

# Preface

## About the Authors

**Ronald J. Ebert** is Emeritus Professor at the University of Missouri-Columbia where he lectures in the Management Department and serves as advisor to students and student organizations. Dr. Ebert draws upon more than 30 years of teaching experience at such schools as Sinclair College, University of Washington, University of Missouri, Lucian Blaga University of Sibiu (Romania), and Consortium International University (Italy). His consulting alliances have included such firms as Mobay Corporation, Kraft Foods, Oscar Mayer, Atlas Powder, and John Deere. He has designed and conducted management development programs for such diverse clients as the American Public Power Association, the United States Savings and Loan League, and the Central Missouri Manufacturing Training Consortium.

His experience as a practitioner has fostered an advocacy for integrating concepts with best business practices in business education. The five business books he has coauthored have been translated into Spanish, Chinese, Malaysian, and Romanian languages.

Dr. Ebert has served as the Editor of the *Journal of Operations Management*. He is a Past-President and Fellow of the Decision Sciences Institute. He has served as consultant and external evaluator for *Quantitative Reasoning for Business Studies*, an introduction-to-business project sponsored by the National Science Foundation.

**Ricky Griffin** received his Ph.D. in management from the University of Houston. After spending three years on the faculty at the University of Missouri-Columbia, he moved to Texas A&M University. During his career at Texas A&M he has taught undergraduate and graduate courses in management, organizational behavior, human resource management, and international business.

Dr. Griffin's research interests include workplace aggression and violence, organizational security, workplace culture, and leadership. His work has been published in such journals as *Academy of Management Review*, *Academy of Management Journal*, *Administrative Science Quarterly*, and *Journal of Management*. He served as Associate Editor and then as Editor of *Journal of Management*.

In addition, Dr. Griffin has also authored or coauthored several leading textbooks and coedited three scholarly books. His books are used in more than 500 colleges and universities in the United States and abroad, and have been translated into Spanish, Russian, Polish, and Chinese.

He has served the Academy of Management as Chair of the Organizational Behavior Division and as Program Chair of the Research Methods Division. He has served as President of the Southwest Division of the Academy of Management and on the Board of Directors of the Southern Management Association. Dr. Griffin is a Fellow of both the Academy of Management and the Southern Management Association. He has also won several awards for research and been supported by over \$400,000 in federal research funding.

Dr. Griffin has served as Director of the Center for Human Resource Management and Head of the Department of Management at Texas A&M University. He has also served as Executive Associate Dean and Interim Dean at the Mays Business School. He currently serves as Head of the Department of Management.

## What's New to This Edition

- Six kinds of chapter-ending involvement activities—to reinforce and practice the use of chapter concepts—are back by popular demand (see below for detailed descriptions)
- Hundreds of new real-life business examples added throughout the text, as requested by reviewers and users.
- Five brand new chapter-opening cases cover key concepts in Chapter 4 (The Global Context of Business), Chapter 6 (Organizing the Business), Chapter 7 (Operations Management and Quality), Chapter 10 (Human Resource Management and Labor Relations), and Chapter 15 (Money and Banking).
- Substantially updated Marketing Processes and Consumer Behavior (Chapter 11), with all-new sections covering the new product development process, customer relationship management, geo-demographic segmentation, and behavior segmentation.
- Five new sections added to illustrate the modernization of Pricing, Distributing, and Promoting Products (Chapter 12), including the role of e-intermediaries, non-physical storage (warehousing for digital data), direct interactive marketing, combining just-in-time and supply chains for a competitive advantage, as well as marketing strategies of distribution via supply chains.
- Four new sections cover the latest changes in Information Technology for Business (Chapter 13), including computer-aided manufacturing (CAM), applications software (“apps”), computer-based voice technology, and recent ethical issues arising from IT.

## Features

### “What’s in It for Me?”

Each chapter opens with a section called “What’s in It for Me?” In this section, we answer that question by identifying the key elements in the chapter that are most central to your future careers in business, be it as an employee, manager, investor, or as an outside consumer or interested citizen—making it clear why each chapter really matters.

### Two-Part Chapter Case Vignettes

We’ve updated or completely replaced the chapter-opening cases, keeping them fresh, relevant, and up-to-date. Covering companies from British Petroleum to iTunes and Starbucks to Google, these chapter case vignettes pique your interest at the beginning of the chapter and reinforce concepts you’ve learned throughout the chapter by adding a new case wrap-up with discussion questions at the end.

### “Entrepreneurship and New Ventures”

If your plan is to work for a large corporation, start your own business, or anything in between, you need to be both entrepreneurial and *intrapreneurial*. These updated, popular boxed features touch upon entrepreneurs who have really made a difference.

### “Managing in Turbulent Times”

Whatever your role with any business, as employee, customer, or investor, you need to see the challenges and consequences firms encounter during economic downturns. Experiences from real companies reveal both disappointments and unexpected new

opportunities arising from the 2008–2010 recession and the uncertainties of economic recovery.

*We've also brought back several End-of-Chapter features that are designed to help you review and apply chapter concepts and build skills.*

- **Summary of Learning Objectives** offers a quick guide for you to review the major topics covered in each chapter.
- **Key Terms** with page references to help reinforce chapter concepts.
- **Building Your Business Skills** activities allow you to apply your knowledge and critical thinking skills to an extended problem drawn from a wide range of realistic business experiences.
- **Exercising Your Ethics: Individual Exercises & Team Exercises** ask you to examine an ethical dilemma and think critically about how you would approach and resolve it.
- **Video Exercises** help you see how real-life businesses and the people who run them apply fundamental business principles on a daily basis.

## What's in It for You?

If you're like many other students, you may be starting this semester with some questions about why you're here. Whether you're taking this course at a two-year college, at a four-year university, or at a technical school, in a traditional classroom setting or online, you may be wondering just what you're supposed to get from this course and how it will benefit you. In short, you may be wondering, "What's in it for me?"

Regardless of what it may be called at your school, this is a survey course designed to introduce you to the many exciting and challenging facets of business, both in the United States and elsewhere. The course fits the needs of a wide variety of students. You may be taking this course as the first step toward earning a degree in business, you may be thinking about business and want to know more about it, or you may know you want to study business but are unsure of the area you want to pursue. Maybe you plan to major in another field but want some basic business background and are taking this course as an elective. Or you may be here because, frankly, this course is required or is a prerequisite to another course.

For those of you with little work experience, you may be uncertain as to what the business world is all about. If you have a lot of work experience, you may even be a bit skeptical about what you can actually learn about business from an introductory course. One of our biggest challenges as authors is to write a book that meets the needs of such a diverse student population, especially when we acknowledge the legitimacy of your right to ask "What's in it for me?" We also want to do our best to ensure that you find the course challenging, interesting, and useful.

The world today is populated with a breathtaking array of businesses and business opportunities. Big and small businesses, established and new businesses, broad-based and niche businesses, successful and unsuccessful businesses, global and domestic businesses—throughout this book we'll discuss how they get started and how they work, why they grow and why some fail, and how they affect you. Regardless of where your future takes you, we hope that you look back on this course as one of your first steps.

Going forward, we also urge you to consider that what you get out of this course—what's in it for you—is shaped by at least three factors. One factor is this book and the various learning aids that accompany it. Another factor is your instructor. He or she is a dedicated professional who wants to help you grow and develop intellectually and academically.

The third factor? You. Learning is an active process that requires you to be a major participant. Simply memorizing the key terms and concepts in this book may help

you achieve an acceptable course grade. But true learning requires that you read, study, discuss, question, review, experience, and evaluate as you go along. While tests and homework may be a “necessary evil,” we believe we will have done our part if you finish this course with new knowledge and increased enthusiasm for the world of business. We know your instructor will do his or her best to facilitate your learning. The rest, then, is up to you. We wish you success.

To help lay the foundation for meeting these challenges, let’s look at the various “hats” that you may wear, both now and in the future.

## Wearing the Hats

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

- *The Employee Hat.* One business hat is as an employee working for a business. Many people wear this hat during the early stages of their career. To wear the hat successfully, you will need to understand your “place” in the organization—your job duties and responsibilities, how to get along with others, how to work with your boss, what your organization is all about, and so on. You’ll begin to see how to best wear this hat as you learn more about organizing business enterprises in Chapter 6 and how organizations manage their human resources in Chapter 10, as well as in several other places in this book.
- *The Employer or Boss Hat.* Another business hat that many people wear is as an employer or boss. Whether you start your own business or get promoted within someone else’s business, one day people will be working for you. You’ll still need to know your job duties and responsibilities. But you’ll now also need to understand how to manage other people—how to motivate and reward them, how to lead them, how to deal with conflict among them, and the legal parameters that may affect how you treat them. Chapters 3, 5, 8, and 9 provide a lot of information about how you can best wear this hat, although the role of employer runs throughout the entire book.
- *The Consumer Hat.* Even if you don’t work for a business, you will still wear the hat of a consumer. Whenever you fill your car with Shell gasoline, bid for something on eBay, buy clothes at Urban Outfitters, or download a song from iTunes, you’re consuming products or services created by business. To wear this hat effectively, you need to understand how to assess the value of what you’re buying, your rights as a consumer, and so on. We discuss how you can best wear this hat in Chapters 4, 11, and 12.
- *The Investor Hat.* The final business hat many people wear is that of an investor. You may buy your own business or work for a company that allows you to buy its own stock. You may also invest in other companies through the purchase of stocks or shares of a mutual fund. In order for you to invest wisely, you must understand some basics, such as financial markets, business earnings, and the basic costs of investment. Chapters 4, 14, 15, 16, and an appendix will help you learn how to best wear this hat.

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