you can best wear this hat in Chapters 4, 7, 11, 12, and 13.

The Investor Hat. The final business hat is that of an investor. You may buy a business or work for a company that lets you buy its stock. You may also invest in other companies by buying their stock or shares of a mutual fund. For you to invest wisely, you must understand some basics, such as financial markets, business earnings, and the basic costs of investment. Chapters 4, 15, 16, 17, and Appendix III will help you learn how to best wear this hat.

Many people wear more than one of these hats at the same time. Regardless of how many hats you wear or when you may be putting them on, it should be clear that you have in the past, do now, and will in the future interface with many businesses in different ways. Knowing how to best wear all these hats is what this book is all about.

Developing Skills for Your Career

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

Communication: Communication is covered in several places throughout the book. For example, Chapter 5 discusses how leaders communicate the corporate culture, while Chapter 6 discusses how managers communicate the delegation process and how managers can use communication to offset errors in the grapevine.

Critical Thinking: Chapter 9 devotes specific attention to the decision-making process. Chapter 11 discusses the research process and research methods. Collaboration teams and team-based methods of organizing are discussed in Chapters 6 and 8. At the end of each chapter, there is also a continuing team exercise.

Business Ethics and Social Responsibility: Chapter 2 is entirely devoted to ethics and social responsibility.

Information Technology Application and Computing Skills: Chapter 14 is devoted to information technology application and computing skills for business.
Instructor Teaching Resources
This program comes with the following teaching resources.

<table>
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<tr>
<th>Supplements available to instructors at <a href="http://www.pearsonhighered.com">www.pearsonhighered.com</a></th>
<th>Features of the Supplement</th>
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| Instructor’s Manual authored by Carol Davis Wright from California State University, Monterey Bay | • Chapter-by-chapter summaries  
• Examples and activities not in the main book  
• Teaching outlines  
• Teaching tips  
• Solutions to all questions and problems in the book |
| Test Bank authored by Susan Schanne from Eastern Michigan University | 4,000 multiple-choice, true/false, short-answer, and graphing questions with these annotations:  
• Difficulty level (1 for straight recall, 2 for some analysis, 3 for complex analysis)  
• Type (Multiple-choice, true/false, short-answer, essay)  
• Topic (The term or concept the question supports)  
• Learning outcome  
• AACSB learning standard (Ethical Understanding and Reasoning, Analytical Thinking Skills, Information Technology; Diverse and Multicultural Work, Reflective Thinking, Application of Knowledge)  
• Page number in the text |
| Computerized TestGen | TestGen allows instructors to:  
• Customize, save, and generate classroom tests  
• Edit, add, or delete questions from the test item files  
• Analyze test results  
• Organize a database of tests and student results |
| PowerPoints authored by Jeffrey Anderson from Ohio University | Slides include all the graphs, tables, and equations in the textbook.  
PowerPoints meet accessibility standards for students with disabilities. Features include, but are not limited to:  
• Keyboard and screen reader access  
• Alternative text for images  
• High color contrast between background and foreground colors |
This book bears the names of two authors. In reality, however, it reflects the combined efforts of many different people in what can only be called a team effort. First of all, we’d like to thank our reviewers and users who provided valuable feedback on the current strengths of the book and how we could make it better. The content and subject matter reviewers are highlighted earlier in the preface. In addition, we would also like to thank the following individuals for their contributions to the MyLab. We are truly appreciative of their hard work and important contributions.

Joe Cooke, Walla Walla Community College
Susan Gall
Storm Russo, Valencia College
Susan Schanne, Eastern Michigan University

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I would also like to welcome Joe Cooke to the team. Joe is a professor at Walla Walla Community College. Joe helped update or replace the boxes and cases throughout the book and revised and enhanced all of the end-of-chapter pedagogy. I would also like to acknowledge and express my gratitude to Ron Ebert. Ron and I worked on this book together for many years and his imprint can still be found in many different places.

Finally, we would like to acknowledge our families. Their contributions to our work are far too extensive and personal to list. Suffice it to say that our wives, children, and grandchildren are the bedrocks of our lives. We are continually reminded by them of the fragility of life, the joy of being, and the importance of living every day to the fullest.

Ricky W. Griffin

P.S. (from Ricky)

I would also like to take a few lines here to personally acknowledge and express my gratitude to Ron Ebert. Ron retired from the University of Missouri–Columbia a few years ago after a long and distinguished career but continued to work with me on revisions of this book. However, he recently made the decision to retire from this work as well.

Ron was Chair of the Department of Management at Missouri when I completed my doctorate in 1978 and recruited me to join his department. Simply put, it was one of the best decisions of my life. I learned many lessons from Ron about scholarship, teaching, professionalism, and life and credit him for being one of my most significant mentors throughout my career. More importantly, though, he has been a wonderful friend. Ron, I’ll miss working with you but will always treasure our friendship.

Ricky W. Griffin
2017