

Preface

In this sixth edition of *Essentials of Contemporary Management*, we continue to focus on providing the most up-to-date account of the changes taking place in the world of management and management practices while maintaining our emphasis on making our text relevant and interesting to students. And we know from feedback from instructors and students that the text does engage them. Our increased focus on the challenges and opportunities facing businesses large and small and integrated timely examples bring management issues to life for students.

The number and complexity of the strategic, organizational, and human resource challenges facing managers and all employees has continued to increase throughout the 2000s. In most companies, managers at all levels are playing catch-up as they work toward meeting these challenges by implementing new and improved management techniques and practices. Today, relatively small differences in performance between companies, such as in the speed at which they bring new products or services to market or in the ways they motivate their employees to find ways to reduce costs or improve performance, can combine to give a company a significant competitive advantage. Managers and companies that utilize proven management techniques and practices in their decision making and actions increase their effectiveness over time. Companies and managers that are slower to implement new management techniques and practices find themselves at a growing competitive disadvantage that makes it even more difficult to catch up. Thus, in many industries there is a widening gap between the most successful companies whose performance reaches new heights and their weaker competitors, because their managers have made better decisions about how to use company resources in the most efficient and effective ways.

The challenges facing managers continue to mount as changes in the global environment, such as increasing global outsourcing and rising commodity prices, impact organizations large and small. Moreover, the revolution in

information technology (IT) has transformed how managers make decisions across all levels of a company's hierarchy and across all its functions and global divisions. This sixth edition addresses these emerging challenges. For example, we extend our treatment of global outsourcing, examine its pros and cons, and examine the new management problems that emerge when millions of functional jobs in IT, customer service, and manufacturing are performed in countries overseas. Similarly, increasing globalization means that managers must respond to major differences in the legal rules and regulations and ethical values and norms that prevail in countries around the globe.

Other major challenges we continue to expand on in this edition include the impact of the steadily increasing diversity of the workforce on companies and how this increasing diversity makes it imperative for managers to understand how and why people differ so that they can effectively manage and reap the performance benefits of diversity. Similarly, across all functions and levels, managers and employees must continuously seek ways to “work smarter” and increase performance. Using new IT to improve all aspects of an organization's operations to enhance efficiency and customer responsiveness is a vital part of this process. So too is the continuing need to innovate and improve the quality of goods and services, and the ways they are produced, to allow an organization to compete effectively. We significantly revised this edition of *Essentials of Contemporary Management* to address these challenges to managers and their organizations.

Major Content Changes

Once again, encouraged by the increasing number of instructors and students who use each new edition of our book, and based on the reactions and suggestions of both users and reviewers, we revised and updated our book in many ways. However, the organization and sequence of chapters remain the same in this new edition.

Instructors tell us that they like the way the chapters flow, and the way they build up a picture of management part by part, to provide an excellent learning experience and a comprehensive coverage of management. The way we link and integrate topics, such as our inclusion of entrepreneurship in Chapter 5, “Decision Making, Learning, Creativity, and Entrepreneurship,” allows students to make connections among these important topics. As examples of the many changes we made, this new edition expands the coverage of ways to encourage high motivation, creativity, and innovation in organizations and the importance of managers’ and organizations’ taking steps to protect the natural environment and promote sustainability. Our three-chapter sequence on strategy, structure, and control systems to improve competitive advantage is also updated in many ways. And, in this new edition, throughout the chapters we offer increased coverage of new approaches to leadership and the design of reward systems, new uses of advanced IT at all levels in the organization and across all functions to improve job design and employee motivation, and expanded coverage of the pros and cons associated with global outsourcing.

CHAPTER-BY-CHAPTER CHANGES We made the following specific changes to this edition.

Chapter 1

- New “Management Snapshot” on Tim Cook as CEO of Apple.
- New “Manager as a Person” box on Joe Coulombe of Trader Joe’s.
- New “Managing Globally” box on outsourcing and insourcing.
- New 2013 “*Bloomberg Businessweek* Case in the News.”

Chapter 2

- New “Management Snapshot” on Kevin Plank’s determination at Under Armour.
- New discussion of how job satisfaction was at a record low in the U.S. during the past

recession, what people were dissatisfied with, and what groups were the most dissatisfied.

- New “Ethics in Action” on protecting the environment and jobs at Subaru of Indiana Automotive.
- New discussion of how sometimes emotions can be triggers for change in organizations.
- New “Management Insight” on emotions as triggers for changes in organizations.
- Updated example of IBM.
- New 2013 “*The Wall Street Journal* Case in the News.”

Chapter 3

- New “Management Snapshot” on how Whole Foods Market practices what it preaches.
- Updated section on age.
- Updated and revised section on gender.
- Updated and revised section on race and ethnicity.
- New “Ethics in Action” on how disabled employees make valuable contributions.
- Updated and revised section on socioeconomic background.
- Updated and revised section on sexual orientation.
- Updated and revised “Focus on Diversity” box on preventing discrimination based on sexual orientation.
- Updated discussion of women’s earnings in comparison to men’s earnings.
- Updated sexual harassment section.
- New 2013 “*The Wall Street Journal* Case in the News.”

Chapter 4

- New “Management Snapshot” on Nokia and managing the global environment.
- New “Managing Globally” box on Microsoft and Nokia.
- New “Manager as a Person” box on Kazuo Hirai as CEO of Sony.
- New 2013 “*Bloomberg Businessweek* Case in the News.”

Chapter 5

- Updated and revised “Management Snapshot” on decision making and learning at Garage Tek.
- Updated examples.
- New “Manager as a Person” on curbing overconfidence.
- New discussion of the position of chief sustainability officer.
- New “Ethics in Action” box on helping to ensure decisions contribute to sustainability.
- New 2013 “*Fast Company*” Case in the News.”

Chapter 6

- New “Management Insight” box on Krispy Kreme.
- New “Management Insight” box on VF Corp and Timberland.
- New 2013 “*Bloomberg Businessweek* Case in the News.”

Chapter 7

- New “Management Snapshot” on Avon.
- New “Management Insight” box on Dick’s Drive-In Restaurants.
- New 2013 “*Bloomberg Businessweek* Case in the News.”

Chapter 8

- New “Management Snapshot” on Alan Mulally and Ford.
- New “Management Insight” box on eBay.
- New “Manager as a Person” box on UPS and Walmart.
- New “Management Insight” box on Google.
- New 2013 “*Bloomberg Businessweek* Case in the News.”

Chapter 9

- New “Management Snapshot” on high motivation at Enterprise Rent-A-Car.
- New “Managing Globally” box on seeking intrinsic motivation in far-flung spaces.

- New “Management Insight” on how training spurs learning at Stella & Dot.
- New discussion of how managers can recognize top performers when they are unable to use merit pay due to tough economic times.
- Revised discussion of how advances in IT dramatically simplify the administration of piece-rate pay.
- New 2013 “*The New York Times* Case in the News.”

Chapter 10

- New “Management Snapshot” on how Lorenzo effectively leads Frog Design.
- New examples of women CEOs.
- Updated “Ethics in Action” box on servant leadership at zingerman’s.
- New discussion of how managers with expert power need to recognize that they are not always right.
- New “Manager as a Person” box on Gregory Maffei and expert power.
- Updated statistics on the underrepresentation of women in corporate officer and top-earner positions.
- New 2013 “*The Wall Street Journal* Case in the News.”

Chapter 11

- New “Management Snapshot” on using teams to innovate at Boeing.
- New “Information Technology Byte” on how pizza teams innovate at Amazon.
- New “Management Insight” box on self-managed teams at Louis Vuitton and Nucor Corporation.
- New 2013 “*The Wall Street Journal* Case in the News.”

Chapter 12

- Updated and revised “Management Snapshot” on effectively managing human resources at Zappos.
- New “Managing Globally” box on recent trends in outsourcing.

- New “Information Technology Byte” on Fog Creek Software’s approach to recruiting.
- Updated and revised discussion of the use of background checks by employers.
- Updated discussion of concerns about excessive CEO pay and pay comparisons between CEOs and average workers.
- Updated discussion and statistics on union membership in the U.S.
- New 2013 “*The Wall Street Journal* Case in the News.”

Chapter 13

- New “Management Snapshot” on Salesforce.com.
- New “Management Insight” box on cloud computing, bricks-and-mortar, and mobile container data center storage solutions.
- New 2013 “*Bloomberg Businessweek* Case in the News.”

Chapter 14

- New “Management Snapshot” on Zynga Inc.
- New 2013 “*Bloomberg Businessweek* Case in the News.”

UPDATED RESEARCH CONCEPTS Just as we included pertinent new research concepts in each chapter, so we were careful to eliminate outdated or marginal management concepts. As usual, our goal is to streamline our presentation and keep the focus on recent changes that have the most impact on managers and organizations. In today’s world of video downloading, streaming media, and text messaging and tweeting, less is often more—especially when students are often burdened by time pressures stemming from the need to work long hours at paying jobs. New chapter opening “Management Snapshot” cases, the many boxed illustrations inside each chapter, and new (mainly from 2013) “Case in the News” closing cases reinforce updated content critically but succinctly.

We feel confident that the changes to the sixth edition of *Essentials of Contemporary*

Management will stimulate and challenge students to think about their future in the world of organizations.

Emphasis on Applied Management

We went to great lengths to bring the manager back into the subject matter of management. That is, we wrote our chapters from the perspective of current or future managers to illustrate, in a hands-on way, the problems and opportunities they face and how they can effectively meet them. For example, in Chapter 3 we provide an integrated treatment of ethics and diversity that clearly explains their significance to practicing managers. In Chapter 6, we provide an integrated treatment of planning, strategy, and competitive advantage, highlighting the crucial choices managers face as they go about performing the planning role. Throughout the text, we emphasize important issues managers face and how management theory, research, and practice can help them and their organizations be effective.

The last two chapters cover the topics of managing information systems, technology, and operations management, topics that tend to be difficult to teach to new management students in an interesting and novel way. Our chapters provide a student-friendly, behavioral approach to understanding the management processes entailed in information systems and operations management. As our reviewers noted, while most books’ treatment of these issues is dry and quantitative, ours comes alive with its focus on how managers can manage the people and processes necessary to give an organization a competitive advantage.

Flexible Organization

We designed the grouping of chapters to allow instructors to teach the chapter material in the order that best suits their needs. Instructors are not tied to the planning, organizing, leading, controlling framework, even though our presentation remains consistent with this approach.

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Finding a way to integrate and present the rapidly growing literature on contemporary management and make it interesting and meaningful for students is not an easy task. In writing and revising the several editions of *Essentials of Contemporary Management*, we have been fortunate to have had the assistance of several people who have contributed greatly to the book's final form. First, we are grateful to Michael Ablassmeir, our executive brand manager, for his support and commitment to our project, and for always finding ways to provide the resources that we needed to continually improve and refine our book. Second, we are grateful to Trina Hauger, our senior development editor, for so ably coordinating the book's progress, and to her and Elizabeth Trepkowski, our marketing manager, for providing us with concise and timely feedback and information from professors and reviewers that have allowed us to shape the book to the needs of its intended market. We also thank Matt Diamond for executing an awe-inspiring design and Harvey Yep for coordinating the production process. We are also grateful to the many colleagues and reviewers who provided us with useful and detailed feedback, perceptive comments, and valuable suggestions for improving the manuscript.

Producing any competitive work is a challenge. Producing a truly market-driven textbook requires tremendous effort beyond simply obtaining reviews on a draft manuscript. Our goal behind the development of *Essentials of Contemporary Management* has been clear-cut: to be the most customer-driven essentials of management text and supplement package ever published! The favorable reception that our book has received from its users suggests that our thorough product development plan did lead to a book that has met the expectations of both faculty and students. For the new edition, we have continued to add new reviewers to the over 200 faculty who originally took part in developmental activities ranging from regional focus groups to manuscript reviews and surveys. Consequently, we're confident that the changes we have made to our book and its excellent support package

will even more closely meet your expectations and needs.

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