



MANAGEMENT

Leading & Collaborating in a Competitive World

14e

Wang An Qi/Shutterstock

Thomas S. Bateman

*McIntire School of Commerce
University of Virginia*

Robert Konopaske

*McCoy College of Business
Texas State University*

**Mc
Graw
Hill**

Contents



PART ONE FOUNDATIONS OF MANAGEMENT

CHAPTER 1

Managing and Performing 2

MANAGEMENT IN ACTION MANAGER'S BRIEF 3

Managing in a Competitive World 4

Globalization 4

Technological Change 5

Knowledge Management 6

THE DIGITAL WORLD 6

Collaboration across Boundaries 7

INCLUSIVENESS WORKS 7

Managing for Competitive Advantage 8

Innovation 8

Quality 9

Service 9

Speed 10

Cost Competitiveness 11

Sustainability 11

Delivering All Types of Performance 11

The Functions of Management 12

Planning: Delivering Strategic Value 12

SOCIAL ENTREPRENEURSHIP 13

Organizing: Building a Dynamic Organization 13

Leading: Mobilizing People 14

Controlling: Learning and Changing 14

MANAGEMENT IN ACTION PROGRESS REPORT 15

Performing All Four Management Functions 15

Management Levels and Skills 16

Top-Level Managers 16

Middle-Level Managers 16

Frontline Managers 16

Working Leaders with Broad Responsibilities 17

Must-Have Management Skills 18

You and Your Career 19

Be Both a Specialist and a Generalist 19

Be Self-Reliant 20

Connect with People 20

Actively Manage Your Relationship with Your Organization 21

MANAGEMENT IN ACTION ONWARD 22

Survive and Thrive 22

Key Terms 23

Retaining What You Learned 24

Discussion Questions 25

Experiential Exercises 25

CONCLUDING CASE 27

APPENDIX A 32

KEY TERMS 38

DISCUSSION QUESTIONS 39

CHAPTER 2

The External and Internal Environments 42

MANAGEMENT IN ACTION MANAGER'S BRIEF 43

The Macroenvironment 45

The Economy 45

Technology 46

Laws and Regulations 47

Demographics 47

INCLUSIVENESS WORKS 48

Social Issues 49

SOCIAL ENTREPRENEURSHIP 49

Sustainability and the Natural Environment 50

The Competitive Environment 50

Competitors 51

New Entrants 52

Substitutes and Complements 52

Suppliers 53

Customers 54

Environmental Analysis 55

MANAGEMENT IN ACTION PROGRESS REPORT 56

- Environmental Scanning 57
- Scenario Development 57
- Forecasting 58
- Benchmarking 58
- Actively Managing the External Environment 58
 - Changing the Environment You Are In 58
 - Influencing Your Environment 59
 - Adapting to the Environment: Changing the Organization 61
 - Choosing an Approach 62
- The Internal Environment of Organizations: Culture and Climate 63
 - Organization Culture 63

THE DIGITAL WORLD 64

- Organizational Climate 65

MANAGEMENT IN ACTION ONWARD 66

- Key Terms* 67
- Retaining What You Learned* 67
- Discussion Questions* 68
- Experiential Exercises* 69

CONCLUDING CASE 71

CHAPTER 3

Managerial Decision Making 76

MANAGEMENT IN ACTION MANAGER'S BRIEF 77

- Characteristics of Managerial Decisions 78
 - Lack of Structure 78
 - Uncertainty and Risk 78

SOCIAL ENTREPRENEURSHIP 80

- Conflict 80
- The Phases of Decision Making 81
 - Identifying and Diagnosing the Problem 81

- Generating Alternative Solutions 81
- Evaluating Alternatives 82
- Making the Choice 84
- Implementing the Decision 84
- Evaluating the Decision 85
- The Best Decision 86
- Barriers to Effective Decision Making 86
 - Psychological Biases 86
 - Time Pressures 87

MANAGEMENT IN ACTION PROGRESS REPORT 88

THE DIGITAL WORLD 89

- Social Realities 89
- Decision Making in Groups 89
 - Potential Advantages of Using a Group 90
 - Potential Problems of Using a Group 90
- Managing Group Decision Making 91
 - Leadership Style 91

INCLUSIVENESS WORKS 92

- Constructive Conflict 93
- Encouraging Creativity 93
- Brainstorming 94
- Organizational Decision Making 95
 - Constraints on Decision Makers 95
 - Organizational Decision Processes 96
 - Decision Making in a Crisis 96

MANAGEMENT IN ACTION ONWARD 98

- Key Terms* 99
- Retaining What You Learned* 99
- Discussion Questions* 100
- Experiential Exercises* 101

CONCLUDING CASE 102

PART ONE SUPPORTING CASE 106



PART TWO PLANNING: DELIVERING STRATEGIC VALUE

CHAPTER 4

Planning and Strategic Management 108

MANAGEMENT IN ACTION MANAGER'S BRIEF 109

- An Overview of Planning Fundamentals 110
 - The Basic Planning Process 110

SOCIAL ENTREPRENEURSHIP 113

MANAGEMENT IN ACTION PROGRESS REPORT 114

- Levels of Planning 114
 - Strategic Planning 114
 - Tactical and Operational Planning 115
 - Aligning Tactical, Operational, and Strategic Planning 116
- Strategic Planning 118
 - Step 1: Establishing Mission, Vision, and Goals 119
 - Step 2: Analyzing External Opportunities and Threats 120

THE DIGITAL WORLD	122	The Geography of Business	173
Step 3: Analyzing Internal Strengths and Weaknesses	122	Western Europe	173
Step 4: SWOT Analysis and Strategy Formulation	124	Asia: China and India	174
INCLUSIVENESS WORKS	126	The Americas	175
Step 5: Strategy Implementation	129	Africa and the Middle East	176
Step 6: Strategic Control	130	SOCIAL ENTREPRENEURSHIP	177
MANAGEMENT IN ACTION ONWARD	131	Global Strategy	177
Key Terms	132	Pressures for Global Integration	177
Retaining What You Learned	132	Pressures for Local Responsiveness	178
Discussion Questions	133	Choosing a Global Strategy	179
Experiential Exercises	134	MANAGEMENT IN ACTION PROGRESS REPORT	181
CONCLUDING CASE	135	Entry Mode	182
CHAPTER 5		Exporting	182
Ethics, Corporate Responsibility,		Licensing	183
and Sustainability	138	Franchising	183
MANAGEMENT IN ACTION MANAGER'S BRIEF	139	Joint Ventures	184
It's a Big Issue	140	Wholly Owned Subsidiaries	184
It's a Personal Issue	141	Working Overseas	185
Ethics	142	Skills of the Global Manager	186
Ethical Systems	142	Understanding Cultural Issues	187
Business Ethics	144	INCLUSIVENESS WORKS	188
The Ethics Environment	145	THE DIGITAL WORLD	190
THE DIGITAL WORLD	147	Ethical Issues in International Management	190
Ethical Decision Making	149	MANAGEMENT IN ACTION ONWARD	191
Courage	150	Key Terms	191
MANAGEMENT IN ACTION PROGRESS REPORT	151	Retaining What You Learned	192
INCLUSIVENESS WORKS	152	Discussion Questions	193
Corporate Social Responsibility	152	Experiential Exercises	193
Contrasting Views	154	CONCLUDING CASE	194
Reconciliation	155	CHAPTER 7	
The Natural Environment and Sustainability	155	Entrepreneurship	198
SOCIAL ENTREPRENEURSHIP	156	MANAGEMENT IN ACTION MANAGER'S BRIEF	199
A Risk Society	157	Entrepreneurship	201
Sustainable Growth	157	Why Become an Entrepreneur?	202
Environmental Agendas for the Future	158	What Does It Take to Succeed?	203
MANAGEMENT IN ACTION ONWARD	159	What Business Should You Start?	203
Key Terms	160	SOCIAL ENTREPRENEURSHIP	207
Retaining What You Learned	160	What Does It Take, Personally?	208
Discussion Questions	161	Success and Failure	210
Experiential Exercises	162	MANAGEMENT IN ACTION PROGRESS REPORT	210
CONCLUDING CASE	163	Common Management Challenges	211
CHAPTER 6		THE DIGITAL WORLD	212
International Management	168	Increasing Your Chances of Success	214
MANAGEMENT IN ACTION MANAGER'S BRIEF	169	INCLUSIVENESS WORKS	217
Managing in Today's (Global) Economy	170	Corporate Entrepreneurship	219
International Challenges and Opportunities	170	Building Support for Your Idea	219
Outsourcing and Jobs	172	Building Intrapreneurship	220
		Management Challenges	220
		Entrepreneurial Orientation	221

MANAGEMENT IN ACTION ONWARD 222

Key Terms 222

Retaining What You Learned 223

Discussion Questions 224

Experiential Exercises 225

CONCLUDING CASE 227

PART TWO SUPPORTING CASE 232

APPENDIX B 233



PART THREE ORGANIZING: BUILDING A DYNAMIC ORGANIZATION

CHAPTER 8

Organization Structure 236

MANAGEMENT IN ACTION MANAGER'S BRIEF 237

Fundamentals of Organizing 238

Differentiation 238

Integration 239

The Vertical Structure 240

Authority in Organizations 240

Hierarchical Levels 242

Span of Control 242

Delegation 242

Decentralization 245

The Horizontal Structure 246

The Functional Organization 247

SOCIAL ENTREPRENEURSHIP 248

The Divisional Organization 249

MANAGEMENT IN ACTION PROGRESS REPORT 251

The Matrix Organization 251

The Network Organization 254

INCLUSIVENESS WORKS 255

Organizational Integration 256

Coordination by Standardization 256

Coordination by Plan 256

THE DIGITAL WORLD 257

Coordination by Mutual Adjustment 257

Coordination and Communication 258

Looking Ahead 259

MANAGEMENT IN ACTION ONWARD 260

Key Terms 260

Retaining What You Learned 260

Discussion Questions 262

Experiential Exercises 262

CONCLUDING CASE 264

CHAPTER 9

Organizational Agility 268

MANAGEMENT IN ACTION MANAGER'S BRIEF 269

The Responsive Organization 270

Strategy and Organizational Agility 271

Organizing around Core Capabilities 272

Strategic Alliances 272

INCLUSIVENESS WORKS 273

MANAGEMENT IN ACTION PROGRESS REPORT 274

The High-Involvement Organization 275

Organizational Size and Agility 275

The Case for Big 275

The Case for Small 276

Being Big and Small 276

SOCIAL ENTREPRENEURSHIP 277

Customers and the Responsive

Organization 278

Customer Relationship Management 278

THE DIGITAL WORLD 280

Quality Initiatives 280

Technology and Organizational Agility 282

Types of Technology Configurations 282

Organizing for Flexible Manufacturing 283

Organizing for Speed: Time-Based

Competition 286

Final Thoughts on Organizational Agility 287

MANAGEMENT IN ACTION ONWARD 288

Key Terms 288

Retaining What You Learned 289

Discussion Questions 289

Experiential Exercises 290

CONCLUDING CASE 291

CHAPTER 10

Human Resources Management 296

MANAGEMENT IN ACTION MANAGER'S BRIEF 297

- Strategic Human Resource Management 298
- The HR Planning Process 299

SOCIAL ENTREPRENEURSHIP 300

- Staffing 302
 - Recruitment 302
 - Selection 303

THE DIGITAL WORLD 304

- Workforce Reductions 306
- Developing the Workforce 309
 - Training and Development 309

INCLUSIVENESS WORKS 310

MANAGEMENT IN ACTION PROGRESS REPORT 311

- Performance Appraisal 311
 - What Do You Appraise? 312
 - Who Should Do the Appraisal? 313
 - How Do You Give Employees Feedback? 314

Designing Reward Systems 315

- Pay Decisions 315
- Incentive Systems and Variable Pay 316
- Executive Pay and Stock Options 317
- Employee Benefits 317
- Legal Issues in Compensation and Benefits 318
- Health and Safety 318

Labor Relations 319

- Labor Laws 319
- Unionization 320
- Collective Bargaining 320
- What Does the Future Hold? 321

MANAGEMENT IN ACTION ONWARD 322

- Key Terms* 322

Retaining What You Learned 323

Discussion Questions 324

Experiential Exercises 325

CONCLUDING CASE 326

CHAPTER 11

Managing Diversity and Inclusiveness 332

MANAGEMENT IN ACTION MANAGER'S BRIEF 333

- Diversity: A Brief History 334
- Diversity Today 335
 - The Changing Workforce 335
- Understanding Diversity and Inclusion 341

INCLUSIVENESS WORKS 342

- Advantage through Diversity and Inclusion 343
- Managing Diversity and Inclusion 343

SOCIAL ENTREPRENEURSHIP 344

MANAGEMENT IN ACTION PROGRESS REPORT 347

- Multicultural Organizations 347
- Cultivating Inclusiveness 348
 - Top Management's Leadership and Commitment 348
 - Organizational Assessment 349
 - Attracting Employees 349
 - Training Employees 350

THE DIGITAL WORLD 351

- Retaining Employees 351

MANAGEMENT IN ACTION ONWARD 353

- Key Terms* 353
- Retaining What You Learned* 353
- Discussion Questions* 355
- Experiential Exercises* 355

CONCLUDING CASE 357

PART THREE SUPPORTING CASE 361



PART FOUR LEADING: MOBILIZING PEOPLE

CHAPTER 12

Leadership 364

MANAGEMENT IN ACTION MANAGER'S BRIEF 365

- What Do We Want from Our Leaders? 366

INCLUSIVENESS WORKS 367

Vision 367

MANAGEMENT IN ACTION PROGRESS REPORT 369

- Leading and Managing 370
 - Leading and Following 370
- Power and Leadership 371
 - Sources of Power 371

Traditional Approaches to Understanding Leadership 373	The Hackman and Oldham Model of Job Design 414
Leader Traits 373	Empowerment and Engagement 415
Leader Behaviors 374	INCLUSIVENESS WORKS 416
The Effects of Leader Behavior 375	Achieving Fairness 416
Situational Approaches to Leadership 378	Assessing Equity 417
Contemporary Perspectives on Leadership 382	Restoring Equity 418
Charismatic Leadership 382	Procedural Justice 418
Transformational Leadership 383	Employee Satisfaction and Well-Being 419
Many Opportunities to Lead 385	Quality of Work Life 419
SOCIAL ENTREPRENEURSHIP 386	THE DIGITAL WORLD 420
A Note on Courage 386	Psychological Contracts 420
Developing Your Leadership Skills 387	MANAGEMENT IN ACTION ONWARD 421
How Do I Start? 387	Key Terms 422
THE DIGITAL WORLD 388	Retaining What You Learned 422
What Are the Keys? 388	Discussion Questions 423
MANAGEMENT IN ACTION ONWARD 389	Experiential Exercises 424
Key Terms 389	CONCLUDING CASE 426
Retaining What You Learned 390	
Discussion Questions 391	CHAPTER 14
Experiential Exercises 391	Teamwork 432
CONCLUDING CASE 392	MANAGEMENT IN ACTION MANAGER'S BRIEF 433
	The Contributions of Teams 434
CHAPTER 13	Types of Teams 434
Motivating for Performance 398	INCLUSIVENESS WORKS 436
MANAGEMENT IN ACTION MANAGER'S BRIEF 399	Self-Managed Teams 436
Motivating for Performance 400	MANAGEMENT IN ACTION PROGRESS REPORT 437
Setting Goals 401	How Groups Become Real Teams 438
Goals That Motivate 401	Group Processes 438
Stretch Goals 402	Critical Periods 439
Limitations of Goal Setting 402	Teaming Challenges 440
Set Your Own Goals 403	Why Groups Sometimes Fail 440
Reinforcing Performance 403	THE DIGITAL WORLD 440
(Mis)Managing Rewards and Punishments 404	Building Effective Teams 441
Managing Mistakes 405	Performance Focus 441
Providing Feedback 405	Motivating Teamwork 442
Performance-Related Beliefs 406	SOCIAL ENTREPRENEURSHIP 443
The Effort-to-Performance Link 406	Member Contributions 443
The Performance-to-Outcome Link 407	Norms 443
Impact on Motivation 407	Roles 444
Managerial Implications of Expectancy Theory 407	Cohesiveness 445
MANAGEMENT IN ACTION PROGRESS REPORT 408	Building Cohesiveness and High-Performance Norms 446
Understanding People's Needs 409	Managing Lateral Relationships 447
Maslow's Needs 409	Managing Outward 447
Alderfer's ERG Theory 410	Lateral Role Relationships 447
McClelland's Needs 411	Managing Conflict 448
Don't Forget: People Can Differ 411	Conflict Styles 449
Designing Motivating Jobs 411	Being a Mediator 450
SOCIAL ENTREPRENEURSHIP 412	Virtual and E-conflict 451
Job Rotation, Enlargement, and Enrichment 413	
Herzberg's Two-Factor Theory 413	

MANAGEMENT IN ACTION ONWARD 452

Key Terms 452

Retaining What You Learned 453

Discussion Questions 454

Experiential Exercises 454

CONCLUDING CASE 455

CHAPTER 15

Communicating 460

MANAGEMENT IN ACTION MANAGER'S BRIEF 461

Interpersonal Communication 462

One-Way versus Two-Way Communication 462

Communication Pitfalls 463

INCLUSIVENESS WORKS 463

Oral and Written Channels 464

Digital Communication and Social Media 465

THE DIGITAL WORLD 468

Media Richness 468

MANAGEMENT IN ACTION PROGRESS REPORT 469

Improving Communication Skills 469

Improving Sender Skills 469

Improving Receiver Skills 472

SOCIAL ENTREPRENEURSHIP 473

Organizational Communication 475

Downward Communication 475

Upward Communication 477

Horizontal Communication 478

Informal Communication 479

Transparency 479

MANAGEMENT IN ACTION ONWARD 480

Key Terms 481

Retaining What You Learned 481

Discussion Questions 482

Experiential Exercises 482

CONCLUDING CASE 485

PART FOUR SUPPORTING CASE 489



PART FIVE CONTROLLING: LEARNING AND CHANGING

CHAPTER 16

Managerial Control 492

MANAGEMENT IN ACTION MANAGER'S BRIEF 493

Bureaucratic Control Systems 495

The Control Cycle 495

SOCIAL ENTREPRENEURSHIP 496

THE DIGITAL WORLD 497

Approaches to Bureaucratic Control 499

INCLUSIVENESS WORKS 501

Management Audits 502

Budgetary Controls 503

Financial Controls 505

Problems with Bureaucratic Control 508

MANAGEMENT IN ACTION PROGRESS REPORT 509

Designing Effective Control Systems 510

The Other Controls: Markets and Clans 513

Market Control 513

Clan Control: Roles for Empowerment and Culture 515

MANAGEMENT IN ACTION ONWARD 516

Key Terms 516

Retaining What You Learned 516

Discussion Questions 517

Experiential Exercises 518

CONCLUDING CASE 520

CHAPTER 17

**Managing Technology
and Innovation 524**

MANAGEMENT IN ACTION MANAGER'S BRIEF 525

Technology and Innovation 526

Technology Life Cycle 527

INCLUSIVENESS WORKS 528

Diffusion of Technological Innovations 529

SOCIAL ENTREPRENEURSHIP 530

Technology Leadership and Followership 530

Technology Leadership 531

Technology Followership 533

Assessing Technology Needs 534

Measuring Current Technologies 534

Assessing External Technological Trends 534

Making Technology Decisions	535	Becoming World Class	556
Anticipated Market Receptiveness	535	Sustainable, Great Futures	556
Technological Feasibility	536	The Tyranny of the <i>Or</i>	557
Economic Viability	536	The Genius of the <i>And</i>	558
Anticipated Capability Development	537	Achieving Sustained Greatness	558
Organizational Suitability	537	Organization Development	559
Sourcing and Acquiring New Technologies	538	Managing Change	559
MANAGEMENT IN ACTION PROGRESS REPORT	539	Motivating People to Change	560
Internal Development	539	INCLUSIVENESS WORKS	561
Purchase	540	A General Model for Managing Resistance	562
Contracted Development	540	Enlisting Cooperation	563
Licensing	540	Harmonizing Multiple Changes	565
Technology Trading	540	MANAGEMENT IN ACTION PROGRESS REPORT	566
Research Partnerships and Joint Ventures	540	Leading Change	567
THE DIGITAL WORLD	541	Shaping the Future	569
Acquiring a Technology Owner	541	Thinking about the Future	569
Technology and Managerial Roles	542	THE DIGITAL WORLD	570
Organizing for Innovation	543	Creating the Future	570
Unleashing Creativity	544	SOCIAL ENTREPRENEURSHIP	571
Bureaucracy Busting	544	Shaping Your Own Future	573
Design Thinking	545	Learning and Leading: Leaning into the Future	574
Implementing Development Projects	546	A Collaborative, Sustainable Future?	575
Technology, Job Design, and Human Resources	546	MANAGEMENT IN ACTION ONWARD	576
MANAGEMENT IN ACTION ONWARD	547	Key Terms	576
Key Terms	547	Retaining What You Learned	577
Retaining What You Learned	547	Discussion Questions	577
Discussion Questions	549	Experiential Exercises	578
Experiential Exercises	549	CONCLUDING CASE	579
CONCLUDING CASE	550	PART FIVE SUPPORTING CASE	583
 		Glossary/Subject Index	585
CHAPTER 18		Name Index	611
Creating and Leading Change	554		
MANAGEMENT IN ACTION MANAGER'S BRIEF	555		