

GLOBAL
EDITION



MANAGEMENT

FIFTEENTH EDITION

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MANAGEMENT

15E

Global Edition

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WORKPLACE CONFIDENTIAL Balancing Work and Personal Life

Several business critics have proposed that business firms have a social responsibility to help employees balance their work demands with their family and personal commitments. A number of companies, usually large ones and often in high-tech industries, have responded by making work-life balance an important corporate goal. They've introduced flexible work hours; offered paid leaves for both new dads and moms; built on-site childcare facilities, and introduced similar policies that make it easier for employees to balance their personal life and work. But such workplace benefits are probably more the exception than the rule. Unfortunately, most of us face situations more accurately described as work-life *imbalance*.

If you're going to achieve balance, responsibility is most likely to fall largely on your own shoulders. So what can you do?

In an ideal world, you would seek a progressive employer that sees the benefits of providing its employees with the flexibility to balance work and personal responsibilities. As we've noted, there are such firms. *Fortune* magazine publishes an annual list of the 100 best companies to work for. Many of these companies make the *Fortune* list in large part because of their progressive human resource policies that include options to facilitate work-life balance.

Our next suggestion asks you to assess your priorities. What trade-offs are you prepared to make between your work and personal life? Keep in mind that the answer to this question often changes over time. At age 25, your career might be your highest priority and working 70 hours a week might be a price you're willing to pay to move up the career ladder. At 35, you might not feel the same way. There is nothing wrong with going "all in" on your job. Just realize that there are trade-offs. If you have high career aspirations, recognize that you will need to make personal sacrifices. Consider where you want to be in 5, 10, 20, and even 30 years. If you decide that pursuing a rich personal life outside of work is important to you, consider this fact when seeking a job. And per Chapter 3, choose an organization whose culture is compatible with your values. If your non-work activities are your highest priority, choose an organization and a job where your preference will be honored.

Take a look back at the "It's Your Career" box in Chapter 1. It provides a brief summary of time-management techniques. To successfully manage conflicts that might arise between your work and non-work life, few activities are more valuable than effective use of your time.

As noted in Chapter 1, time is a unique resource in that, if it's wasted, it can never be replaced. Importantly, every one of us is allotted the same 24 hours a day, seven days a week. Some people just use their allotments better than others. That is, they do a better job of managing their time. For instance, you can reduce work-life conflicts by prioritizing both work and personal activities by importance and urgency.

Besides prioritizing activities, here are three additional time-management suggestions:

Follow the 80/20 principle. Most of us produce 80 percent of our results using only 20 percent of our time. It's easy to get caught in an activity trap and confuse actions with accomplishments. Those who use their time well make sure that the crucial 20 percent gets highest priority.

Know your productivity cycle. Each of us has a daily energy cycle that influences when we feel most productive or unproductive. Some of us are morning people, while others are late afternoon or evening people. Don't fight your natural cycle. Understand it and use it to your advantage. Handle your most demanding problems during the high part of your energy cycle, when you are most alert and productive. Relegate routine and undemanding tasks to your low periods.

Group less-important activities together. Set aside a regular time period each day to make phone calls, respond to emails, do follow-ups, and perform other kinds of "busy work." Ideally, this should be during your low cycle. This avoids duplication, waste, and redundancy; it also prevents trivial matters from crowding out high-priority tasks.

The following are a few additional practices that can help you balance your work-life commitments.

- **Set specific time targets for leaving work.** Make it a habit to leave work at a set time each day. As this pattern is established, colleagues will become increasingly aware of your schedule and learn to interact with you during your specific work hours.
- **Separate work and personal cell phones.** Use two separate cell phones or cell accounts. Respond to your work number during working hours and your personal number at other times. Turn off your business phone when you're outside your work hours.
Avoid checking emails or responding to work-related texts outside work hours. Don't let your work hours become 24/7. In our digital world, it's increasingly common for people to assume we're always available. Make clear to others that you separate your personal life from your work. In reality, most "urgent" messages aren't urgent. Most replies can be delayed ten or twelve hours with minimal effects.
- **Our final suggestion recognizes that working for others always requires giving up some degree of control.** No matter how progressive your employer, the employment agreement implies a trade-off: You give up some of your freedom in return for compensation. You can potentially maximize control of your work-life conflicts by becoming your own boss. While this rarely lessens demands on your time, it can allow you to dictate how you will spend your time. You may end up working longer hours than you would if you worked for someone else, but that decision will be yours rather than someone else's.⁷⁰

year in grants. It recently made grants of \$2.4 million to an organization that provides direct cash to the poor; \$750,000 to help a school for the blind create a navigation app; and \$1 million to a group that advocates for criminal-justice reform.⁶⁷

One could argue, following the classical view of social responsibility, that for-profit businesses should not be using stockholder's money to support corporate philanthropy. Yet charity can be consistent with the profit motive. For instance, a Nielsen study found that 55 percent of online consumers stated that they would pay more for products and services from companies that are committed to positive social and environmental impact.⁶⁸ Additionally, there is evidence that philanthropy is good for employee morale. It can be a source of pride and increase a company's ability to attract and recruit qualified staff. Thus, corporate philanthropy can be a win-win situation. Business firms "are able to meet their customers' demand while increasing long-term profits through positive public relations."⁶⁹ The fact that corporate philanthropy is now so widespread suggests that regardless of the motivation—increased sales, good marketing, concern for community and society, long-term profits, image and reputation, or employee morale—corporate executives appear committed to it.



Aside from benefiting the community, corporate philanthropy can contribute to numerous benefits for a firm, including increased sales, image and reputation, and employee morale. Here we see representatives from Ralphs, a west coast supermarket chain, at a donation event for Los Angeles families in need.

Source: Jordan Strauss/AP Images

Chapter 6

PREPARING FOR: Exams/Quizzes

CHAPTER SUMMARY by Learning Objectives

L06.1

DISCUSS what it means to be socially responsible and what factors influence that decision.

Social responsibility is a business's obligation, beyond its economic and legal obligations, to pursue long-term goals that are good for society. The classical view of social responsibility is that managers' primary charge is to ensure financial returns for the company. A firm pursues social goals as they contribute to economic goals. The socioeconomic view of social responsibility involves the belief that organizations have a responsibility to society. Both views suggest that businesses have an ethical obligation to make society better and *not* to engage in activities to make it worse. A socially responsive company might decide to do something because of social norms expecting them to; a socially responsible business decision is guided by a decision about what they themselves think is right or ethical. Determining whether organizations should be socially responsible can be done by looking at arguments for and against it. We can conclude that a company's social responsibility doesn't appear to hurt its economic performance.

L06.2

EXPLAIN green management and how organizations can go green.

Green management is when managers consider the impact of their organization on the natural environment. Organizations can "go green" in different ways. The light green approach is doing what is required legally, which is social obligation. Using the market approach, organizations respond to the environmental preferences of their customers. Using the stakeholder approach, organizations respond to the environmental

demands of multiple stakeholders. Both the market and stakeholder approaches can be viewed as social responsiveness. With an activist or dark green approach, an organization looks for ways to respect and preserve the earth and its natural resources, which can be viewed as social responsibility.

Green actions can be evaluated by examining reports that companies compile about their environmental performance, by looking for compliance with global standards for environmental management (ISO 14000), and by using the Global 100 list of the most sustainable corporations in the world.

L06.3**DISCUSS the factors that lead to ethical and unethical behavior.**

Ethics refers to the principles, values, and beliefs that define right and wrong decisions and behavior. The factors that affect ethical and unethical behavior include an individual's level of moral development (preconventional, conventional, or principled), individual characteristics (values and personality variables—ego strength and locus of control), structural variables (structural design, use of goals, performance appraisal systems, and reward allocation procedures), organizational culture, and issue intensity (greatness of harm, consensus of wrong, probability of harm, immediacy of consequences, proximity to victims, and concentration of effect).

Since ethical standards aren't universal, managers should know what they can and cannot do legally as defined by the Foreign Corrupt Practices Act. It's also important to recognize any cultural differences and to clarify ethical guidelines for employees working in different global locations. Finally, managers should know about the principles of the Global Compact and the Anti-Bribery Convention.

L06.4**DESCRIBE management's role in encouraging ethical behavior.**

The behavior of managers is the single most important influence on an individual's decision to act ethically or unethically. Some specific ways managers can encourage ethical behavior include paying attention to employee selection, creating an organizational culture that positively influences ethical behavior, having and using a code of ethics, recognizing the important ethical leadership role they play and how what they do is far more important than what they say, making sure that goals and the performance appraisal process don't reward goal achievement without taking into account how those goals were achieved, and using ethics training and independent social audits.

L06.5**DISCUSS current social responsibility and ethics issues.**

Managers can protect whistle-blowers (employees who raise ethical issues or concerns) by encouraging them to come forward, by setting up toll-free ethics hotlines, and by establishing a culture in which employees can complain and be heard without fear of reprisal. Managers also can promote social entrepreneurship, which involves creating solutions to social problems through entrepreneurship activity. Social entrepreneurs want to make the world a better place and have a driving passion to make that happen. Social media is a good vehicle for management to use to communicate and promote socially responsible actions. Businesses can promote positive social change through corporate philanthropy efforts.

REVIEW AND DISCUSSION QUESTIONS

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| <p>6-1. Why do you think an organization might not value social responsibility?</p> <p>6-2. Many organizations around the world claim they are green. What criteria would you consider if you had to evaluate their green credentials objectively?</p> | <p>6-3. How might the moral development of an employee affect their ethical stance?</p> <p>6-4. How can internal and external locus of control influence work behaviors?</p> |
|--|--|

- 6-5. In April 2010, the Deepwater Horizon oil spill in the Gulf of Mexico caused the largest oil spill in history. BP (British Petroleum) and the NOAA (National Oceanic and Atmospheric Administration) ignored subsequent independent reports of continued oil leaks until the incident was verified a month later. Do you think BP and NOAA behaved ethically in ignoring the reports?
- 6-6. What kind of protection can be afforded to whistle-blowers? Are these protective steps sufficient to encourage such actions in future?
- 6-7. "Ethical leaders are honest, share their values, stress important shared values, and use the reward system appropriately." Observe your college professors. Would you consider them to be ethical leaders? Discuss.
- 6-8. What can an organization do to encourage ethical behavior?

PREPARING FOR: My Career

ETHICS DILEMMA

A coworker takes credit for the excellent job you've performed. Frustrating! It's probably happened to you or someone you know. How did it happen? Perhaps you shared an idea with a coworker and then hear her present it as her own in a meeting. Or perhaps you worked during the weekend to ensure that a project report is completed on time and your coworker takes credit for your initiative. Or maybe you resolved a conflict with a customer, but your department head reports the resolution as his own.

- 6-9. What are some of the possible reasons for others taking credit for your work? Are any of the reasons justifiable? Why or why not?
- 6-10. Do you think that those who take credit for your work know that what they're doing is wrong?
- 6-11. How would you respond to your coworker or boss? Explain.

SKILLS EXERCISE Developing Your Trust Building Skill

About the Skill

Trust plays an important role in the manager's relationships with his or her employees.⁷¹ Given the importance of trust in setting a good ethical example for employees, today's managers should actively seek to develop it within their work group.

Steps in Practicing the Skill

- **Practice openness.** Mistrust comes as much from what people don't know as from what they do. Being open with employees leads to confidence and trust. Keep people informed. Make clear the criteria you use in making decisions. Explain the rationale for your decisions. Be forthright and candid about problems. Fully disclose all relevant information.
- **Be fair.** Before making decisions or taking actions, consider how others will perceive them in terms of objectivity and fairness. Give credit where credit is due. Be objective and impartial in performance appraisals. Pay attention to equity perceptions in distributing rewards.
- **Speak your feelings.** Managers who convey only hard facts come across as cold, distant, and unfeeling. When you share your feelings, others will see that you are real and human. They will know you for who you are and their respect for you is likely to increase.
- **Tell the truth.** Being trustworthy means being credible. If honesty is critical to credibility, then you must be perceived as someone who tells the truth. Employees are more tolerant of hearing something "they don't want to hear" than of finding out that their manager lied to them.
- **Be consistent.** People want predictability. Mistrust comes from not knowing what to expect. Take the time to think about your values and beliefs, and let those values and beliefs consistently guide your decisions. When you know what's important to you, your actions will follow, and you will project a consistency that earns trust.
- **Fulfill your promises.** Trust requires that people believe that you are dependable. You need to ensure that you keep your word. Promises made must be promises kept.
- **Maintain confidences.** You trust those whom you believe to be discreet and those on whom you can rely. If people open up to you and make themselves vulnerable by telling you something in confidence, they need to feel assured you won't discuss it with others or betray that confidence. If people perceive you as someone who leaks personal confidences or someone who can't be depended on, you've lost their trust.
- **Demonstrate competence.** Develop the admiration and respect of others by demonstrating technical and professional ability. Pay particular attention to developing and displaying your communication, negotiation, and other interpersonal skills.

Practicing the Skill

Building trust in teams you work on for class projects is a great way to practice your skills in building trust. It's important to quickly develop trust among your teammates if the project is to succeed. Using the steps above, create a plan that you can use to more quickly build and maintain trust in team projects. Make a list of steps you can take at

the beginning of the project to begin building trust. Next, make a list of behaviors you are willing to commit to during the team project in order to continue to build and maintain trust. For example, you may want to commit to responding to your teammates' communications within a certain time period. Implement your plans with your next team project.

WORKING TOGETHER Team Exercise

Between 1 and 9 percent of employees of around 50 percent of all UK businesses donate to charities from their salaries. Only 10 percent of UK businesses reported that around 10 to 24 percent of their employees are donating toward charities from their salaries. In the United Kingdom, charitable donations attract a like-for-like payment from the government, making such donations twice as valuable. An estimate of around 735,000 employees donated to charities

directly from their pay. What are the ways in which an employer can encourage their workers to make charitable donations? How can the schemes be run? Create a list of suggestions and share your group's ideas with the rest of the class. While there are proven ways to promote this kind of giving, discuss whether it is reasonable to expect employees to get involved.

MY TURN TO BE A MANAGER

- Go to the Global Reporting Initiative website (www.globalreporting.org) and choose three businesses from the list that have filed reports. Look at those reports and describe/evaluate what's in them. In addition, identify the stakeholders who might be affected and how they might be affected by the company's action.
- Identify three companies that are known for being socially responsible. List and compare the types of socially responsible behavior that each company engages in.
- Research careers in sustainability. Visit the Occupational Information Network (O*Net) at www.onetcenter.org and search for careers using the terms "sustainability" or "green management." Create a list of the types of jobs or careers you can pursue. Identify the skills and abilities that are required for a career in sustainability.
- Find five different examples of organizational codes of ethics. Compare and contrast the examples.
- Using the examples of codes of ethics you found, create what you feel would be an appropriate and effective organizational code of ethics. In addition, create your own *personal code of ethics* you can use as a guide to ethical dilemmas.
- Over the course of two weeks, see what ethical "dilemmas" you observe. These could be ones you face personally, or they could be ones that others (friends, colleagues, other students talking in the hallway or before class, and so forth) face. Write these dilemmas down and think about what you might do if faced with that dilemma.
- Interview two different managers about how they encourage their employees to be ethical. Write down their comments and discuss how these ideas might help you be a better manager.

CASE APPLICATION 1

A Novel Wellness Culture

The 1,000-year-old Latin saying *mens sana in corpore sano* stands for a healthy mind in a healthy body in English language represents the core idea of The Wellness Foundation, launched by Nerio Alessandri, the founder of Italian wellness company Technogym. As a manufacturer of fitness equipment, Technogym employs more than 2,000 employees and users of its machines include football players of famous football teams such as the AC Milan as well as celebrities such as Madonna and Sylvester Stallone.

The projects under the Wellness Foundation receive financial support from Technogym, which is the official supplier of gym equipment for the Olympic Games and for major luxury hotel chains in the world such as the Mandarin Oriental and

Four Seasons. The goal of the Foundation is as simple yet enlightening: promoting a novel style of living in a society, grounded in creating a perfect balance between physical, mental, and social components of life. In Europe, almost half of the population do not engage in any kind of aerobic physical activity according to a study by the European Commission. The sedentary lifestyle is responsible for causing an increase in the number of chronic diseases, a huge deficit in governments' health budgets, and work absenteeism.

The Wellness Foundation intends to address these problems by promoting scientific research, education, and tangible projects, and by encouraging people of all generations to engage in regular physical activity. For example, "Play Wellness" is one of the most important projects promoted by the foundation. It is geared toward 10,000 children between the ages of 3 and 9 in the city of Cesena, Italy. It consists of 2,700 hours of physical activity at school with professional instructors, training for teachers on the benefits of physical activity for children's growth, and the realization of products detailing the benefits of physical activity for children. The benefits of this initiative has gained international recognition through its involvement with the "Let's Move!" campaign. Let's Move is a children wellness initiative launched by Michelle Obama in early 2010 which aims to solve the challenge of childhood obesity by focusing on a healthy and physically active life at a young age.⁷²

DISCUSSION QUESTIONS

- 6-12. Do you think that Technogym's success stories in social responsibility would also help the company in becoming more profitable?
- 6-13. Explain whether Alessandri's approach is a social obligation, social responsiveness, or social responsibility.
- 6-14. It's time to think like a manager. Corporate social responsibility is wonderful, though often criticized as purely rhetorical and laden with subtle profit goals. How can a manager emphasize genuineness of corporate social responsibilities and activities in society?
- 6-15. Do you think that the collaboration between the managers of the Let's Move campaign and Play Wellness is beneficial for both companies? Explain.

CASE APPLICATION 2

Renault-Nissan: No Braking for Ethics?

Headquartered in Boulogne-Billancourt, France, the automotive manufacturer Renault was established 120 years ago in 1899, and Japanese automotive manufacturer, Nissan, was founded in 1933, headquartered in Yokohama, Japan. In 1999, these two automotive giants entered into the Renault-Nissan strategic alliance and, in 2016, Tokyo-based Mitsubishi Motors was added to the mix. In 2019, the alliance found itself at a crossroads following an ethics scandal that has rocked the group.

And it is Carlos Ghosn, the former chairman and CEO of Renault, who is at the heart of this controversy. Together with top executives at Nissan and Mitsubishi, the alliance has been embroiled in an ethical scandal that regularly made headlines throughout 2018 and 2019. Ghosn was arrested in late 2018 on charges with financial misconduct and breach of trust, following which he was ousted by both Nissan and Renault.

Nissan and Mitsubishi claim that Ghosn improperly received \$9 million as compensation, while Renault claims that Ghosn's expenses amounting to €11 million are suspicious. Following a private investigation into the scandal, Renault issued a statement that said "questionable and concealed practices and violations of the group's