



MANAGEMENT



8TH EDITION

ROBBINS
BERGMAN
COULTER

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preface

Inspire and engage ... with *Management*, 8e!

Welcome to the eighth edition of *Management!* In these dynamic and challenging times, there is a need to look for inspiration in how managers and organisations can change the way they operate to meet their economic, environmental and social responsibilities. No successful organisation, or its managers, can operate and engage its employees in what the organisation is trying to achieve without understanding and dealing with the dynamic environment that surrounds them. One of the biggest mistakes managers make today is failing to adapt to the changing world. With the challenges of dealing with the aftermath of the Global Financial Crisis (GFC), as well as the looming future threat of global warming and climate change, there is a need to find inspiration in how some of the more successful managers and organisations are tackling these issues and engaging their employees in their organisations' operations.

There is no doubt that management is a dynamic discipline. This means that a textbook on the subject must constantly undergo significant changes to prepare you to manage in increasingly dynamic conditions. Therefore, we have written this eighth edition of *Management* to provide you with the best possible understanding of what it means to be a manager who confronts change, and tries to inspire and engage employees in order to meet these challenges and improve the overall performance of the organisation.

Our approach to management is simple: management is about people. Managers manage people. Managers are the one thing that all organisations – whatever their size, kind or location – need. This book will introduce you to a wide range of real managers and organisations, from the stories that open each chapter to the numerous boxes and case applications that aim to provide you with interesting and thought-provoking examples of management in action. No other textbook has so successfully blended management theory with management practice. We are confident that this eighth edition of *Management* will continue both to make management concepts meaningful to you and to excite you about the possibilities of a career in management.

Overview of the new content in this edition

The workplace and the field of management have changed a lot since the first edition of this book appeared in 1997. This book, of course, has changed along with them. As new theories and research have been published, expanding our knowledge about what makes an effective manager, we changed the book to reflect it. What you have before you, then, is a summary of the latest knowledge on effective management. But students have also changed a lot since 1997. Today's students want more relevance from their management textbook. They want both knowledge and skills. Students want to leave class knowing what management is all about, but also with the skills necessary to help them succeed in today's workplaces . . . whether in an accounting firm, a manufacturing organisation, a retail business, a marketing services company, a high-tech firm, a not-for-profit organisation or a government agency.

We have listened to what students, university lecturers and employers are saying. In response, we have focused this revision of *Management* on emphasising the knowledge and work skills that both future managers and successful employees need. To get a good job, it is no longer enough to 'have a university degree' or 'have good grades'. Today's graduates

need to be able to hit the ground running. This means that students have to acquire the appropriate level of knowledge and the right skills to prepare themselves for that good job! We believe that this new edition of *Management* is truly a textbook for students in today's dynamic world.

One reason for this book's success, we believe, is that it has developed a reputation for continually introducing new content. This new edition aims to continue that tradition. In preparing this eighth edition, we have been mindful of significant recent research activities and have attempted to reflect their findings within both the main text material and the illustrative examples. Current and timely topics have therefore been added.

Underpinning the presentation of the material are six important principles that have guided our approach to the subject matter. These principles are:

- ***The need for ethical managerial behaviour:*** Managers do face ethical issues and dilemmas, and it is important for future managers to understand the moral foundations, rules and implications that are vital to rebuilding the trust that has been eroded due to recent scandals. Acting ethically in those grey areas where right and wrong are not easily defined is of crucial importance. Managers must be good ethical role models, both in words and, more importantly, in actions.
- ***The need for more sustainable management practices:*** In 2008, we were one of the first general management textbooks in the world to integrate the issue of sustainability throughout the text. While there has been some progress in this area, it should also be said that the GFC saw many managers and organisations take their eyes off the long-term environmental challenges in order to deal with the more immediate concerns raised by the global financial instability. As the GFC is now receding, we believe it is again time to refocus on one of the greatest challenges – the risk of global warming and climate change.
- ***The need for innovation and change:*** Innovation is necessary to solve many of the challenges we are facing. It is clear that organisations all around the globe will need to change, because *business as usual* is no longer an option. The continued uncertainty after the GFC, increased extreme climatic conditions, world population growth, environmental degradation and resource depletion highlight the need for radical changes in order to avert major economic, environmental and social problems.
- ***The challenges of globalisation:*** Globalisation has created both challenges and opportunities for many organisations. Expansion into new markets operating under quite different influences and regulations is not without its problems. Managers need to be sensitive to cultural differences and local customs and to take them into account, or even make adjustments for them, when operating in any foreign culture.
- ***Workforce diversity and inclusion:*** As the Australian and New Zealand workforces evolve to reflect the growing diversity of our communities and the global marketplace, the need to understand and value these differences becomes increasingly important. If organisations can create a more inclusive organisational culture, they will play an important role in promoting positive social change by offering job opportunities for Indigenous people, recent migrants and many other minorities in our societies.
- ***Good management practice is not just applicable in large corporations:*** Many textbooks seem to focus mainly on management practices in large corporations. This textbook features many small and medium-sized organisations that may not be well known, but which are very well managed. This focus is important, as these types of enterprises are the predominant business structure in Australia and New Zealand. In addition, examples are drawn from not-for-profit and public sector organisations. After all, it is in these last two categories of organisations that some of the most inspirational business and management practices are occurring.

New to this edition ...

You might think that there could not be too much that is new to put in an eighth edition of a textbook. But that is the great thing about a book that discusses managers and management. It is always easy to find new material just by paying attention to what is happening in the news! (Paying attention to the news is another good habit for you to develop.) There are always new issues and ideas confronting managers. Take a look at some of the new topics we have included in this book:

- Chapter 1 – Managers in the workplace:** In this edition, you will find that we have expanded on why managers are important in our organisations as they face an increasingly challenging business environment. We have also further highlighted the importance of innovation in creating growth, jobs and successful organisations.
- Chapter 2 – Management history:** We have continued our focus on diversity issues where organisations can aim to increase employment opportunities for disadvantaged or marginalised groups in our societies. Two important issues – robots in the workplace and the pressures from the global growth of population/consumption – are also highlighted in relation to how they are likely to affect future workplace practices.
- Chapter 3 – Managing the external environment and organisational culture:** In this edition, we have drawn attention to how advancements in digital technology are now increasingly disrupting all types of industries. In this increasingly challenging external environment, it is important that managers understand both the changes that occur in their external environment and how their organisational cultures affect the behaviour of their employees.
- Chapter 4 – Managing in a global environment:** In this edition, we have continued to draw attention to Australia's and New Zealand's expanding free trade agreements and alliances. There are also discussions about global corruption, the ongoing political, social and economic problems in the European Union, and the impact that the 2015 UN Paris Climate Agreement may have on organisations.
- Chapter 5 – Social responsibility and managerial ethics:** We have rewritten the sections about social responsibility and green management to better reflect where we are today. We have also drawn attention to corporate tax avoidance, insider trading and other corporate misbehaviours as examples of what is ailing in ethical behaviour.
- Chapter 6 – Managers as decision makers:** Making the right decisions is of outmost importance to managers, because they will ultimately be judged on the outcomes of those decisions. In this edition, we have included new material on the role of evidence-based management, design thinking and big data in the decision-making process.
- Chapter 7 – Managing change and innovation:** In this edition, we have highlighted the challenge of dealing with and responding to change in many organisations. We have also expanded the discussion of how today's still uncertain economic environment has caused increased stress levels for many employees, which many organisations need better ways to address.
- Chapter 8 – Foundations of planning:** We have focused more on the challenges for managers of planning and setting goals in an increasingly uncertain environment. In fact, during uncertain times, planning and goal setting becomes even more important in reducing ambiguity and creating a common understanding about what needs to be done.
- Chapter 9 – Strategic management:** In this edition, you will find more focus on the importance of organisations developing new strategies to deal with changing trends in their markets. Strategies are rarely effective forever, and a critical aspect of strategic management is to know when new strategies are needed. We have also introduced design thinking and organisations' use of social media to gain a competitive advantage.
- Chapter 10 – Managerial controls:** Things do not always go as planned. That is why we have highlighted the importance of control in averting problems that can result in public relations disasters. By having proper controls in place, such problems can be prevented. We also discuss issues arising from developments in technology and privacy concerns, as well as the risk of hacking.

Chapter 11 – Managing operations: There is now a greater use of technology in managing operations for both manufacturing and service organisations. In today's organisations, it is the manager's job to more effectively manage the value chain to better serve the needs of their customers.

Chapter 12 – Organisational structure and design: In this edition, we have further illustrated the move, in many of our modern organisations, to more flexible and organic organisational structures that use internal or external collaboration. We also explore the use of increasing levels of flexible work arrangements and of a contingent workforce. However, we have also given authority more attention in those organisations that still rely on the traditional concepts of organising.

Chapter 13 – Managing teams: Because of the increasing reliance on team-based structures in organising work, we have focused more on the importance of managers understanding what influences performance and satisfaction so that they can build effective teams.

Chapter 14 – Managing human resources: A major challenge for managers is ensuring that their company has a high-quality workforce able to adapt to changing and challenging markets. In this edition, we have paid more attention to how an organisation's human resource management process is influenced by the external environment, such as the economy, governmental regulations and demographic trends.

Chapter 15 – Understanding and managing individual behaviour: It is important for all managers to have good people skills, and we have addressed this when it comes to the increasing impact of Millennials and Gen Y employees on organisations and how they need to change how they operate and engage with these employees.

Chapter 16 – Managers and communication: In this edition, we have given more attention to communication and crisis management, as well as to today's 24/7 media environment. There is also a discussion about the value of personal interaction and social media in getting employee input and increasing employees' engagement in today's organisations.

Chapter 17 – Motivating employees: Because motivation is an important topic in management, we have addressed how organisations are becoming more willing to use new approaches, such as more flexible policies, to motivate and reward their employees. More than ever, managers need to show employees that, whatever their role might be, their contribution matters.

Chapter 18 – Managers as leaders: It is not easy being a manager in today's challenging environment. Managers are under a lot of external and internal pressures. In this edition, we have paid more attention to charismatic leadership and ethics.

Many of the endnotes in this eighth edition have been updated. Every chapter has also been updated with numerous new examples from a diverse set of organisations. We think you will be fascinated and captivated by the challenges of managing organisations in today's dynamic global environment. By giving you numerous examples that provide insights into the challenges and rewards of becoming a manager, we hope to inspire and engage you to consider a future career in management.

Getting the most out of your textbook during your studies

It is simple! Read the book. Come to class. Do your assignments. And ... study for your exams. If you want to get the most value from the money you have spent on the course and this textbook, that is what you need to do. In addition to writing this book, we also teach. Between the three of us, we have taught for nearly 100 years, so we personally understand the challenges of getting a classroom of students engaged and enthusiastic about coming to class to study a subject such as management. What worked exceptionally well for us was showing students that management is not just some dry, boring subject that you learn about in a book, but something vital that real people do in organisations every day. That is why we have always incorporated 'real organisational and management' examples into our textbook. Students can see how managers actually use the theories and approaches discussed in the chapters. We think these will help get students excited about studying management and provide many avenues for class discussion.

To help you in your studies, we have included several learning tools in this edition that are designed to help you in your learning so that you can do well in your studies. Each chapter starts with a list of '*Learning outcomes*'. Pay attention to these as you work through the material in the chapter. Use the '*Review questions*' scattered throughout the chapter to synthesise information that will help you to achieve each of the learning outcomes. At the end of each chapter, you will find a '*Learning summary*', which provides you with a brief overview of the chapter material organised by the chapter learning outcomes. In addition to this review, you will find options for applying what you have learned – reinforcing the concepts and seeing how they are relevant to you right now. The end-of-chapter material is a great way for you to see if you really do understand the chapter material. For example, by coming to class you may be able to discuss the more challenging '*Thinking critically about management issues*' with other students in small groups and then in the whole class. In doing so, you will be able to further build your understanding of some of the more critical issues that managers have to deal with in today's organisations. '*Becoming a manager*' provides some suggestions for simple, practical action steps you can take to prepare yourself better for becoming a manager. Then there are the '*Personal inventory assessments (PIAs)*' which are online exercises designed to promote self-reflection and engagement, enhancing your ability to connect with the concepts covered in the text. There is also an '*Ethical dilemma*' in the end-of-chapter material, where we use a current practical example to give you the opportunity to assess the ethical issues involved and to explain your position in relation to the situation and how it should be dealt with. Then, finally, there is the '*Case application*'. These cases, which are built around real organisations or events, ask you to apply the theories and concepts that you have studied in the chapter in analysing the content in the case. Your instructor may even assign some of these activities as homework or group work. All of these learning tools have been designed to help you learn and understand the management concepts covered in this book and in your class, so make the best use of them. Try out some of these activities, even if they are not assigned. We know that by engaging with the material in this way, you will also get much more out of your studies. After all, we are also interested in inspiring and engaging you in your studies so that you can be successful in the pursuit of your ultimate goal – achieving your degree!

making the most of your resources

A good textbook should teach, as well as present ideas. To that end, we have tried to make this book an effective learning tool. Pedagogical features are designed to help readers better assimilate the material presented. Further to this, we believe that one of the strengths of this book is its strong applications orientation. It not only describes management theories, but also includes many practical examples and cases that illustrate the theories in action.

Learning framework

CHAPTER 1
Managers in the workplace

Learning outcomes

In this chapter we will look at who managers are and what they do. One thing that you will discover is that the work managers do is vitally important to organisations. But you will also see that being a manager – a good manager – is not easy. Focus on the following learning outcomes as you read and study this chapter:

- 1.1 Explain why managers are important to organisations.
- 1.2 Identify managers and the organisations where they work.
- 1.3 Describe the functions, roles and skills of managers.
- 1.4 Discuss whether the manager's job is universal.
- 1.5 Outline the factors that are reshaping and redefining the manager's job.
- 1.6 Explain the value of studying management.

Learning outcomes, review questions and learning summary

While most textbooks have learning objectives and a chapter summary, there is often no clear link between these and the chapter material. Here is a solution. The chapter-opening 'Learning outcomes' combines a chapter outline and the learning objectives, so that students can see what material they will be covering in the chapter. Then, at the end of each major chapter section, students will find 'Review questions' where they can review the material they have just read. Finally, at the end of the chapter, the 'Learning summary' summarises the important chapter material, with critical thinking questions, a self-reflection 'Becoming a manager' section, and an ethical dilemma. This approach helps students to focus their attention on the main issues within each chapter, and to hone their teamwork, leadership and problem-solving management skills.

Chapter 1 Managers in the workplace

TABLE 1.1 The changing organisation

Traditional organisation	New contemporary organisation
• Stable	• Dynamic
• Inflexible	• Flexible
• Job based	• Skills based
• Work is defined by job positions	• Work is defined in terms of tasks to be done
• Individual oriented	• Team oriented
• Permanent jobs	• Temporary jobs
• Command oriented	• Involvement oriented
• Managers always make decisions	• Employees participate in decision making
• Rule oriented	• Customer oriented
• Relatively homogeneous workforce	• Diverse workforce
• Workdays defined as 9 to 5	• Workdays have no time boundaries
• Hierarchical relationships	• Lateral and networked relationships
• Work at organisational facility during specific hours	• Work anywhere, anytime, including at suppliers and customers

As these comparisons show, today's organisations are becoming more open, flexible and responsive to changes.¹⁵

Why are organisations changing? Because the world around them has changed and is continuing to change. Social, economic, global and technological changes have created an environment in which successful organisations (those that consistently attain their goals) must embrace new ways of getting their work done. Examples of how the world is changing include the quest for more sustainable organisational practices, global economic, social and environmental challenges, the continuing spread of information technology and its impact on workplaces, increasing globalisation and changing employee expectations, and even though the concept of organisations is changing, managers and management continue to be important to organisations.

4 Explain how managers differ from non-managerial employees and how managers can be classified.

5 Describe the three common characteristics of all organisations.

6 Explain how and why the concept of an organisation is changing.

WHAT DO MANAGERS DO?

Simply speaking, management is what managers do. But that simple statement does not tell us much, does it? Let us look first at what management is before discussing more specifically what managers do.

Management involves coordinating and overseeing the work activities of others so that those activities are completed efficiently and effectively. We already know that coordinating and overseeing the work of others is what distinguishes a managerial position from a non-managerial one. However, this does not mean that managers can do what they want anytime, anywhere or in any way. Instead, managers involve overseeing the work activities so that those activities are completed efficiently and effectively by the people responsible for doing them – or, at least, that is what managers agree to do.

LEARNING OUTCOME 1.1
Describe the functions, roles and skills of managers.

The process of coordinating and overseeing the work activities of others so that those activities are completed efficiently and effectively.

65 Part 1 Introduction to management

Learning summary

Learning outcome 2.1: Provide some examples of early management practices. Studying history is important because it helps you see the origins of today's management practices and identify what has and has not worked. We can see early examples of management practice in the construction of the Egyptian pyramids and in the ancient of Greece. One important historical event was the publication of Adam Smith's *The Wealth of Nations*, in which he argued the benefits of division of labour (specialisation). Another was the Industrial Revolution, where it became more common to manufacture in factories rather than at home. Managers were needed to manage these factories, and these managers used formal management theories to guide them.

Learning outcome 2.2: Discuss the important contributions of scientific management and general administrative theorists within the classical approach. Frederick W. Taylor, known as the 'father' of scientific management, studied manual work using scientific principles – that is, guidelines for improving production efficiency – to find the 'one best way' to do those jobs. His four principles were (1) use scientific methods to find the best way to do a job (2) scientifically select, train and develop the workers (3) ensure cooperation from the workers by offering incentives, and (4) allocate work and responsibilities to workers and managers. The Gilbreth's primary contribution was finding efficient hand-and-body motions and designing proper tools and equipment for optimising work performance.

Fayol believed that the functions of management were common to all business endeavours but also were distinct from other business functions. He developed 14 principles of management from which many current management concepts have evolved. Weber described an ideal type of organisation, which he called a 'bureaucracy', as having characteristics that many of today's large organisations still have. Today's managers use the concepts of scientific management when they analyse basic work tasks to be performed, use time-and-motion studies to eliminate wasted motions, hire the best-qualified workers for a job, and design incentive systems based on output. They also use the concepts of general administrative theory when they perform the functions of management and structure their organisations so that resources are used efficiently and effectively.

Learning outcome 2.3: Discuss the development and uses of the organisational behaviour approach. The early OB advocates (Robert Owen, Hugo Münsterberg, Mary Parker Follett and Chester Barnard) contributed various ideas, but all believed that people were the most important asset of the organisation and should be managed accordingly. The Hawthorne Studies, which started as a scientific management experiment, dramatically impacted management beliefs about the role of people in organisations, leading to a new emphasis on the human behaviour factor in managing. The organisational behaviour approach has largely shaped how today's organisations are managed. Many current theories of motivation, leadership, group behaviour and development, and other behavioural issues can be traced to the early OB advocates, the Hawthorne Studies, and the contributions from human relations and behavioural scientists.

Learning outcome 2.4: Describe the quantitative approach. The quantitative approach involves applications of statistics, optimisation models, information models and computer simulations to management activities. Total quality management is a management philosophy devoted to continual improvement and responding to customer needs and expectations. Today's managers use the quantitative approach especially when making decisions as they plan and control work activities such as allocating resources, improving quality, scheduling work or determining optimum inventory levels.

Learning outcome 2.5: Explain the systems and contingency theories in the contemporary approach. The systems theory says that an organisation takes in inputs (resources) from the environment and transforms or processes these resources into outputs that are distributed into the environment. It helps us to understand management, since managers must ensure that all the interdependent units are working together in order to achieve the organisation's goals. It helps managers to realise that decisions and actions taken in one organisational area will affect others, and it helps managers to recognise that organisations are not self-contained, but instead rely on their environment for essential inputs and so efforts to absorb their outputs.

Case studies/applications

Chapter-opening stories

Each chapter opens with a real case example about a manager or organisation that relates to the particular content in that chapter. The featured managers, or organisations, come from a broad and varied spectrum, and each example is selected specifically to help students link management concepts to management practice. To see the variety of managers and companies on which the cases are based, check out the case matrix starting on page xxiv.

Themed boxes

Throughout the book, we have aimed to make use of a number of themed boxes. All of these boxes feature interesting examples that help to reinforce and highlight some of the concepts and theories covered in the chapter material. Themes retained from the previous edition include:

- Thinking critically about ethics
- Managing for sustainability
- Managing workforce diversity and inclusion
- Managers who made a difference
- Managing from a global perspective

All of these themed boxes consist of examples taken from a variety of industries, service organisations, major manufacturers, entrepreneurial ventures and not-for-profit organisations, and include many well-known companies and managers. They have been selected to enrich students' understanding of the applied nature of the management concepts covered in this book. In addition, the 'Thinking critically about ethics' boxes pose some ethical questions for students to consider, to enhance their understanding of the problems associated with managing ethically in today's challenging business world.

Case applications and questions

Each chapter includes a case application featuring a real-life situation, and questions for analysis. By reading and analysing the case and then answering the questions, students can see if they understand and can apply the management concepts discussed in the chapter. Some case applications are about global companies, while others are about Australian businesses.

HAVE YOU EVER wondered why franchised organisations are often the most successful retailers, especially in retail fields? Take, for example, Bakers Delight, which has a presence in most of the major shopping centres in Australia and New Zealand, and also in Canada and the United States under the name of Cobs Bread.¹ As of 2017, Bakers Delight had over 700 outlets across these four countries. This business network consists of around 95 per cent franchised outlets and 5 per cent company-owned outlets. There were more than 500 individual franchisees, some of which own multiple outlets, but most own only one outlet. Bakers Delight serves more than 2 million customers a week and achieves a global turnover of more than \$600 million. All this is achieved with a single bakery, Melbourne suburbs in 1980.

How do you think Bakers Delight succeeds in its ability to maintain a consistently high standard of merchandise in all its stores without a central bakery? How is this achieved, despite most of the stores being in different countries? All Bakers Delight stores use exactly the same business model. The same uniform standard of both the merchandise and the experience of shopping at a Bakers Delight bakery by implementing a rigorous management process.

It all starts with the appearance of the outlets. Bakers Delight supplies all the fittings and equipment used in all outlets and, although there may be some slight variation in how an individual outlet is arranged, it gives the appearance of uniformity. The customer feels comfortable that they know what will be available in the store and where, that the staff will be wearing the familiar uniform, and that the merchandise will be the same baked-daily high-quality baked goods that they have seen since its purchase from any other Bakers Delight outlet. Although almost all the bread, buns and other products are baked daily in each individual bakery, their raw materials come from suppliers selected and approved by the central bakery. The methods of preparation and baking are rigorously controlled by a set formula, which has been tried and tested within a central baking facility. No person is allowed to

take products within any of the franchise outlets unless they have achieved the required qualification.

Other aspects of running a Bakers Delight bakery that come under the franchisee's complete control are staff wages, uniform dress and presentation standards, in-store standards, work health and safety compliance, staff training requirements, payment of suppliers, reporting, sales figures to the franchise hours of operation, and methods of disposal of surplus merchandise. A few additional products are supplied by approved suppliers however, almost all products are baked daily in each individual bakery. The entire Bakers Delight system has been designed to manage the stores in an efficient, uniform manner. All franchisees must use this system so that information on sales, costs, both of money and of individual products for all stores, is available centrally and, where applicable, uniformly across the network of outlets. This means that the franchisee can use this information for both planning and control purposes. The individual outlets can use feedback from the IT system to benchmark their individual outlets.

The selection process for new franchisees has been developed by an organisational psychologist and results in people being selected not just for their likely success but also for their willingness to fit in. There is also an operational support team consisting of a general manager of operations, a regional or state manager, and a number of area managers with responsibility for approximately 50 bakeries each. These area managers regularly visit all individual bakeries to provide advice and support, as well as feedback to the central management of the organisation. It is clear that the entire Bakers Delight network is well planned, organised, led and controlled to make sure that all customers receive a uniformly high-quality product and have a pleasant shopping experience that will encourage them to come back again.

before the normal bushfire season. In August 2010, we watched in horror as massive floods in Pakistan caused loss of life and economic and social destruction on a scale that is beyond comprehension. This was followed by the worst flooding in more than a century in Australia, largely across Queensland and northeast Victoria in January 2011, which also resulted in a number of fatalities as well as having major economic, social and political impacts. For a considerable time, concern has grown over climate change/global warming and the need to find new methods of producing energy that will not produce greenhouse gases. It has become apparent to almost every industry and business that it needs to operate in a way that conserves energy, reduces its dependence on energy, particularly energy produced from fossil fuels. Organisations that do not act on Australian concerns in a worldwide problem.

Traditionally, business has been measured against one bottom line – the financial one – their profitability. However, in the last few decades many businesses have moved beyond this and started to measure performance against three bottom lines – environmental, social and economic. This has been measured as marketing or public relations activity designed to improve their stakeholder view. But some of the organisations that followed this approach discovered that what really counts is marketing or public relations activity supported by the communication in which they operated actually made economic sense.² Combined with the increasing awareness of climate change, world poverty, and water and energy scarcity, many organisations have started to understand that they need to change the way they operate. Thus, there is now a need to integrate environmental, social and economic considerations into every aspect of the organisation's business practices, which will result in more sustainable ways of operating.

Global pressures

The total world population in 2017 is estimated at 7.5 billion and is expected to rise to 10 billion by 2050. In 2017, the world population will be 7.5 billion, of which 5.7 billion are in the Asia-Pacific region. The main reason for this rapid growth is the decline in birth rates in industrialised countries. However, in developing countries in Africa, Asia, Latin America, the Caribbean and Oceania, birth rates remain high.

One of the disturbing facts is that the world's population uses the earth's resources at a rate much faster than the rate at which nature can replace them. This is true for clean water, clean air, arable land, healthy fisheries, and the stocks of fish on which all businesses and societies depend. In the population climb from 7.5 billion in 2017 to 10 billion in 2050, and even more importantly, or increasingly high-consumption global population growth, we need to reverse the decline before it becomes a sudden shock. It is essential to understand that the longer we continue to consume more resources, the less able the planet will be to meet our requirements in the future. Climate change and global warming will add to the strain on the planet's ability to support its growing population. This also applies to the environment.

The United Nations report that we must address both population growth and our consumption of resources in that we need to reduce population growth, and have our way of life to consume less and learn to use resources far more productively. Generally, the decision to act has been made. But these issues need to be addressed both in Australia and globally.

Ethical dilemma

Twenty-nine per cent of new managers feel they are unprepared to transition into management roles. 58 per cent of new managers do not receive any training to help them make the transition, and 50 per cent of franchisees feel in that transition.

Moving to a management position is not easy, as these statistics indicate. Does an organisation have an ethical responsibility to assist its new managers in their new position? Why or why not? What could organisations do to make this transition easier? Suppose you were a new manager, what support would you expect from your organisation? From your manager?

Case Application

Managing McDonald's Australia

In 2006, Gregory joined the Australian executive team and became the regional manager responsible for all aspects of McDonald's business in Queensland and Northern Territory, including franchising, operations, advertising, marketing and sponsorship. In 2010, he moved to Tokyo, where he took on an executive position in McDonald's Japanese business, which is the company's second largest operation after the United States. Here, he played a key role in leading the Japanese business out of the crisis that it found itself in after the massive earthquake and tsunami that struck Japan in 2011. He had about 90 of the company's 3200 restaurants in Japan involved in different ways during the earthquake. We worked hard to support them.

Having extensive most of the recovery in Japan, Gregoire returned to Australia in 2013 where he is in the role of chief financial officer, then chief executive officer in April 2014. As the CEO, he is now responsible for leading public affairs, operations, supply chain and buying, planning, taking on a leadership role to require further development of McDonald's Australia.

As the CEO, Andrew Gregoire will have to navigate McDonald's Australia through a challenging environment with its staff competitors such as Gregoire, PFC, Subway, Red Robin, Pizza Hut and Sushiro. He will also have to meet various public affairs, operations, supply chain and buying, planning, taking on a leadership role to require further development of McDonald's Australia.

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Part 1 Introduction to management

However, transforming one of the world's largest fast food companies into a mobile operator that can quickly address new trends in a competitive market is not always an easy task. But McDonald's is trying, having introduced the 'Create Your Taste' experience in Australia, giving customers the opportunity to customise their own burger using bushelements and setting up 'Customer Learning Labs' by other new concepts. For example, its new store concept – 'The Corner' – which looks more like an independent cafe with more gourmet-oriented offerings, personalised service, metal cutlery and a range of craft-style hot beverages, could potentially pave the way for some drastic rebranding of McDonald's outlets. According to Andrew Gregoire, McDonald's is innovating and changing to meet the needs of our customers. An important part of our new learning lab concept is that we take customers along the journey with us and get their feedback – we want to make sure Macca's restaurants of the future are what Aussie outlets need. He also says that there will be necessary changes in the working culture and how staff interact with customers as the company embarks on a \$1 billion rebranding of its operation.

Discussion questions

1. As an organisation, what is the purpose of McDonald's, the organisation structure, and what importance do people place on helping the organisation meet its purpose? Before you answer this question, you may want to check the company's website, www.mcdonalds.com.au/about-us to see what McDonald's Australia identifies as the values that guide its operation.
2. As the CEO of McDonald's Australia, what is Andrew Gregoire's role, and how do you think he will perform?

Endnotes

1. The company website has an introduction from The Smith Family, www.smithfamily.com.au/, February 2017. A. Latham, 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15. See also 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
2. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
3. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
4. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
5. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
6. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
7. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
8. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
9. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.
10. 'McDonald's: The Disruptive Disruptor', *Business Strategy Journal*, 2016, 27(1), pp. 10–15.

In-text revision tools

At the end of each chapter, you will find these popular and proven study tools:

Thinking critically about management issues

These questions are designed to get you to think critically about management issues. They require you to demonstrate not only that you know the key facts, but that you can apply them in dealing with more complex issues.

Becoming a manager

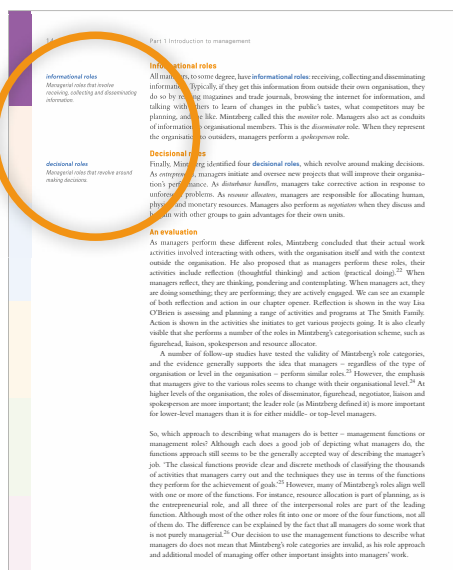
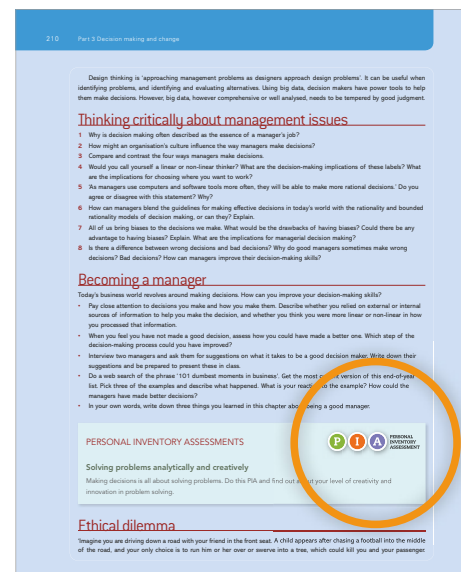
This self-reflective feature encourages students to question and enhance their own management skills by applying the chapter's key content and theories.

Personal Inventory Assessments (PIA)

Students learn better when they can connect what they are learning to their personal experience. PIA (Personal Inventory Assessments) is a collection of online exercises designed to promote self-reflection and engagement in students, enhancing their ability to connect with concepts taught in principles of management, organisational behaviour and human resource management classes. Assessments are assignable by instructors who can then track students' completions. Student results include a written explanation, along with a graphic display that shows how their results compare to the class as a whole. Instructors will also have access to this graphic representation of results to promote classroom discussion.

Ethical dilemma exercise

Highly publicised ethics scandals of recent years have re-emphasised the importance of managerial and organisational ethics. In addition to our 'Thinking critically about ethics' boxes found in most chapters, we have added end-of-chapter ethics exercises that introduce students to current and real ethical dilemmas faced by managers.



Key terms

Every chapter highlights a number of key terms you will need to know. These terms are highlighted in bold print where they are first explained, and are outlined in the margin of the text. They are also listed at the end of the book in the glossary section, to make finding and studying them easier.

a guided tour for students and educators

MyLab Management for Robbins/Bergman/Coulter Management, 8th edition

Auto-generated tests and assignments

Each MyLab™ comes with pre-loaded assignments, all of which are automatically graded.

This Question: 1 pt | 1 of 21 (0 complete) | This Test: 21 pts possible

Carlos manages a number of people of different races and ages, many of whom were born overseas, immigrating to Australia as young adults. This is an excellent example of what?

- A. Workforce diversity
- B. The systems approach
- C. Entrepreneurship
- D. Scientific management

Click to select your answer.

Assignable content

Educators can select content from the Study Plan and/or Test Bank and assign to students as homework or quizzes.

New Homework

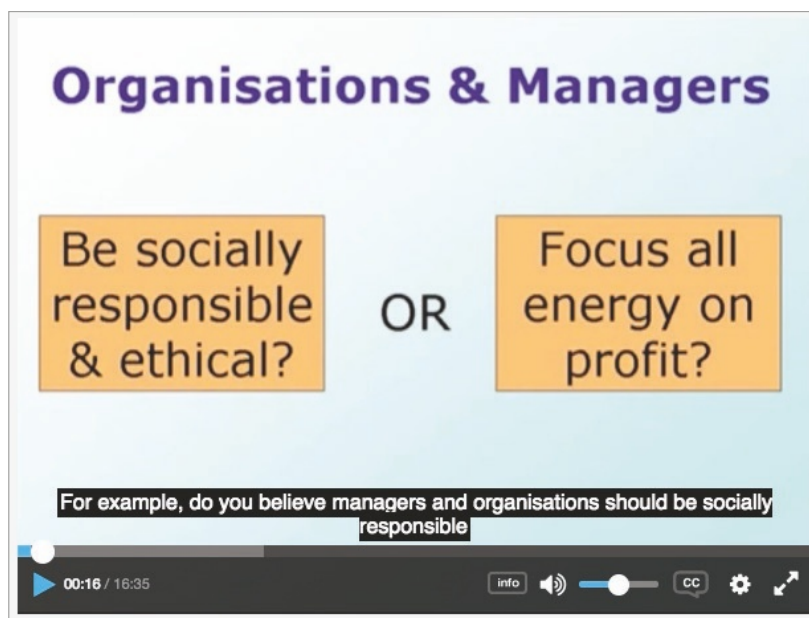
1 Start | 2 Select Media and Questions | 3 Choose Settings

Name: Homework | Book: Robbins: Management | Chapter: 1. Managers in the workplace | Learning Outcome: All Learning Outcomes | Availability: All questions

Question Source: Show additional test bank questions

Available Questions (129)	My Selections (0)	Questions on assignment: 0
Question ID	#	Question ID / Media
<input type="checkbox"/> 1.1-1 (tb)		Objective / Book Association
<input type="checkbox"/> 1.1-2 (tb)		
<input type="checkbox"/> 1.1-3 (tb)		
<input type="checkbox"/> 1.1-4 (tb)		
<input type="checkbox"/> 1.1-5 (tb)		
<input type="checkbox"/> 1.1-6 (tb)		
<input type="checkbox"/> 1.2-1 (tb)		
<input type="checkbox"/> 1.2-2 (tb)		
<input type="checkbox"/> 1.2-3 (tb)		
<input type="checkbox"/> 1.2-4 (tb)		
<input type="checkbox"/> 1.2-5 (tb)		

Click Questions to select questions and click Media to select media. Click Add to include selected questions or media in this assignment.



Learning resources

To further reinforce understanding, Study Plan problems link to additional learning resources, such as relevant sections of the eText. Videos and simulations are also available for students.

Study Plan

A personalised Study Plan is generated from each student's results on assignments or sample tests. The Study Plan indicates learning outcomes where the student needs more practice, and helps them work towards mastery.

Educator resources

To assist the educator, a suite of additional supplementary materials is provided with this textbook. The educator resources include a variety of useful features, including:

Instructor's Manual

Includes teaching tips and answers to all the questions contained in the text. For each chapter, it provides the learning outcomes, solutions to all end-of-chapter review questions, thinking critically about management issues, and case application questions, as well as practical suggestions for becoming a manager, case studies and ethical dilemma scenarios.

Test Bank

The Test Bank provides a wealth of accuracy-verified testing material. Updated for the new edition, each chapter offers a wide variety of true/false, scenario-based

multiple-choice and essay-type questions featuring problems of varying complexity and structured by learning outcome for the educator's convenience. Each question has been tagged by AACSB standards, as well as by difficulty level and the topic it relates to. The Test Bank is also available as a Word document and in Blackboard- and Moodle-compatible formats.

PowerPoint lecture slides

A comprehensive set of PowerPoint slides can be used by educators for class presentations or by students for lecture preview or review. They include key figures and tables, as well as a summary of key concepts and examples from the text.

PowerPoint slides

All the diagrams and tables from the text are available for lecturer use.