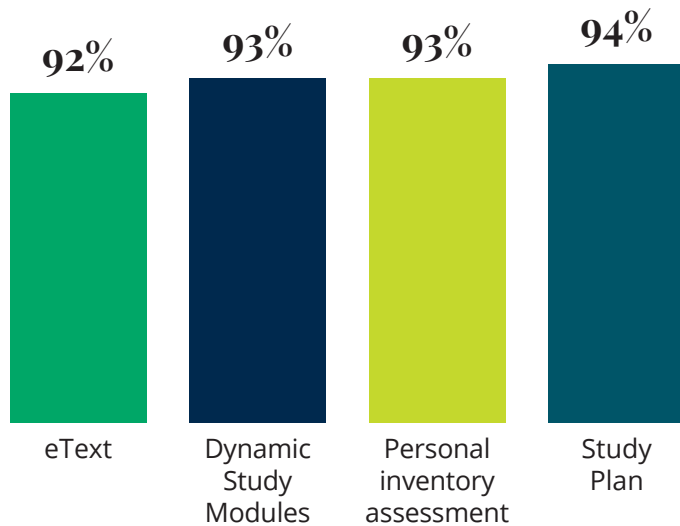
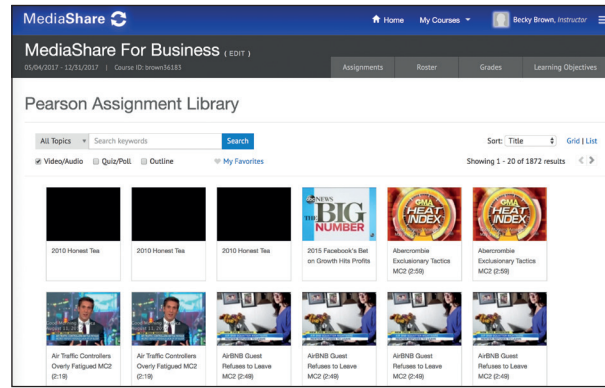


**MediaShare for Business** offers a curated collection of business videos that provide customizable, auto-scored assignments. MediaShare for Business helps students understand why they are learning key concepts and how they will **apply** those in their careers.



**% of students who found learning tool helpful**

**Dynamic Study Modules** help students study chapter topics effectively on their own by continuously assessing their **knowledge application** and performance in real time. These are available as graded assignments prior to class, and accessible on smartphones, tablets, and computers.

**Pearson eText** enhances student learning—both in and outside the classroom. Take notes, highlight, and bookmark important content, or engage with interactive lecture and example videos that bring learning to life (available with select titles). Accessible anytime, anywhere via MyLab or the app.

**86%**



**of students would tell their instructor to keep using MyLab Management**

The **MyLab Gradebook** offers an easy way for students and instructors to view course performance. Item Analysis allows instructors to quickly see trends by analyzing details like the number of students who answered correctly/incorrectly, time on task, and median time spend on a question by question basis. And because it's correlated with the AACSB Standards, instructors can track students' progress toward outcomes that the organization has deemed important in preparing students to be **leaders**.

*"I was able to find myself actually learning at home rather than memorizing things for a class."*

— Katherine Vicente, Student at County College of Morris

For additional details visit: [www.pearson.com/mylab/management](http://www.pearson.com/mylab/management)



EDITION

15

# Modern Management

CONCEPTS AND SKILLS

**Samuel C. Certo**

**Emeritus Dean and Steinmetz Professor of Management**

*Roy E. Crummer Graduate School of Business  
Rollins College*

**S. Trevis Certo**

**Jerry B. and Mary Anne Chapman Professor of Business**

*W. P. Carey School of Business  
Arizona State University*



New York, NY

**Vice President, Business, Economics, and UK**

**Courseware:** Donna Battista  
**Director of Portfolio Management:** Stephanie Wall  
**Senior Portfolio Manager:** Kris Ellis-Levy  
**Development Editor:** Nancy Lamm  
**Editorial Assistant:** Hannah Lamarre  
**Vice President, Product Marketing:** Roxanne McCarley  
**Senior Product Marketer:** Becky Brown  
**Product Marketing Assistant:** Marianela Silvestri  
**Manager of Field Marketing, Business Publishing:**  
Adam Goldstein  
**Field Marketing Manager:** Nicole Price  
**Vice President, Production and Digital Studio, Arts  
and Business:** Etain O'Dea  
**Director of Production, Business:** Jeff Holcomb  
**Managing Producer, Business:** Melissa Feimer  
**Content Producer:** Claudia Fernandes

**Operations Specialist:** Carol Melville  
**Design Lead:** Kathryn Foot  
**Manager, Learning Tools:** Brian Surette  
**Content Developer, Learning Tools:** Lindsey Sloan  
**Managing Producer, Digital Studio, Business MyLabs:**  
Ashley Santora  
**Managing Producer, Digital Studio, Arts and  
Business:** Diane Lombardo  
**Digital Studio Producer:** Monique Lawrence  
**Digital Studio Producer:** Alana Coles  
**Project Management:** Thistle Hill Publishing Services  
**Composition:** Cenveo® Publisher Services  
**Interior and Cover Design:** Cenveo® Publisher Services  
**Cover Art:** Martin Konopka/EyeEm/Getty Images  
**Printer/Binder:** Courier/Kendallville  
**Cover Printer:** Phoenix Color/Hagerstown

Microsoft and/or its respective suppliers make no representations about the suitability of the information contained in the documents and related graphics published as part of the services for any purpose. All such documents and related graphics are provided "as is" without warranty of any kind. Microsoft and/or its respective suppliers hereby disclaim all warranties and conditions with regard to this information, including all warranties and conditions of merchantability, whether express, implied or statutory, fitness for a particular purpose, title and non-infringement. In no event shall Microsoft and/or its respective suppliers be liable for any special, indirect or consequential damages or any damages whatsoever resulting from loss of use, data or profits, whether in an action of contract, negligence or other tortious action, arising out of or in connection with the use or performance of information available from the services.

The documents and related graphics contained herein could include technical inaccuracies or typographical errors. Changes are periodically added to the information herein. Microsoft and/or its respective suppliers may make improvements and/or changes in the product(s) and/or the program(s) described herein at any time. Partial screen shots may be viewed in full within the software version specified.

Microsoft® and Windows® are registered trademarks of the Microsoft Corporation in the U.S.A. and other countries. This book is not sponsored or endorsed by or affiliated with the Microsoft Corporation.

**Copyright © 2019, 2016, 2014 by Pearson Education, Inc.** or its affiliates. All Rights Reserved. Manufactured in the United States of America. This publication is protected by copyright, and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise. For information regarding permissions, request forms, and the appropriate contacts within the Pearson Education Global Rights and Permissions department, please visit [www.pearsoned.com/permissions/](http://www.pearsoned.com/permissions/).

Acknowledgments of third-party content appear on the appropriate page within the text. Chapter-opening icons courtesy of Micromaniac/Shutterstock.

PEARSON, ALWAYS LEARNING, and MYLAB are exclusive trademarks owned by Pearson Education, Inc., or its affiliates in the U.S. and/or other countries.

Unless otherwise indicated herein, any third-party trademarks, logos, or icons that may appear in this work are the property of their respective owners, and any references to third-party trademarks, logos, icons, or other trade dress are for demonstrative or descriptive purposes only. Such references are not intended to imply any sponsorship, endorsement, authorization, or promotion of Pearson's products by the owners of such marks, or any relationship between the owner and Pearson Education, Inc., or its affiliates, authors, licensees, or distributors.

**Library of Congress Cataloging-in-Publication Data**

Names: Certo, Samuel C., author. | Certo, S. Trevis, author.  
Title: Modern management : concepts and skills / Samuel C. Certo, S. Trevis Certo.  
Description: Fifteenth edition. | New York, NY : Pearson, [2019] | Includes bibliographical references and index.  
Identifiers: LCCN 2017050838 | ISBN 9780134729138 (pbk.) | ISBN 0134729137 (pbk.)  
Subjects: LCSH: Management. | Industrial management. | Social responsibility of business. | Technological innovations.  
Classification: LCC HD31.2 .C44 2019 | DDC 658—dc23  
LC record available at <https://lccn.loc.gov/2017050838>



ISBN 10: 0-13-472913-7  
ISBN 13: 978-0-13-472913-8

# Brief Contents

Preface xvii

## **PART 1 Introduction to Modern Management**

---

- 1** Introducing Modern Management: Concepts and Skills 1
- 2** Management and Entrepreneurship: Handling Start-Ups and New Ventures 24

## **PART 2 Modern Management Challenges**

---

- 3** Society, Ethics, and Sustainability 42
- 4** Management and Diversity 67
- 5** Managing in the Global Arena 93
- 6** Creativity and Innovation 119

## **PART 3 Planning**

---

- 7** Plans and Planning Tools 143
- 8** Making Decisions 169
- 9** Strategic Planning: Strategies, Tactics, and Competitive Dynamics 190

## **PART 4 Organizing**

---

- 10** Fundamentals of Organizing 214
- 11** Responsibility, Authority, and Delegation 236
- 12** Human Resource Management 257
- 13** Changing Organizations: Stress, Conflict, and Virtuality 279

## **PART 5 Influencing**

---

- 14** Influencing and Communication 304
- 15** Leadership 328
- 16** Motivation 356
- 17** Groups and Teams 381
- 18** Building Organization Culture 407

## **PART 6 Controlling**

---

- 19** Controlling, Information, and Technology 430
- 20** Production and Control 455

**Appendix 1** Managing: History and Current Thinking 484

Glossary 507

Author Index 519

Subject Index 529

# Contents

About the Authors xv  
Preface xvii

## PART 1 Introduction to Modern Management

- 1 Introducing Modern Management: Concepts and Skills 1
  - Management Skill and Your Career 1
    - CHALLENGE CASE:** Coke's New CEO Battles a Changing Market 2
    - A Manager's Task 3
      - The Role of Management 5
      - Defining Management 5
      - The Management Process: Management Functions 5
    - Management Process and Organizational Resources 6
      - Management and Organizational Resources 7
      - PRACTICAL CHALLENGE: ATTAINING GOALS:** Michael Hoffman Achieves User Satisfaction at New York Passport Agency 7
      - The Universality of Management 9
    - Management Skill: The Key to Management Success 9
      - Defining Management Skill 10
      - Management Skill: A Classic View 10
      - STEPS FOR SUCCESS:** Developing Human Skills 11
      - Management Skill: A Contemporary View 11
      - Management Skill: A Focus of This Book 12
    - Management Careers 13
      - A Definition of Career 13
      - Career Stages, Life Stages, and Performance 14
      - Promoting Your Own Career 15
      - TIPS FOR MANAGING AROUND THE GLOBE:** Making the Most of International Experience 15
      - Special Career Issues 16
    - CHALLENGE CASE SUMMARY** 18
    - Class Preparation and Personal Study** 19
    - Management Skills Exercises** 20

- 2 Management and Entrepreneurship: Handling Start-Ups and New Ventures 24
  - Entrepreneurship Skill and Your Career 24
    - CHALLENGE CASE:** Professor Becomes Restaurateur 25
    - Fundamentals of Entrepreneurship 26
    - Types of Opportunities 27
    - Opportunity Identification 28
    - Opportunity Evaluation 29
      - STEPS FOR SUCCESS:** Testing Business Ideas 30
    - Opportunity Exploitation 30
    - Financing Exploitation 32
    - Corporate Entrepreneurship 32
      - PRACTICAL CHALLENGE: RAISING FUNDS:** Bohemian Guitars Tests the Waters of Crowdfunding 33
    - Social Entrepreneurship 34
      - How Do Commercial and Social Entrepreneurship Differ? 34
      - TIPS FOR MANAGING AROUND THE GLOBE:** Taking a Global View of Opportunities: One Earth Designs 35
      - Success Factors in Social Entrepreneurship 35
    - CHALLENGE CASE SUMMARY** 36
    - Class Preparation and Personal Study** 37
    - Management Skills Exercises** 38

## PART 2 Modern Management Challenges

- 3 Society, Ethics, and Sustainability 42
  - Social Responsibility Skill and Your Career 42
    - CHALLENGE CASE:** IKEA Builds on Its Commitment to the Environment 43
    - Fundamentals of Social Responsibility 44
      - Areas of Social Responsibility 44
      - Varying Opinions on Social Responsibility 45

Conclusions about the Performance of Social Responsibility Activities by Business	46	Promoting Diversity through Hudson Institute Strategies	77
<b>Social Responsiveness</b>	47	Promoting Diversity through Equal Employment and Affirmative Action	78
Determining Whether a Social Responsibility Exists	47	Promoting Diversity through Organizational Commitment	79
Social Responsiveness and Decision Making	48	Promoting Diversity through Pluralism	80
<b>TIPS FOR MANAGING AROUND THE GLOBE: China Focuses on Agricultural (Ag) Sustainability</b>	48	<b>TIPS FOR MANAGING AROUND THE GLOBE: Deloitte UK “Hides” College and University Degrees</b>	81
Approaches to Meeting Social Responsibilities	49	<b>How Managers Promote Diversity</b>	82
<b>The Social Audit Challenge</b>	50	Planning	82
<b>The Philanthropy Challenge</b>	51	Organizing	82
<b>The Sustainable Organization Challenge</b>	52	Influencing	83
Defining Sustainability	52	Controlling	83
Defining a Sustainable Organization	52	<b>STEPS FOR SUCCESS: Generation Z Members and Their Challenges</b>	83
Why Sustainability?	53	Management Development and Diversity Training	84
Steps for Achieving Sustainability	54	<b>CHALLENGE CASE SUMMARY</b>	86
<b>PRACTICAL CHALLENGE: ACHIEVING SUSTAINABILITY: Mars</b>	54	<b>Class Preparation and Personal Study</b>	87
<b>Managers and Ethics</b>	56	<b>Management Skills Exercises</b>	88
A Definition of Ethics	56	<b>4 Management and Diversity</b>	67
Why Ethics Is a Vital Part of Management Practices	56	Diversity Skill and Your Career	67
A Code of Ethics	57	<b>CHALLENGE CASE: Diverse Employees Contribute to GE Lighting’s Bright Future</b>	68
Creating an Ethical Workplace	57	<b>Defining Diversity</b>	69
<b>STEPS FOR SUCCESS: Creating an Ethical Work Environment</b>	59	The Social Implications of Diversity	69
Following the Law: Sarbanes-Oxley Reform Standards	59	<b>Advantages of Diversity in Organizations</b>	70
<b>CHALLENGE CASE SUMMARY</b>	60	Gaining and Keeping Market Share	70
<b>Class Preparation and Personal Study</b>	62	Cost Savings	70
<b>Management Skills Exercises</b>	63	Increased Productivity and Innovation	71
<b>5 Managing in the Global Arena</b>	93	Better Quality Management	71
Global Management Skill and Your Career	93	<b>Challenges That Managers Face in Working with Diverse Populations</b>	72
<b>CHALLENGE CASE: KFC Opens a Store a Day in China</b>	94	Changing Demographics	72
<b>Fundamentals of International Management</b>	95	Multigenerational Workforce	73
<b>Categorizing Organizations by Level of International Involvement</b>	97	Ethnocentrism and Other Negative Dynamics	73
Domestic Organizations	97	<b>PRACTICAL CHALLENGE: SETTING DIVERSITY TARGETS: Pinterest Sets Hiring Goals for a More Diverse Workforce</b>	74
International Organizations	97	Negative Dynamics and Specific Groups	75
Multinational Organizations: The Multinational Corporation	97	<b>Strategies for Promoting Diversity in Organizations</b>	77
<b>Multinational Corporations</b>	98	Promoting Diversity through Hudson Institute Strategies	77
Complexities of Managing the Multinational Corporation	98	Promoting Diversity through Equal Employment and Affirmative Action	78
<b>PRACTICAL CHALLENGE: GROWING AN INTERNATIONAL ONLINE BUSINESS: Amazon’s International Expansion</b>	100	Promoting Diversity through Organizational Commitment	79
Risk and the Multinational Corporation	100	Promoting Diversity through Pluralism	80
<b>The Workforce of Multinational Corporations</b>	100	<b>TIPS FOR MANAGING AROUND THE GLOBE: Deloitte UK “Hides” College and University Degrees</b>	81
Types of Organization Members Found in Multinational Corporations	101	<b>How Managers Promote Diversity</b>	82
Workforce Adjustments	101	Planning	82
Adjusting to a New Culture	101	Organizing	82
Repatriation	101	Influencing	83
<b>Management Functions and Multinational Corporations</b>	102	Controlling	83
Planning in Multinational Corporations	102	<b>STEPS FOR SUCCESS: Generation Z Members and Their Challenges</b>	83
		Management Development and Diversity Training	84

Organizing Multinational Corporations	105
Influencing People in Multinational Corporations	107
<b>STEPS FOR SUCCESS:</b> Examples of Business Etiquette in Other Cultures	109
Controlling Multinational Corporations	109
Transnational Organizations	110
International Management: Special Issues	110
Maintaining Ethics in International Management	110
<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Managing Expatriates	111
Preparing Expatriates for Foreign Assignments	112
<b>CHALLENGE CASE SUMMARY</b>	112
Class Preparation and Personal Study	113
Management Skills Exercises	114
<b>6</b> Creativity and Innovation	119
Creativity and Innovation Skill and Your Career	119
<b>CHALLENGE CASE:</b> Olde Peninsula Brings Brewpub Innovation to Kalamazoo	120
Creativity	121
Defining Creativity	121
Creativity in Organizations	121
Creativity in Individuals	122
<b>PRACTICAL CHALLENGE: ENABLING CREATIVITY:</b> UN Development Program Backs Creative Responses to Crises	123
Increasing Creativity in Organizations	123
Innovation and Creativity	126
Defining Innovation	126
Linking Innovation and Creativity	127
The Innovation Process	127
<b>STEPS FOR SUCCESS:</b> Inviting Inventions at a Hackathon	129
Catalyst for Creativity and Innovation: Total Quality Management	130
Essentials of Total Quality Management	130
<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Michelin's Quality Advantage	131
The Quality Improvement Process	133
Creative Ideas Based on TQM Expertise	135
<b>CHALLENGE CASE SUMMARY</b>	137
Class Preparation and Personal Study	138
Management Skills Exercises	139

## PART 3 Planning

<b>7</b> Plans and Planning Tools	143
Planning Skill and Your Career	143
<b>CHALLENGE CASE:</b> Wal-Mart Plans to Have What You Want	144
General Characteristics of Planning	145
Defining Planning	145
Purposes of Planning	145
Planning: Advantages and Potential Disadvantages	145
Primacy of Planning	146
Types of Plans	146
Standing Plans: Policies, Procedures, and Rules	146
<b>STEPS FOR SUCCESS:</b> Tips for Setting a Budget	147
Single-Use Plans: Programs and Budgets	148
Steps in the Planning Process	149
Organizational Objectives: Planning's Foundation	150
Definition of Organizational Objectives	150
Areas for Organizational Objectives	151
Working with Organizational Objectives	152
Guidelines for Establishing Quality Objectives	152
Management by Objectives (MBO)	153
Factors Necessary for a Successful MBO Program	153
MBO Programs: Advantages and Disadvantages	154
Planning Tools	154
Forecasting	155
<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Mitsubishi Electric Opens New Training Facility in Japan	156
Scheduling	158
<b>PRACTICAL CHALLENGE: MEETING SCHEDULES:</b> Clark/McCarthy Joint Venture Builds Navy Hospital ahead of Schedule	159
Why Plans Fail	161
<b>CHALLENGE CASE SUMMARY</b>	161
Class Preparation and Personal Study	163
Management Skills Exercises	164
<b>8</b> Making Decisions	169
Decision-Making Skill and Your Career	169
<b>CHALLENGE CASE:</b> Whole Foods Decides to Open in Detroit	170
Fundamentals of Decisions	171
Definition of a Decision	171
Types of Decisions	171



The Responsibility for Making Organizational Decisions 172	Business Portfolio Analysis 200
<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Shaw Industries Paves the Way for Good Decisions 172	Strategy Formulation: Types 202
Elements of the Decision Situation 173	Sample Organizational Strategies 202
<b>The Rational Decision-Making Process</b> 174	<b>Strategy Implementation</b> 203
Identifying an Existing Problem 175	<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Ryanair Utilizes Cost Leadership Strategy 204
Listing Alternative Solutions 175	<b>Strategic Control</b> 204
Selecting the Most Beneficial Alternative 176	<b>Tactical Planning</b> 204
Implementing the Chosen Alternative 177	Comparing and Coordinating Strategic and Tactical Planning 205
Gathering Problem-Related Feedback 177	<b>Competitive Dynamics</b> 205
Bounded Rationality 177	<b>PRACTICAL CHALLENGE: COMPETITIVE DYNAMICS FOR RETAILERS:</b> Stores Take on Amazon 206
<b>PRACTICAL CHALLENGE: IMPLEMENTING DECISIONS:</b> Ford Invests \$700 Million in Michigan Plant 177	<b>CHALLENGE CASE SUMMARY</b> 207
<b>Decision Making and Intuition</b> 178	<b>Class Preparation and Personal Study</b> 209
Decision-Making Heuristics and Biases 178	<b>Management Skills Exercises</b> 210
Decision-Making Conditions: Risk and Uncertainty 178	
<b>Decision-Making Tools</b> 179	
Probability Theory 179	
Decision Trees 180	
<b>Group Decision Making</b> 181	
Advantages and Disadvantages of Using Groups to Make Decisions 181	
<b>STEPS FOR SUCCESS:</b> Facilitating Group Decisions 182	
Processes for Making Group Decisions 182	
Evaluating Group Decision-Making Processes 183	
<b>CHALLENGE CASE SUMMARY</b> 184	
<b>Class Preparation and Personal Study</b> 185	
<b>Management Skills Exercises</b> 186	
<b>9 Strategic Planning: Strategies, Tactics, and Competitive Dynamics</b> 190	
<b>Strategic Planning Skill and Your Career</b> 190	
<b>CHALLENGE CASE:</b> Facebook Positions Itself to Stay Relevant 191	
<b>Strategic Planning and Strategy</b> 192	
<b>Strategic Management Process</b> 193	
<b>Environmental Analysis</b> 193	
The General Environment 194	
The Industry Environment 196	
The Internal Environment 197	
<b>Establishing Organizational Direction</b> 197	
Determining Organizational Mission 198	
Developing a Mission Statement 198	
The Importance of an Organizational Mission 198	
The Relationship between Mission and Objectives 198	
<b>Strategy Formulation: Tools</b> 198	
<b>STEPS FOR SUCCESS:</b> Ask the Right Questions 199	
Critical Question Analysis 199	
SWOT Analysis 199	
	<b>PART 4</b>
	<b>Organizing</b>
	<b>10 Fundamentals of Organizing</b> 214
	<b>Organizing Skill and Your Career</b> 214
	<b>CHALLENGE CASE:</b> Microsoft Tries to Program Unity with Its New Structure 215
	<b>Definitions of Organizing and Organizing Skill</b> 216
	The Importance of Organizing 216
	The Organizing Process 217
	Classical Organizing Theory 218
	<b>Weber's Bureaucratic Model</b> 218
	<b>Division of Labor</b> 219
	Advantages and Disadvantages of Division of Labor 219
	Division of Labor and Coordination 219
	<b>PRACTICAL CHALLENGE: COORDINATION:</b> How the MBTA Moved Forward with Security 220
	Follett's Guidelines on Coordination 220
	<b>Structure</b> 220
	Informal Organizational Structures 220
	Vertical Dimensioning 221
	Horizontal Dimensioning 223
	<b>Types of Departmentalization</b> 223
	Departments Based on Function 223
	<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> France Bans E-Mails after Work 224
	Departments Based on Product or Service 225
	Departments Based on Geography 226
	Departments Based on Customer 226
	Departments by Matrix 227
	<b>STEPS FOR SUCCESS:</b> Managing in a Matrix Structure 227

**CHALLENGE CASE SUMMARY** 230  
 Class Preparation and Personal Study 231  
 Management Skills Exercises 232

**11** Responsibility, Authority, and Delegation 236

Responsibility and Delegation Skill and Your Career 236

**CHALLENGE CASE:** Autonomy at Hy-Vee Supermarkets 237

Responsibility and Job Descriptions 238

**STEPS FOR SUCCESS:** Tips for Delegating Tasks 238

Dividing Job Activities 239

The Functional Similarity Method 239

Functional Similarity and Responsibility 239

Clarifying Job Activities of Managers 240

Management Responsibility Guide 240

Authority 241

Authority on the Job 241

Acceptance of Authority 242

Types of Authority 242

Accountability 245

Delegation 245

**PRACTICAL CHALLENGE: ACCOUNTABILITY:**  
 How Extended Stay America Eased the Sting of Accountability 245

Steps in the Delegation Process 246

Obstacles to the Delegation Process 246

Eliminating Obstacles to the Delegation Process 247

Centralization and Decentralization 247

Decentralizing an Organization: A Contingency Viewpoint 248

**TIPS FOR MANAGING AROUND THE GLOBE:**  
 Decentralizing for Diverse Markets: The Four Seasons Example 249

Decentralization at Massey-Ferguson: A Classic Example from the World of Management 249

**CHALLENGE CASE SUMMARY** 250

Class Preparation and Personal Study 252

Management Skills Exercises 252

**12** Human Resource Management 257

Human Resource Management Skill and Your Career 257

**CHALLENGE CASE:** Netflix Revamps Its Human Resources 258

Defining Appropriate Human Resources 259

Recruitment 259

Knowing the Job 259

Knowing Sources of Human Resources 260

Sources Outside the Organization 263

**TIPS FOR MANAGING AROUND THE GLOBE:**

European Companies Need Women on Their Boards 264

Knowing the Law 264

Selection 265

Testing 265

Assessment Centers 266

Training 267

Determining Training Needs 267

Designing the Training Program 268

Administering the Training Program 268

**STEPS FOR SUCCESS:** Tips for Being an Effective Interviewer 269

Evaluating the Training Program 270

Performance Appraisal 270

Why Use Performance Appraisals? 271

Multisource Feedback 271

**PRACTICAL CHALLENGE: FINDING TALENT:**  
 How Home Depot Streamlined the Application Process 271

Handling Performance Appraisals 272

Potential Weaknesses of Performance Appraisals 272

**CHALLENGE CASE SUMMARY** 272

Class Preparation and Personal Study 274

Management Skills Exercises 275

**13** Changing Organizations: Stress, Conflict, and Virtuality 279

Organizational Change Skill and Your Career 279

**CHALLENGE CASE:** How Huntington Hospital Introduced Electronic Health Records 280

Fundamentals of Changing an Organization 281

Defining Changing an Organization 281

Change versus Stability 282

Factors to Consider When Changing an Organization 282

The Change Agent 282

Determining What Should Be Changed 283

The Kind of Change to Make 283

Individuals Affected by the Change 286

Evaluation of the Change 287

**TIPS FOR MANAGING AROUND THE GLOBE:**

Try Change in One Country First:  
 Avon's Experience 288

Change and Stress 288

Defining Stress 288

The Importance of Studying Stress 289

Managing Stress in Organizations	289
<b>STEPS FOR SUCCESS:</b> Managing Stress	290
<b>Change and Conflict</b>	291
Defining Conflict	291
Strategies for Settling Conflict	292
<b>PRACTICAL CHALLENGE: MANAGING CONFLICT:</b> Southwest Airlines Embraces Positive Conflict	292
<b>Virtuality</b>	294
Defining a Virtual Organization	294
Degrees of Virtuality	294
The Virtual Office	294
<b>CHALLENGE CASE SUMMARY</b>	296
<b>Class Preparation and Personal Study</b>	298
<b>Management Skills Exercises</b>	299

## PART 5 Influencing

<b>14</b> Influencing and Communication	304
Communication Skill and Your Career	304
<b>CHALLENGE CASE:</b> How Evernote's Phil Libin Keeps Communication Flowing	305
Fundamentals of Influencing	306
Defining Influencing	306
The Influencing Subsystem	306
Emotional Intelligence	308
<b>PRACTICAL CHALLENGE:</b> Google's Emotional Intelligence Course	308
Communication	309
Interpersonal Communication	310
<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Cross-Cultural Communication	312
<b>STEPS FOR SUCCESS:</b> Crafting an Elevator Speech	316
Interpersonal Communication in Organizations	316
Formal Organizational Communication	317
Informal Organizational Communication	318
Encouraging Organizational Communication	320
<b>CHALLENGE CASE SUMMARY</b>	321
<b>Class Preparation and Personal Study</b>	323
<b>Management Skills Exercises</b>	323
<b>15</b> Leadership	328
Leadership Skill and Your Career	328
<b>CHALLENGE CASE:</b> Bain & Company's CEO, Bob Bechek, Leads the Team	329

<b>Defining Leadership</b>	330
Leader versus Manager	330
<b>Early Approaches to Leadership</b>	331
The Trait Approach to Leadership	331
Behavioral Approaches to Leadership	331
<b>More Recent Approaches to Leadership</b>	333
<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Adapting Your Leadership Style in Other Cultures	333
The Life Cycle Theory of Leadership	334
Fiedler's Contingency Theory	335
The Path-Goal Theory of Leadership	337
<b>A Special Situation: How Leaders Make Decisions</b>	338
The Tannenbaum and Schmidt Leadership Continuum	338
The Vroom-Yetton-Jago Model	341
<b>Leaders Changing Organizations</b>	342
The Tasks of Transformational Leaders	343
<b>Leaders Coaching Others</b>	343
<b>STEPS FOR SUCCESS:</b> Tips for Establishing a Coaching Program	343
Coaching Behavior	344
<b>Leadership: Emerging Concepts for Modern Times</b>	344
Servant Leadership	345
Level 5 Leadership	346
<b>PRACTICAL CHALLENGE: LEADING FOR GREATNESS:</b> How Mary Barra, GM's CEO, Meets the Leadership Challenge	347
Authentic Leadership	347
<b>CHALLENGE CASE SUMMARY</b>	348
<b>Class Preparation and Personal Study</b>	350
<b>Management Skills Exercises</b>	351
<b>16</b> Motivation	356
Motivation Skill and Your Career	356
<b>CHALLENGE CASE:</b> How Disney Motivates Its Employees	357
Defining Motivation	358
Process Theories of Motivation	358
The Needs-Goal Theory of Motivation	358
The Vroom Expectancy Theory of Motivation	359
Equity Theory of Motivation	360
The Porter-Lawler Theory of Motivation	361
Content Theories of Motivation: Human Needs	361
Maslow's Hierarchy of Needs	362
Alderfer's ERG Theory	362
<b>PRACTICAL CHALLENGE: DEVELOPING REWARDS:</b> How The Home Depot Recognizes Employees	363
Argyris's Maturity-Immaturity Continuum	363
McClelland's Acquired Needs Theory	364

Importance of Motivating Organization Members 364

Strategies for Motivating Organization Members 365

- Managerial Communication 365
- TIPS FOR MANAGING AROUND THE GLOBE:**
  - Motivating Employees from Other Cultures 366
  - Theory X and Theory Y 366
  - Behavior Modification 369
  - Likert's Management Systems 370
- STEPS FOR SUCCESS:** Tips for Disciplining Employees Effectively 371
- Monetary Incentives 372
- Nonmonetary Incentives 372

**CHALLENGE CASE SUMMARY** 373

Class Preparation and Personal Study 374

Management Skills Exercises 375

**17** Groups and Teams 381

Team Skill and Your Career 381

**CHALLENGE CASE:** Better Teamwork Makes Numerica Credit Union a Winner 382

Groups 383

Kinds of Groups in Organizations 383

- Formal Groups 383
- STEPS FOR SUCCESS:** Leading Group Development 388
- Informal Groups 388

Managing Work Groups 389

- Determining Group Existence 389
- Understanding the Evolution of Informal Groups 390

Teams 391

- Groups versus Teams 391
- Types of Teams in Organizations 392
- PRACTICAL CHALLENGE: PUBLIC RECOGNITION:** How Momchil Kyurkchiev Builds Teams at Leanplum 392

Stages of Team Development 394

- Forming 394
- Storming 394
- Norming 394
- Performing 394
- Adjourning 394
- Team Effectiveness 395
- Trust and Effective Teams 396
- TIPS FOR MANAGING AROUND THE GLOBE:** Establishing Trust in International Teams 397

Collaboration and Effective Teams 397

**CHALLENGE CASE SUMMARY** 398

Class Preparation and Personal Study 400

Management Skills Exercises 401

**18** Building Organization Culture 407

Organization Culture Skill and Your Career 407

**CHALLENGE CASE:** Zappos Doesn't Sell Shoes—It "Delivers WOW" 408

Fundamentals of Organization Culture 409

- Defining Organization Culture 409
- The Importance of Organization Culture 409
- TIPS FOR MANAGING AROUND THE GLOBE:** P&G's Worldwide Business Conduct Manual 410

Functions of Organization Culture 410

Types of Organization Culture 411

Building a High-Performance Organization Culture 413

**PRACTICAL CHALLENGE: BUILDING A STRONG ORGANIZATION CULTURE:** Southwest Airlines Celebrates Its Organization Culture 415

Keeping Organization Culture Alive and Well 416

- Establishing a Vision of Organization Culture 416
- Building and Maintaining Organization Culture through Artifacts 418
- STEPS FOR SUCCESS:** Tips for Writing a Values Statement 420
- Integrating New Employees into the Organization Culture 421
- Maintaining the Health of Organization Culture 422

**CHALLENGE CASE SUMMARY** 423

Class Preparation and Personal Study 424

Management Skills Exercises 425

## PART 6 Controlling

**19** Controlling, Information, and Technology 430

Controlling Skill and Your Career 430

**CHALLENGE CASE:** Domino's Goes High-Tech with Easy Order 431

The Fundamentals of Controlling 432

- Defining Control 432
- The Controlling Subsystem 432

The Controlling Process 432

- Measuring Performance 432
- Comparing Measured Performance to Standards 433
- Taking Corrective Action 435

Power and Control 436

- A Definition of Power 436
- Total Power of a Manager 437
- Steps for Increasing Total Power 437

<b>TIPS FOR MANAGING AROUND THE GLOBE:</b>	
Exercising Power across Cultures	437
Making Controlling Successful	438
<b>Essentials of Information</b>	439
Factors Influencing the Value of Information	439
<b>STEPS FOR SUCCESS:</b> Getting a Handle on Big Data	441
Evaluating Information	442
<b>The Information System (IS)</b>	443
Describing the IS	443
<b>PRACTICAL CHALLENGE: USING DATA FROM SOCIAL MEDIA:</b> Twitter Feeds Businesses' Needs	444
Managing Information Systems	446
<b>CHALLENGE CASE SUMMARY</b>	448
Class Preparation and Personal Study	449
Management Skills Exercises	450
<b>20 Production and Control</b>	455
Production Skill and Your Career	455
<b>CHALLENGE CASE:</b> Tesla Production Will Be Fastest in History	456
Production and Productivity	457
Defining Production	457
Productivity	457
Quality and Productivity	458
Focus on Continual Improvement	458
Focus on Quality and Integrated Operations	458
<b>PRACTICAL CHALLENGE: CONTINUAL IMPROVEMENT:</b> At Wisconsin Hospitals, Costs Fall as Quality Rises	459
Automation	460
Strategies, Systems, and Processes	461
Operations Management	462
Defining Operations Management	462
Operations Management Considerations	462
<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> Choosing a Factory Location: Volkswagen Picks North America	464
Operations Control	467
Just-in-Time Inventory Control	467
Maintenance Control	468
Cost Control	469
Budgetary Control	469
<b>STEPS FOR SUCCESS:</b> Controlling with a Budget	470
Ratio Analysis	471
Materials Control	472
Operations Control Tools	472

Using Control Tools to Control Organizations	473
Inspection	473
Management by Exception	473
Management by Objectives	474
Break-Even Analysis	474
Other Broad Operations Control Tools	476

### **CHALLENGE CASE SUMMARY** 477

Class Preparation and Personal Study	479
Management Skills Exercises	480

## Appendix 1 Managing: History and Current Thinking 484

Comprehensive Management Skill and Your Career	484
--	-----

<b>CHALLENGE CASE:</b> How Management Innovation Keeps Ford Moving Ahead	485
--	-----

<b>The Classical Approach</b>	486
Lower-Level Management Analysis	487
<b>PRACTICAL CHALLENGE: IMPROVING PRODUCTIVITY:</b> Tracking Sensors Take Work Measurement to a New Level	488
Comprehensive Analysis of Management	490
Limitations of the Classical Approach	491

<b>The Behavioral Approach</b>	491
The Hawthorne Studies	492
Recognizing the Human Variable	492

<b>STEPS FOR SUCCESS:</b> Understanding Employees	493
The Human Relations Movement	493

<b>The Management Science Approach</b>	493
The Beginning of the Management Science Approach	494
Management Science Today	494
Characteristics of Management Science Applications	495

<b>The Contingency Approach</b>	495
---------------------------------	-----

<b>The System Approach</b>	495
Types of Systems	496
Systems and "Wholeness"	496
The Management System	496
Information for Management System Analysis	497

<b>Learning Organization: A New Approach?</b>	498
---	-----

<b>TIPS FOR MANAGING AROUND THE GLOBE:</b> IBM's "Crowded" Learning Environment	499
---	-----

### **CHALLENGE CASE SUMMARY** 499

Class Preparation and Personal Study	500
Management Skills Exercises	501



# About the Authors

**Dr. Samuel C. Certo** is presently Emeritus Dean and Steinmetz Professor of Management at the Roy E. Crummer Graduate School of Business at Rollins College. Over his career, Dr. Certo has received many prestigious awards, including the Award for Innovative Teaching from the Southern Business Association, the Instructional Innovation Award granted by the Decision Sciences Institute, and the Charles A. Welsh Memorial Award for outstanding teaching. He has also received the Bornstein and Cornell Awards for teaching and global recognition of his scholarship.

Dr. Certo has also authored or co-authored several highly regarded textbooks, including *Modern Management: Concepts and Skills*, *Strategic Management: Concepts and Applications*, and *Supervision: Concepts and Applications*. His textbooks have been translated into several languages for distribution throughout the world.

His newest popular-market book, *Chasing Wisdom: Finding Everyday Leadership in Business and Life*, recommends combining business and biblical principles to build successful organizations. His podcast program emphasizing the chasing wisdom concept is available on iTunes. The number of its listeners is growing, and it now has listeners in over 200 countries.

A past chairperson of the Management Education and Development Division of the Academy of Management, he has had the honor of being presented with the group's Excellence in Leadership Award. Dr. Certo has also served as president of the Association for Business Simulation and Experiential Learning, an associate editor for *Simulation and Games*, and as a review board member of the *Academy of Management Review*. His consulting experience has been extensive and includes notable participation on boards of directors in both public and private companies.



**S. Trevis Certo** is the Jerry B. and Mary Anne Chapman Professor of Business in the Department of Management and Entrepreneurship in the W. P. Carey School of Business at Arizona State University. His research focuses on corporate governance, top management teams, initial public offerings (IPOs), and research methodology. Trevis's research has appeared in *Academy of Management Journal*, *Academy of Management Review*, *Strategic Management Journal*, *Journal of Management*, *Journal of Business Venturing*, *Entrepreneurship Theory and Practice*, *Journal of Management Studies*, *Business Ethics Quarterly*, *Journal of Business Ethics*, *California Management Review*, and *Business Horizons*. Trevis also serves on the editorial boards of *Academy of Management Journal* and *Strategic Management Journal*. Trevis has taught undergraduate, MBA, EMBA, and PhD courses in strategic management, research methodology, and international business at Arizona State University, Texas A&M University, Indiana University, Tulane University, and Wuhan University (China).



# Letter from the Authors

Dear Colleague,

Thank you for taking the time to review our book. If you are reading this right now, you likely agree with our (perhaps biased) opinion that Management is one of the most important courses that students will take in their academic careers. Regardless of their majors, management will likely be in your students' futures. Whether your students graduate to become salesforce members, financial analysts, or supply chain specialists, they will undoubtedly work for managers. This book will help students understand how managers work. Moreover, the concepts in this text will help students prepare for their own future management positions.

It is hard to believe that this management textbook, now in its fifteenth edition, is over 35 years old. While a little younger than companies such as Apple and Microsoft, it is amazing to think that our book is older than companies like Alphabet (Google), Costco, Amazon, Lockheed Martin, and Netflix. Like these leading companies, our book has advanced over the years, relying on one constant theme: innovation. We created a product that resonated with the academic community, and we continuously innovated over the decades that followed. Specifically, over the years we have continued to integrate leading-edge research on individuals, teams, and organizations with pedagogical techniques designed to enhance students' performance, their ability to obtain employment, and ultimately their careers.

The unique approach of our book is that each chapter in our comprehensive text helps students develop a specific management skill. The content specifically focuses on how students can be more strategic and more creative, work as team members, become successful leaders, and more. We designed our chapters to build these skills (and others) to fulfill the objective of this book: To help students both obtain employment and flourish in the workplace.

The work on the pages that follow is largely the result of our interactions with the many instructors around the globe who use our book. Thank you! If we can help, please do not hesitate to email us!

Sincerely,

Samuel C. Certo  
scerto@rollins.edu

S. Trevis Certo  
trevis.certo@asu.edu



# Preface

**Build students' management confidence by helping students not only learn management concepts but also develop a target skill in each chapter.**

## Applying Management Concepts

Each chapter opens with a **Challenge Case** that presents a company facing a particular challenge relevant to the topic of the chapter.

### CHALLENGE CASE

#### Diverse Employees Contribute to GE Lighting's Bright Future

Despite the common assumption that manufacturing jobs are disappearing, manufacturing companies face a hiring challenge. As experienced workers retire and technology advances, businesses need bright, hard-working employees who are comfortable with technology. GE Lighting is tapping the potential of the "millennial generation," workers born between 1982 and 2000. According to general manager Ron Wilson, the share of millennials among his manufacturing engineers and managers has doubled. The company is smoothing the way by preparing these employees to succeed. Its two-year leadership training program gives operations employees challenging assignments and brings them into contact with senior management. At the level of factory floor workers, the company partners with local com-



Tony Dejak/AP Images

### CHALLENGE CASE SUMMARY

This chapter emphasizes what management is and what managers do. As a manager, James Quincey is engaged in processes that help Coca-Cola reach organizational goals. Quincey, as CEO of a major corporation, must focus on how the company can deliver top quality at a competitive price and develop new products that will keep the company abreast of the latest consumer trends. He cannot possibly develop, make, and sell all the products; rather, he leads the efforts within his group, keeping them aligned with the company's goals.

Quincey engages in planning, organizing, influencing, and controlling the work of the people at Coca-Cola. He uses human resources, as well as money, raw materials, and machinery (capital equipment). These efforts succeed when his group is both effective (successful in achieving goals) and efficient (minimizes the use of resources).

Quincey has risen in the ranks at Coca-Cola because he has demonstrated that he has management skill—the ability to carry out the process of reaching organizational goals by working with and through people and other organizational resources. According to the classic understanding, management skill is the combination of three different kinds of skills: technical, human, and conceptual skills. In this understanding of management, technical skills were especially important for Quincey when he first took on lower-management jobs. As he rose through Coca-Cola's hierarchy, Quincey depended less on the use of technical skills and more on the use of conceptual

and building cooperation, are important at all levels of management.

More recently, management skills have been viewed in terms of the activities carried out by managers. Quincey and other managers typically perform task-related, people-related, and change-related activities. Task-related activities require skills in short-term planning, clarifying objectives, and monitoring performance. People-related activities require skills in encouraging employees, providing recognition for accomplishments, developing skills in others, consulting others when making decisions, and empowering employees to solve problems. Change-related activities require skills in monitoring the organization's environment, proposing new ideas, encouraging innovation, and taking necessary risks.

The Challenge Case described how John Quincey has progressed through his career in management and the challenges of being a top manager. A career is a sequence of work-related positions over the course of a person's life. Also, in his progression to the top position at Coke, he has embodied the six management employability skills. He has demonstrated his expertise in communication, critical thinking, creativity, collaboration, knowledge application, and ethics and social responsibility. We have not yet seen the end of Quincey's career, but his path so far illustrates how a hardworking, goal-oriented person can develop skills by successfully taking on challenging positions that offer opportunities to learn more about a company's products, customers, and

At the end of each chapter is the **Challenge Case Summary**, where students read about how the company manager(s) used the concepts presented in the chapter to address the challenge.

**Tips for Managing Around the Globe, Steps for Success, and Practical Challenge** callouts highlight practical applications of management concepts.

**TIPS FOR MANAGING AROUND THE GLOBE**

**Making the Most of International Experience**

People assume that international experience will open up opportunities for managers. Certainly, if employees and customers live in different countries, familiarity with those cultures should be a big plus. For example, Andrew Gamertsfelder credited his marketing internships in Brazil with helping him land a job working for Stryker Orthopaedics in Brazil after he graduated from the University of Pittsburgh. And when the staffing firm Robert Half surveyed chief financial officers in the United States, almost 70 percent said international experience was important for accounting and financial

However, researchers at the IE Business School in Spain conducted a study that raises questions about the value of international experience. Reviewing the careers of chief executive officers at large corporations, the researchers found that the longer the managers had worked overseas, the longer they took to reach the top jobs. Apparently, executives should balance overseas experience against staying in contact with decision makers at headquarters. To do this, executives should take shorter assignments and participate in

**STEPS FOR SUCCESS**

**Developing Human Skills**

At SAS America, Thomas Lynch's management career had stalled. Lynch, who specializes in sales support, had an excellent record of helping customers solve problems, but he was not getting key assignments or promotions. He brought the issue to his superiors, who pointed to his human skills: Although he was a great problem solver and well liked, he came across as lacking ambition. With coaching and practice, Lynch learned to pick opportunities to offer his expertise.

As Lynch learned to pick opportunities to offer his expertise, he also learned to be more assertive. It was an important

looking for the ability to set priorities, a positive attitude, and the ability to function well as part of a team. Here are some ways to build human skills:<sup>27</sup>

- Ask colleagues what you do well and what behaviors they would like to see improve.
- Learn to control your emotions. Notice what triggers a reaction, and practice ways to be calm in those situations.
- Get expert advice—seek help from a career coach,

**PRACTICAL CHALLENGE: ATTAINING GOALS**

**Michael Hoffman Achieves User Satisfaction at New York Passport Agency**

To see how managers can contribute to attaining goals, consider Michael Hoffman, who works for the State Department as regional director of the New York Passport Agency. The busy facility he directs, on Hudson Street in New York City, is one of only 17 where people may pick up their passports if they are traveling within 14 days. Therefore, many clients are under stress; perhaps an emergency came up overseas, or they discovered at the airport that the passport had expired. Hoffman's goal is to serve clients efficiently, fulfilling their requests to the extent allowed.

Hoffman uses the resources under his control. He organizes waiting rooms and plans the flow of clients for maximum efficiency. He must use the State Department's software but has discretion to promote and discipline agents according to their performance. Strong leadership builds dedicated staff members who are committed to helping clients, even working in unheated offices after Hurricane Sandy in 2012. Hoffman's goal-oriented management has helped create an agency that scores 4.5 out of 5 stars on the Yelp consumer ratings website, far ahead of other government agencies.<sup>16</sup>

Each chapter references assignable exercises in MyLab Management like branching, scenario-based **Try It! Mini Sims** and **Watch It! Videos** about real companies to provide even more opportunities for students to apply the concepts they are learning to real-world situations.

Being a woman and a member of a minority group can present a double hurdle in investment banking. For this reason, leadership at Morgan Stanley initiated its Emerging Manager Program to identify and support up-and-coming asset managers, particularly women of color. The program seeks to partner with and provide capital to asset managers in underrepresented segments (such as women-owned and minority-owned businesses). The goal is to increase the number of female and minorities in asset management, thereby creating a broader pool of talent and ultimately enhancing business results.<sup>27</sup>

**MyLab Management Try It**

If your instructor has assigned this activity, go to [www.pearson.com/mylab/management](http://www.pearson.com/mylab/management) to complete the Mini Sim.

**Older Workers** Older workers are a significant and valuable component of the labor force.<sup>28</sup> Approximately 16 million Americans over 55 years of age are employed or looking for work. Older workers are becoming an important labor force component. From 2002 to 2010, progressively fewer younger employees were available for hire because of the slow population growth between 1966 and 1985. During this same period, the pool of older workers available for hire increased faster than that of any other age segment and comprised more than 19 percent of the labor market.<sup>29</sup>

Anticipating this simultaneous shortage of younger workers and increase in the number of older workers in the labor market, many managers have recommended that now be the time to start recruiting older workers.<sup>30</sup> Successful tactics for recruiting older workers include asking for referrals from current employees, using employment agencies, contacting local senior citizens community groups, and surveying members of various churches. Advantages of hiring older workers include their willingness to work nontraditional hours, their ability to serve as mentors, and their strong work ethic. Disadvantages of hiring older workers might include their lack of technology experience and possible increase in benefit costs to the organization due to their health-care needs. Once hired, management should focus on meeting the needs of older workers. For example, management must understand issues such as job preferences and that the personal needs of older versus younger workers are normally different. As a result, management may have to take several steps to meet the needs of the two different groups of workers. However, such steps will help management retain older workers and encourage older workers to be more productive as possible.<sup>31</sup>

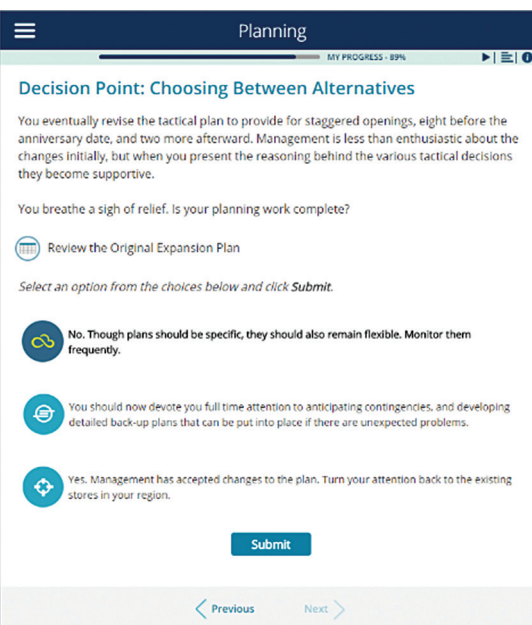
**Stereotypes and Prejudices** Older workers face some specific challenges because of managers' views of older people. Stereotypes and prejudices link age with senility, incompetence, and lack of worth in the labor market. Jeffrey Sonnenfeld, an expert on senior executives and older workers, compiled research findings from several studies of older employees. He found that managers view older workers as "wood" and seek to "weed them out" through pension incentives, biased performance appraisals, and other methods.<sup>32</sup>

Sonnenfeld's compilation of research indicates that even though older managers are more cautious, less likely to take risks, and less open to change than younger managers, many are high performers. Studies that tracked individuals' careers over the long term conclude that a peak in performance occurs at about age 45 to 50, and a second peak occurs at about age 55 to 60. Performance in some fields (e.g., sales) either improves with age or does not significantly decline.

Effective managers retain their valuable older workers by recognizing and meeting their special needs.



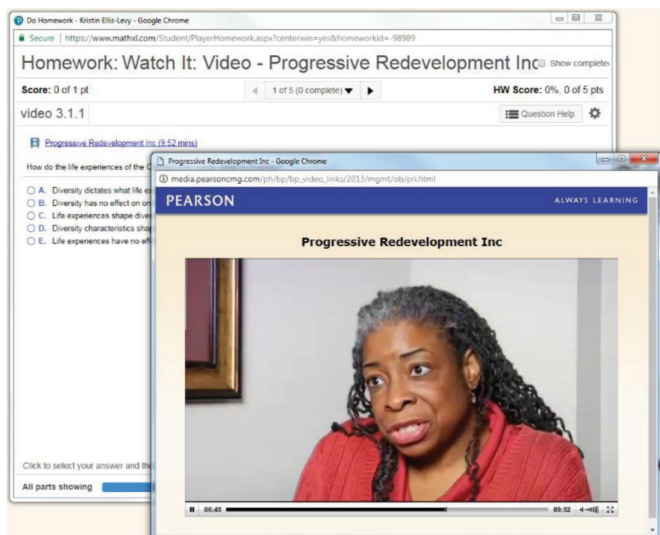
Layland Masuda/Shutterstock



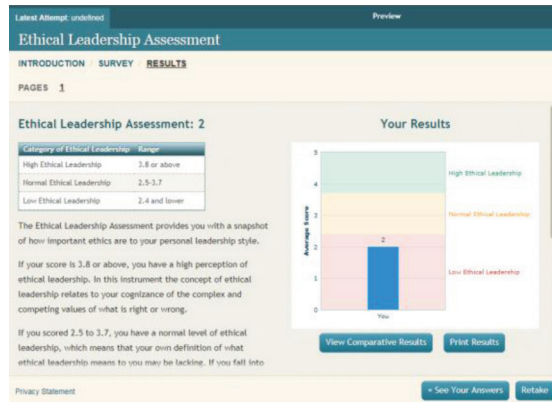
somewhat effective despite being inefficient if demand for the finished goods is so high that the manager can get an extremely high price per unit sold and thus absorb inefficiency costs. Thus, a manager can be effective without being efficient, and vice versa. To maximize organizational success, however, both effectiveness and efficiency are essential.

**MyLab Management Watch It**

If your instructor has assigned this activity, go to [www.pearson.com/mylab/management](http://www.pearson.com/mylab/management) to complete the video exercise.



As an example of achieving efficiency and effectiveness, consider Telstra Corporation, Australia's largest telecommunication company. Like its counterparts the world over, Telstra faces the challenges of a changing industry in which mobile phones are fast becoming more popular than the landline business on which Telstra built its fortunes. To survive, Telstra is scrambling to create a nimble management team and prune the bureaucracy that slows down decision making and internal operations. In a recent reorganization of his executive team, Telstra CEO David Thodey created four groups—customer sales and support, product and marketing innovation, operations, and corporate support—all focused on effectiveness: getting more competitive while also attracting and retaining customers.<sup>19</sup>



## Developing Management Skills

**Target Skill** and **Skill and Your Career** at the opening of each chapter focus on managerial skills that employers most value in job candidates. Students can develop these skills by completing specially designed, innovative learning activities, which appear both in the text and through MyLab Management.

Homework: Chapter 1 Assessing Your Management Skills Show completed problems

Score: 0 of 1 pt 1 of 14 (1 complete) HW Score: 0%, 0 of 14 pts

**Assessing Your Mgmt Concepts 1.1** Question Help

Refer to the Challenge Case at the beginning of the chapter. Respond to the following question regarding the type of advice you would give to Rodney Adkins, senior vice president at IBM. Then address the management and personal challenges he has faced within the company.

For Each Statement Select

- \*"Y" if you would give the advice to Adkins.
- \*"N" if you would NOT give the advice to Adkins.
- \*"NI" if you have no idea whether you would give the advice to Adkins.

Mr. Adkins, in meeting your management challenges at IBM, you should...

make sure you understand how important management is in successfully marketing the new IBM products.

A. Y  
 B. N  
 C. NI

**Management Skills Exercises** provide additional discussion questions to dig into the Challenge Case and a second, short case to help students better understand how concepts apply to companies and their challenges.

**Personal Inventory Assessments**, assignable in MyLab Management, are recommended by the authors in every chapter. These assessments provide immediate results to develop professionalism and awareness of oneself and others, giving students the skills necessary for their future career.

### TARGET SKILL

**Management Skill:** the ability to work with people and other organizational resources to accomplish organizational goals

**MyLab Management Assessing Your Management Skill**  
 If your instructor has assigned this activity, go to [www.pearson.com/mylab/management](http://www.pearson.com/mylab/management) to complete the exercise related to the Challenge Case.

**Assessing Your Management Skills** is an assignment in MyLab Management with an average of 15 questions that asks the students to indicate how they would advise senior management to respond to situations in the Case Challenge and Case Challenge Summary. Students receive instant feedback on their responses. Results flow to the gradebook.

## Management Skills Exercises

### MyLab Management Discussion Questions

Go to [www.pearson.com/mylab/management](http://www.pearson.com/mylab/management) to complete the problems marked with this icon

### Cases

#### Coke's New CEO Battles a Changing Market

"Coke's New CEO Battles a Changing Market" and its related Challenge Case Summary were written to help you understand the management concepts contained in this chapter. Answer the following discussion questions about the introductory case to explore how fundamental management concepts can be applied to a company such as Coca-Cola.

Three **Experiential Exercises** are featured at the end of each chapter. The first type helps students use active learning, frequently in groups, to develop knowledge and skills specific to chapter content. The second, **You and Your Career**, is an exercise that asks students to reflect on chapter content to help them better understand how to manage their careers. The third type, **Building Your Management Skills Portfolio** activities, use real company examples and data points to help students demonstrate the management knowledge and skill acquired in that chapter.

### Experiential Exercises

#### Managing Generation Z

*Directions.* Read the following scenario and then perform the listed activities. Your instructor may want you to perform the activities as an individual or within groups. Follow all of your instructor's directions carefully.

This chapter discussed the various generations that make up American society as well as the workforce. Most likely, you're a member of Generation Z (born after 1995) and you're eager to begin your career. A few characteristics of Generation Z have already been mentioned in this chapter. However, list 10 traits that typify a member of Generation Z. You might even ask a person of another generation his or her thoughts on what characterizes someone from Generation Z. Next, for each trait you identify, provide one suggestion for managers who find themselves supervising this age group. Try to be specific so that the manager could take what you prepare and be a more effective manager in supervising this generation.

#### You and Your Career

Diversity in the workplace is important. It ensures that fresh ideas and ways of looking at problems and opportunities abound. However, a few firms may not value diversity as much, preferring a much more homogeneous staff. Assume you interviewed for a job for an open position at a company that you were very interested in. A week after the interview, however, you receive an e-mail letting you know that you were not selected. Coincidentally, you discover from a friend of yours who works at the company that it didn't hire you because of your race, gender, age (etc.); choose the most fitting for your circumstances).

Also assume that you filed a lawsuit and won. The judge has ruled that the company must hire you and was assessed a small fine. Would you accept the position now with the company? Why or why not?

#### Building Your Management Skills Portfolio

*Your Management Skills Portfolio is a collection of activities specially designed to demonstrate your management knowledge and skill. Be sure to save your work. Taking your printed portfolio to an employment interview could be helpful in obtaining a job.*

*The portfolio activity for this chapter is Assessing Diversity at TECO Energy. Read the following about TECO Energy and answer the questions that follow.*

TECO Energy is an energy company headquartered in Tampa, Florida. TECO Energy's five business units include (1) Tampa Electric, a regulated electric utility serving more than 635,000 customers in West Central Florida; (2) Peoples Gas System, Florida's largest natural gas distribution utility; (3) TECO Coal, a producer of conventional coal and synthetic fuel; (4) TECO Transport, a river and ocean waterborne transportation provider; and (5) TECO Guatemala, owner of two power plants in Guatemala. (You can learn more about the company by visiting [www.tecoenergy.com](http://www.tecoenergy.com))

creating a diverse workforce. Management recently reported the results of a diversity study aimed at monitoring its diversity efforts by ascertaining the present characteristics of its workforce. Part of the results of that study appears in Exhibits 1, 2, and 3.

**Exhibit 1 Gender of Workforce**

Company	Female	Male
TECO Energy (corporate)	62%	38%
Tampa Electric	25%	75%
Peoples Gas	28%	72%
TECO Transport	10%	90%
TECO Coal	4%	96%
TECO Guatemala (corporate)	29%	71%
TECO Guatemala	12%	88%
Total number of employees	970	4,122

**Exhibit 2 Race/Ethnicity of Workforce**

Company	Black	White	Hispanic	Other
TECO Energy (corporate)	6%	84%	10%	0%
Tampa Electric	14%	73%	11%	2%
Peoples Gas	14%	70%	15%	1%
TECO Transport	12%	85%	2%	1%
TECO Coal	0%	100%	0%	0%
TECO Guatemala (corporate)	0%	43%	43%	14%
TECO Guatemala*				
Total number of employees	522	3,993	399	178

\* U.S. ethnicity codes not applicable to TECO Guatemala.

**Exhibit 3 Leadership by Gender and Race**

Company	Female	Male	Black	White	Hispanic	Other
TECO Energy (corporate)	56%	44%	4%	87%	9%	0%
Tampa Electric	30%	70%	9%	77%	11%	3%
Peoples Gas	28%	72%	6%	80%	14%	0%
TECO Transport	20%	80%	6%	91%	2%	1%
TECO Coal	9%	91%	0%	100%	0%	0%
TECO Guatemala (corporate)	29%	71%	0%	43%	43%	14%
TECO Guatemala*	11%	89%	N/A	N/A	N/A	N/A
Total number of employees	28%	72%	7%	79%	10%	4%

\* U.S. ethnicity codes not applicable to TECO Guatemala.

#### Questions

- 4-10** List five major points that Exhibits 1, 2, and 3 tell management about TECO's workforce.
- \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_
- 4-11** How does management at TECO determine whether the present level of workforce diversity is appropriate for the company?
- \_\_\_\_\_
- \_\_\_\_\_
- 4-12** Assume that TECO management performs a similar study in five years. Name three new dimensions of diversity that you would like the study to explore. Explain why you would like each dimension studied.

- Dimension 1:** \_\_\_\_\_
- Why study this dimension?
- \_\_\_\_\_
- \_\_\_\_\_
- Dimension 2:** \_\_\_\_\_
- Why study this dimension?
- \_\_\_\_\_
- \_\_\_\_\_
- Dimension 3:** \_\_\_\_\_
- Why study this dimension?
- \_\_\_\_\_
- \_\_\_\_\_

#### MyLab Management Writing Assignments

If your instructor has assigned this activity, go to [www.pearson.com/mylab/management](http://www.pearson.com/mylab/management) for auto-graded writing assignments as well as the following assisted-graded writing assignments:

##### Assisted-Grading Questions

- 4-13** Pinpoint five ways that discrimination might negatively affect an organization.
- 4-14** List five ways that you would promote diversity in an organization. How would you control your efforts to make sure they were successful?

## What's New to This Edition

---

### NEW! Management Skill and Your Career

Helps students understand the relationship between each chapter's Target Skill and future employability.

### UPDATED! Reorganized Table of Contents

Reflects the changing importance placed on Entrepreneurship and Creativity and Innovation due to research on what companies are seeking in applicants.

- **Management and Entrepreneurship** chapter (formally Appendix 2) is now Chapter 2.
- **Creativity and Innovation** chapter (formally Appendix 3) is now Chapter 6.

### NEW! Employability & Employability Skills

Consistent with our traditional pragmatic focus on concepts and skills, a new theme has been added on what it means to be employable and developing related skills.

### NEW! Chapter-Opening Challenge Cases & Chapter-Ending Challenge Case Summaries

Half of the Challenge Cases and Challenge Case Summaries are new to this edition, including new cases on Netflix, Walt Disney Company, and Domino's Pizza.

### NEW! Chapter-Ending Cases

Half of the Chapter-Ending Cases are new to this edition, including a new case on Fox News and CNN.

### NEW! Experiential Exercises

Half of the chapter-ending experiential exercises are new to this edition. Exercises focus on topics like conducting feasibility studies, managing Generation Z, and understanding cultures in other countries.

### NEW! Chapter Highlights: Tips for Managing Around the Globe, Steps for Success, and Practical Challenge.

Half of the highlights are new to this edition. New features focus on topics like P&G's Integrity Statement, interviewing recruits at Home Depot, and China's efforts to implement sustainable agricultural practices.

### NEW AND UPDATED! Research Updates

Each chapter topic was thoroughly reviewed for timeliness of cited research, with endnotes being modified as necessary. Topics now include, for example, employability, self-managed teams, organization development, and workplace bullying.

## Chapter-by-Chapter Changes

---

### Introduction to Modern Management

#### Chapter 1: Introducing Modern Management: Concepts and Skills

- Updated with new Highlight: Management Skill and Your Career
- New chapter coverage on employability skills and highlights about top-paid executives
- New Challenge Case discusses Coca-Cola's new CEO, James Quincey

- New end-of-chapter case features Doze Mattresses and the challenges of managing a start-up business
- New Experiential Exercise related to conceptual skills
- New You and Your Career activity delves into managing older generations of workers

**Chapter 2: Management and Entrepreneurship: Handling Start-Ups and New Ventures**

- New Chapter Placement: Moved to front of book to emphasize entrepreneurship early in course
- New Highlight: Entrepreneurship Skill and Your Career
- New Challenge Case, Professor Becomes Restaurateur, focuses on start-ups
- New Experiential Exercise focuses on conducting a feasibility study
- New You and Your Career looks at hiring decisions
- New Building Your Management Skills Portfolio activity discusses the entrepreneurship process

**Modern Management Challenges**

**Chapter 3: Society, Ethics, and Sustainability**

- New Highlight: Social Responsibility Skill and Your Career
- New chapter coverage on tracking sustainability goals
- New Challenge Case addresses how IKEA builds on its commitment to the environment
- New Tips for Managing Around the Globe focuses on China’s efforts to implement more sustainable agricultural practices
- New Steps for Success is about P&G’s integrity statement
- New Practical Challenge emphasizes sustainability at Mars
- New end-of-chapter case on whistle-blowing at Wells Fargo

**Chapter 4: Management and Diversity**

- New Highlight: Diversity Skill and Your Career
- New chapter coverage on EEOC and related case settlements
- New Tips for Managing Around the Globe that looks at Deloitte UK
- New Steps for Success discusses Generation Z
- New Practical Challenge examines Pinterest’s hiring goals for a more diverse workforce
- New Challenge Case discusses how diverse employees contribute to GE Lighting’s bright future
- New end-of-chapter case on Fox News and CNN’s racial discrimination lawsuits
- New Experiential Exercise explores difficulty of managing Generation Z
- New You and Your Career emphasizes discrimination

**Chapter 5: Managing in the Global Arena**

- New Highlight: Global Management Skill and Your Career
- New chapter coverage of foreign investment in the United States, U.S. investment abroad, non-verbal gestures and different cultures, and the United Kingdom exiting the European Union
- New Challenge Case discusses the phenomenal growth of KFC in China
- New Experiential Exercise considers understanding other cultures
- New You and Your Career examines moving a firm to Brazil.
- New Building Your Management Skills Portfolio addresses challenges of working abroad

**Chapter 6: Creativity and Innovation**

- New Chapter Placement: Moved to front of book to emphasize this topic earlier in course
- New Highlight: Creativity and Innovation Skill and Your Career
- New Challenge Case: Olde Peninsula Brings Brewpub Innovation to Kalamazoo
- New end-of-chapter case focuses on autonomous vehicles
- New Experiential Exercise uses student experiences in their principles of management course to gain insight about how creativity and innovation can have an impact on the effectiveness of training environments
- New You and Your Career emphasizes creative ways to enhance résumés

## Planning

### Chapter 7: Plans and Planning Tools

- New Highlight: Planning Skill and Your Career
- New example illustrates how Mitsubishi Electric constructed a new training facility
- New Steps for Success feature reviews tips for creating a budget
- New end-of-chapter case showcases how Gillette is battling Dollar Shave Club

### Chapter 8: Making Decisions

- New Highlight: Decision-Making Skill and Your Career
- New Practical Challenge features Ford deciding to cancel building a Mexican auto factory
- New Building Your Management Skills Portfolio examines the decision making in solving a restaurant problem

### Chapter 9: Strategic Planning: Strategies, Tactics, and Competitive Dynamics

- New Highlight: Strategic Planning Skill and Your Career
- New Tips for Managing Around the Globe explores Ryanair's cost leadership strategy
- New Experiential Exercise focuses on applying Porter's model to Burger King
- New Building Your Management Skills Portfolio activity examines strategic issues at Newell Brands

## Organizing

### Chapter 10: Fundamentals of Organizing

- New Highlight: Organizing Skill and Your Career
- New Tips for Managing Around the Globe shows how a French law bans work e-mail after hours
- New You and Your Career explores working in a flat versus tall organization structure
- New Building Your Management Skills Portfolio examines coordination and span of management

### Chapter 11: Responsibility, Authority, and Delegation

- New Highlight: Responsibility and Delegation Skill and Your Career
- New Challenge Case examines Hy-Vee Supermarkets and manager autonomy
- New Steps for Success provides tips for delegating tasks
- New end-of-chapter case reviews Warby Parker permitting employees to choose their own projects
- New Experiential Exercise discusses centralization versus decentralization at Dairy Queen
- New You and Your Career emphasizes job descriptions
- New Building Your Management Skills Portfolio illustrates delegation at Etsy

### Chapter 12: Human Resource Management

- New Highlight: Human Resource Management Skill and Your Career
- New Challenge Case discusses Netflix revamping its human resource function
- New Steps for Success gives tips for being an effective interviewer
- New Practical Challenge illustrates how Home Depot conducts interviews
- New end-of-chapter case looks at Disney using social media to recruit employees
- New Building Your Management Skills Portfolio illustrates conducting a human resource audit at Gold Star Chili

### Chapter 13: Changing Organizations: Stress, Conflict, and Virtuality

- New Highlight: Organizational Change Skill and Your Career
- New chapter coverage of IBM and Yahoo! moving from virtual work arrangements back to traditional office settings
- New Experiential Exercise discusses change agents in a campus organization
- New You and Your Career focuses on stress reduction



- New Building Your Management Skills Portfolio emphasizes helping employees through a major change at work

## Influencing

### Chapter 14: Influencing and Communication

- New Highlight: Communication Skill and Your Career
- New Practical Challenge: Google’s Emotional Intelligence Course
- New Tips for Managing Around the Globe: Cross-Cultural Communication
- New Steps for Success: Crafting an Elevator Speech
- New end-of-chapter case: Houston Zoo Improves Internal Communication
- New You and Your Career discusses the use of mobile devices across different generations
- New Building Your Management Skills Portfolio examines Radisson Hotels

### Chapter 15: Leadership

- New Highlight: Leadership Skill and Your Career
- New Challenge Case: Bain & Company’s CEO, Bob Bechek, Leads the Team
- New Tips for Managing Around the Globe: Adapting Your Leadership Style in Other Cultures
- New Steps for Success: Tips for Establishing a Coaching Program
- New Practical Challenge: How Mary Barra, GM’s CEO, Meets the Leadership Challenge
- New Experiential Exercise explores leaders consulting with employees when making decisions
- New Building Your Management Skills Portfolio discusses Don Blankenship, former president of the Upper Big Branch Mine, losing 29 miners in an industrial accident

### Chapter 16: Motivation

- New Highlight: Motivation Skill and Your Career
- New Challenge Case focuses on how Disney motivates employees
- New Practical Challenge: How The Home Depot Recognizes Employees
- New Tips for Managing Around the Globe: Motivating Employees from Other Cultures
- New Steps for Success: Tips for Disciplining Employees Effectively

### Chapter 17: Groups and Teams

- New Highlight: Team Skill and Your Career
- New chapter coverage on collaboration and effective work teams
- New Practical Challenge: How Momchil Kyurkchiev Builds Teams at Leanplum
- New You and Your Career exercise focusing on cross-functional teams

### Chapter 18: Building Organization Culture

- New Highlight: Organization Culture Skill and Your Career
- New Tips for Managing Around the Globe: P&G’s Worldwide Business Conduct Manual
- New Steps for Success: Tips on Writing a Values Statement
- New Practical Challenge: Southwest Airlines Celebrates Its Organization Culture
- New You and Your Career feature focusing on an ideal organization culture

## Controlling

### Chapter 19: Controlling, Information, and Technology

- New Highlight: Controlling Skill and Your Career
- New Challenge Case highlighting how Domino’s uses technology
- New end-of-chapter case emphasizes how Metail helps buyers try on clothes with virtual models
- New Experiential Exercise illustrates controlling instructional programs in organizations by having students reflect on personal experiences in their principles of management courses

- New You and Your Career emphasizes the role of information and technology in career building

### Chapter 20: Production and Control

- New Highlight: Production Skill and Your Career
- New Challenge Case on Tesla increasing production while improving quality
- New end-of-chapter case examines new layout strategy at Cheddar's restaurant
- New Experiential Exercise illustrates calculating a break-even point
- New You and Your Career explores production versus service environments
- New Building Management Skills Portfolio focuses on material controls in a manufacturing setting

## Appendix 1

### Managing: History and Current Thinking

- New Highlight: Comprehensive Management Skill and Your Career
- New Challenge Case focuses on Alan Mulally emphasizing innovation at Ford Motor Company
- New Practical Challenge highlight discusses how Bank of America redesigned work areas
- New Steps for Success highlights tips for better understanding employees
- New Tips for Managing Around the Globe describes crowdfunding at IBM
- New end-of-appendix case focuses on managing UPS in an Internet economy

# MyLab Management

### Reach every student by pairing this text with MyLab Management

MyLab is the teaching and learning platform that empowers you to reach *every* student. By combining trusted author content with digital tools and a flexible platform, MyLab personalizes the learning experience and improves results for each student. Learn more about MyLab Management at [www.pearson.com/mylab/management](http://www.pearson.com/mylab/management).

- **Deliver trusted content:** You deserve teaching materials that meet your own high standards for your course. That's why we partner with highly respected authors to develop interactive content and course-specific resources that you can trust—and that keep your students engaged.
  - And with **Mini Sims**, students can apply course concepts and develop decision-making skills through real-world business challenges.
- **Empower each learner:** Each student learns at a different pace. Personalized learning pinpoints the precise areas where each student needs practice, giving all students the support they need—when and where they need it—to be successful.
  - **The Study Plan** gives students personalized recommendations, practice opportunities, and learning aids to help them stay on track.
- **Teach your course your way:** Your course is unique. Whether you'd like to build your own assignments, teach multiple sections, or set prerequisites, MyLab gives you the flexibility to easily create your course to fit your needs.
  - Choose from a library of **Personal Inventory Assessments** to promote self-reflection and engagement in students, helping them better understand management concepts.
- **Improve student results:** When you teach with MyLab, student performance improves. That's why instructors have chosen MyLab for over 15 years, touching the lives of over 50 million students.

# Instructor Teaching Resources

This program comes with the following teaching resources:

Supplements available to instructors at <a href="http://www.pearsonhighered.com">www.pearsonhighered.com</a>	Features of the Supplement
<b>Instructor's Resource Manual</b> authored by Julie Boyles from Portland State University	<ul style="list-style-type: none"> <li>• Chapter-by-chapter summaries</li> <li>• Chapter outlines with teaching notes</li> <li>• Additional individual assignments and group exercises</li> <li>• Case discussion notes</li> <li>• Solutions to all questions and exercises in the book</li> </ul>
<b>Test Bank</b> authored by Carol Heeter from Ivy Tech Community College	1,890 multiple-choice, true/false, and essay questions with these annotations: <ul style="list-style-type: none"> <li>• Learning Objective</li> <li>• AACSB learning standard (Written and Oral Communication; Ethical Understanding and Reasoning; Analytical Thinking; Information Technology; Interpersonal Relations and Teamwork; Diverse and Multicultural Work Environments; Reflective Thinking; Application of Knowledge)</li> <li>• Difficulty level (Easy, Moderate, Challenging)</li> <li>• Classification (Critical Thinking, Concept, Application, Analytical, or Synthesis)</li> </ul>
<b>TestGen® Computerized Test Bank</b>	TestGen allows instructors to: <ul style="list-style-type: none"> <li>• Customize, save, and generate classroom tests</li> <li>• Edit, add, or delete questions from the Test Bank</li> <li>• Analyze test results</li> <li>• Organize a database of tests and student results</li> </ul>
<b>PowerPoint Presentation</b> authored by Rusty Juban from Southeastern Louisiana University	Presents basic outlines and key points from each chapter Slides meet accessibility standards for students with disabilities. Features include but are not limited to: <ul style="list-style-type: none"> <li>• Keyboard and Screen Reader access</li> <li>• Alternative text for images</li> <li>• High color contrast between background and foreground colors</li> </ul>

## Acknowledgments

We are grateful beyond words for the continued acceptance of *Modern Management* by management instructors in both the United States and other countries. It has also been translated into several foreign languages, such as Portuguese and Spanish, and adopted for use in professional management training programs.

Over the years we have received personal satisfaction from the continued and growing popularity of *Modern Management*. Much of the credit for this popularity rightfully belongs to our colleagues who have supplied many of the key ideas for refinement and development. We would like to extend our warmest personal gratitude to these professionals for their dedication and commitment to making *Modern Management* what it is today.

The colleagues whose ideas contributed to this edition and all editions include:

Don Aleksy, Illinois Valley College  
 Michael Alleruzzo, Saint Joseph's University

Barry Axe, Florida Atlantic University  
 Karen Barr, Penn State University  
 Dan Baugher, Pace University

- Dan S. Benson, Kutztown University of Pennsylvania
- Gene Blackmun III, Rio Hondo College
- Wayne Blue, Allegany College of Maryland
- Elise A. Brazier, Northeast Texas Community College
- Patricia M. Buhler, SPHR, Goldey-Beacom College, Wilmington, Delaware
- Michael Carrell, Morehead State University
- Tony Cioffi, Business Division, Lorain County Community College
- Christy Corey, University of New Orleans
- Helen Davis, Jefferson Community College—Downtown Louisville
- E. Gordon DeMeritt, Shepherd University
- Fred J. Dorn, University of Mississippi
- Lon Doty, San Jose State University
- Megan Endres, Eastern Michigan University
- Joyce Ezrow, Anne Arundel Community College
- Ronald A. Feinberg, Business, Accounting & Paralegal Studies, Suffolk Community College
- William Brent Felstead, College of the Desert
- Robert Freeland, Columbia Southern University
- Theresa Freihoefer, Central Oregon Community College
- Dwight D. Frink, University of Mississippi
- Omid E. Furutan, University of La Verne
- George Gannage, West Central Technical College
- Wayne Gawlik, Joliet Junior College
- Ashley Geisewite, Southwest Tennessee Community College
- Adelina Gnanlet, California State University
- Joseph Goldman, University of Minnesota
- Scott D. Graffin, Terry College of Business, University of Georgia
- Reginald Hall, Tarleton State University
- Jamey R. Halleck, Marshall University
- Robert W. Halliman, Austin Peay State University
- LeaAnna Harrah, Marion Technical College
- Heidi Helgren, Delta College
- Jo Ann Hunter, Community College of Allegheny County
- Steven E. Huntley, Florida Community College at Jacksonville
- Robert E. Kemper, Northern Arizona University
- Toni Carol Kind, Binghamton University
- Dennis L. Kovach, Community College of Allegheny County
- Loren Kuzuhara, University of Wisconsin
- Gosia Langa, University of Maryland
- Theresa Lant, New York University
- Maurice Manner, Marymount College
- Jon Matthews, Central Carolina Community College
- Michelle Meyer, Joliet Junior College
- Angela Miles, North Carolina A&T State University
- Marcia Miller, George Mason University
- Robert Morris, Florida State College of Jacksonville
- Jennifer Morton, Ivy Tech Community College
- Rhonda Palladi, Georgia State University
- Donald Petkus, Indiana University
- James I. Phillips, Northeastern State University
- Scott A. Quatro, Covenant College
- Richard Ratliff, Shari Tarnutzer, and their colleagues, Utah State University
- Paul Robillard, Bristol Community College
- Tim Rogers, Ozarks Technical College
- Gisela Salas, Webster University, Barry University, St. Leo University, University of the Rockies
- James Salvucci, Business Management, Curry College, Milton, Massachusetts
- Duanne Schecter, Muskegon Community College
- Johnny Shull, Central Carolina Community College
- Denise M. Simmons, Northern Virginia Community College
- Joe Simon, Casper College
- Randi L. Sims, Nova Southern University
- Gregory Sinclair, San Francisco State University
- L. Allen Slade, Covenant College
- Anthony W. Slone, Elizabethtown Community & Technical College
- M. Smas, Kent State University
- Miles Smayling, Minnesota State University, Mankato
- Casey R. Smith, Shawnee State University
- Charles I. Stubbart, Southern Illinois University Carbondale
- Dr. Peter Szende, Boston University
- Tom Tao, Lehigh University
- Paul Thacker, Macomb Community College
- Don Tobias, Cornell University
- Larry Waldorf, Boise State University
- Gloria Walker, Florida Community College at Jacksonville
- Cindy W. Walter, Antelope Valley College
- Bob Waris, University of Missouri Kansas City

We would also like to give special recognition to Steven Stovall, Associate Professor of Management at Wilmington College and holder of the Ralph J. Stolle Chair of Entrepreneurship. Professor Stovall made significant contributions to this edition of *Modern Management* by ensuring that published content was pragmatic and timely, and represented real-world management challenges. We are extremely grateful for Professor Stovall's impact on this new edition.

In addition, we would like to thank Carol Heeter, Julie Boyles, and Rusty Juban for updating all of the supplements to the highest quality. They worked tirelessly to provide instructional aids, and we thank them for their time and efforts. We would also like to acknowledge Kim Norbuta and the MyLab team—Nancy Lamm, Gordon Schmidt, Pam DeLotell, Amit Shah, Steven Stovall, Jennifer Lynn, Maureen Steddin, Susan Gall, and Emilia Westney—who did a terrific job of bringing the textbook's content to life with practical and relevant MyLab online exercises.

Lee A. Graf, Professor Emeritus, Illinois State University, continues to deserve special recognition for his contributions to *Modern Management* over the years. During the early years of this project, Dr. Graf made countless significant contributions that still have an impact on the character and nature of this present edition. Lee is a respected colleague, but more important, a close personal friend.

Members of our Pearson family also deserve personal and sincere recognition. Our book team has been nothing but the best: Stephanie Wall, Director of Portfolio Management; Kris Ellis-Levy, Senior Portfolio Manager; Nancy Lamm, Development Editor; Claudia Fernandes, Content Producer; Hannah Lamarre, Editorial Assistant; Becky Brown, Senior Product Marketer; Nicole Price, Field Marketing Manager; Angela Urquhart and Andrea Archer, Project Managers; and the Media and Sales Teams. Needless to say, without our Pearson colleagues, there would be no *Modern Management*.

Sam Certo would like to give special thanks to his colleagues at the Roy E. Crummer Graduate School of Business, Rollins College. Their interest and encouragement over the years have undeniably contributed to generating the personal commitment and dedication to professionalism necessary to complete and maintain projects like *Modern Management*. Thank you.

From a more personal viewpoint, Sam Certo would like to acknowledge his family. My family has always been there to encourage me in handling the difficult challenges that inevitably arise in publishing and maintaining a text of this magnitude. Thanks to my wife, Mimi, for always allowing me to lean on her during difficult times. She is my special source of strength and my moral compass. My children and grandchildren have no idea that the care and interest they show in "pop" is so inspirational.

Working over the years with my son, Trevis, on this project has been a special blessing. I like to think of *Modern Management* as a vehicle that helps to build and strengthen our father-son bond. I take great satisfaction in seeing the caring person that he has become and our professional relationship that fosters and builds upon our father-son relationship.

Emphatically, I acknowledge God's gifts that influence my life and enable me to pursue projects like *Modern Management*.

Trevis Certo would like to thank his colleagues at Arizona State University for their continued support. He would also like to thank Melissa, Skylar, Lexie, and Landon for humbling him every day.

**Samuel C. Certo**

**S. Trevis Certo**

