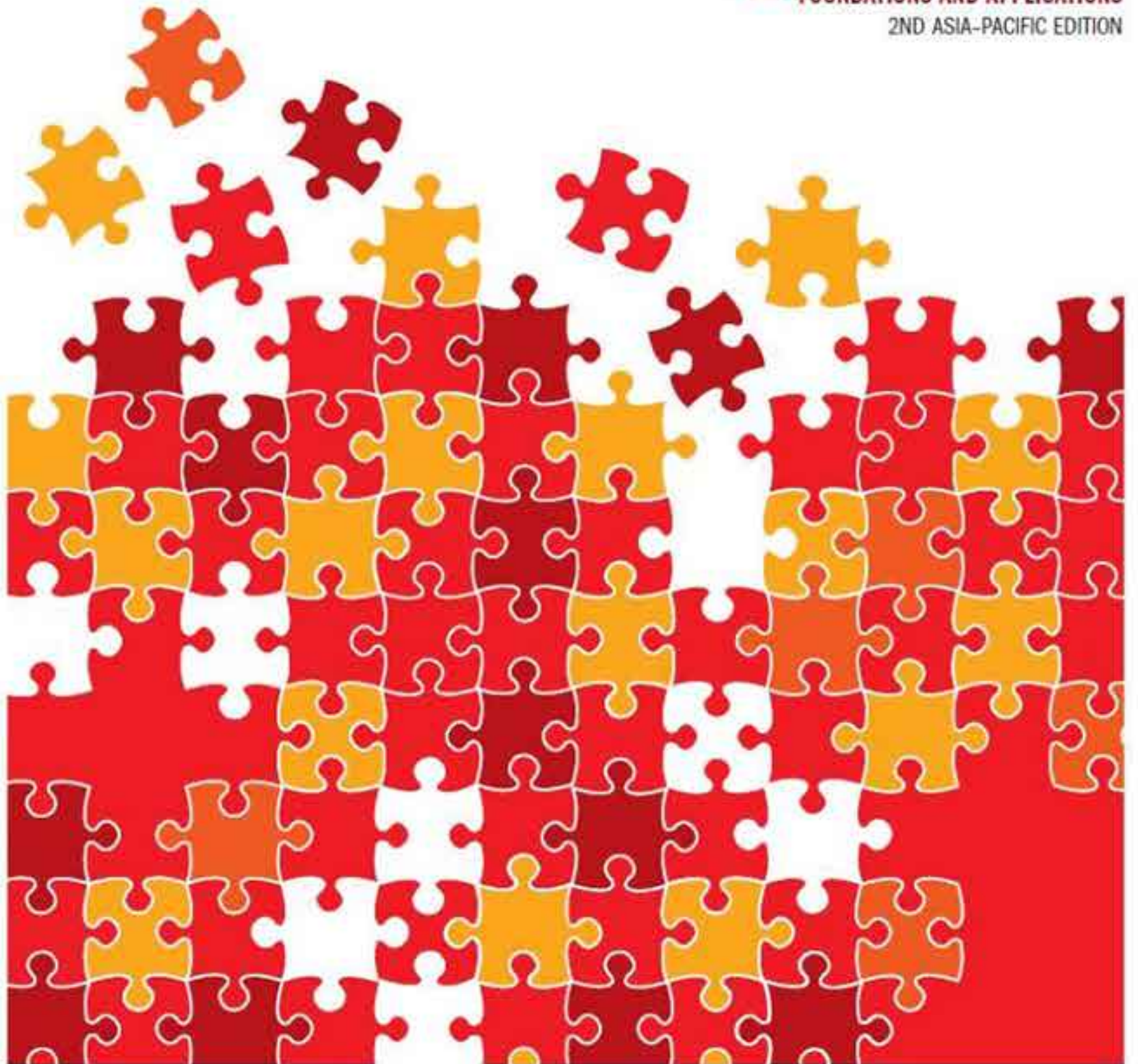


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management

FOUNDATIONS AND APPLICATIONS

2ND ASIA-PACIFIC EDITION

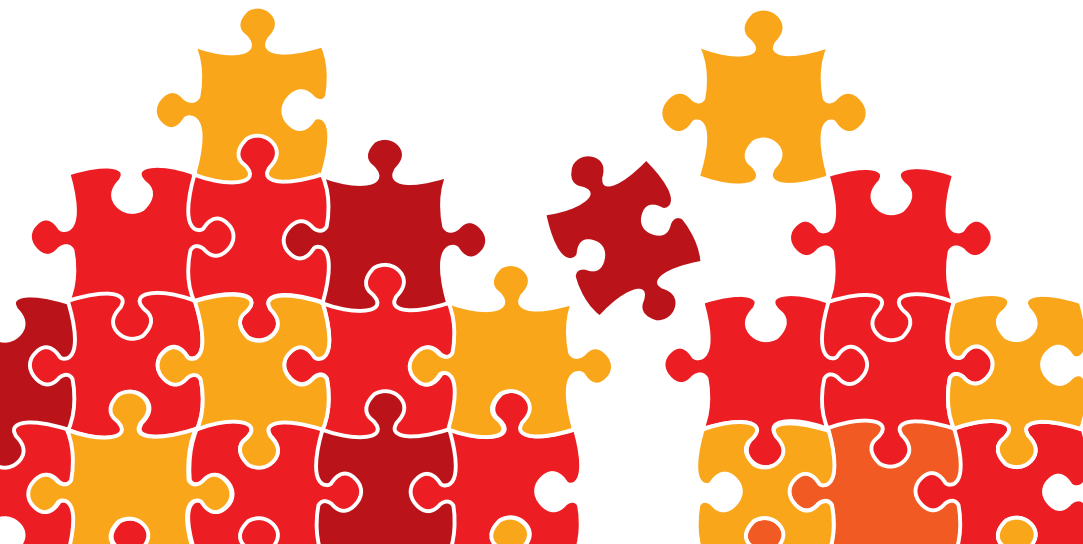


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2ND ASIA-PACIFIC EDITION



WILEY

Second edition published 2014 by
John Wiley & Sons Australia, Ltd
42 McDougall Street, Milton Qld 4064

Typeset in 10/13 Sabon LT Std

Australian editions © John Wiley & Sons Australia, Ltd 2011,
2014

Authorised adaptation of Management (ISBN 978 0 471 43570 9),
published by John Wiley & Sons, Inc., New York, United States
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National Library of Australia
Cataloguing-in-Publication entry

Title:	Management/ John R. Schermerhorn Jr ... [et al.].
Edition:	2nd Asia Pacific ed.
ISBN:	978 1 118 36253 2 (pbk.)
Notes	Includes index.
Subjects:	Management — Asia. Management — Pacific Area.
Other Authors/ Contributors	Schermerhorn, John R.
Dewey Number:	658.0095

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Typeset in India by diacriTech

Printed in China by
1010 Printing International Ltd

10 9 8 7 6 5 4 3 2 1

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Applications at a glance

The real-world examples in *Management: Foundations and Applications, 2nd Asia-Pacific edition*, have been carefully chosen to include a balance of small to medium-sized enterprises and larger multinational corporations operating in our region, and a diverse range of relevant product and service industries.

Chapter	Opening vignette	Features	Regional research	Case for critical thinking
1	The contemporary workplace	Managing to keep Apple fresh Australian mining goes global (globalisation) The challenge of managing across cultures (diversity – Asian) First, let's fire all the managers (counterpoint) Workplace motivation and culture (counterpoint – Asian)	Responsible or Redundant? Engaging the Workforce Through Corporate Social Responsibility	Economic downturns and the business environment
2	Historical foundations of management	Looking back to look forward Classical management in the Haier Group (innovation – Asian) Employee empowerment delivering growth at Sinclair Knight Merz (globalisation) Modern management – the old and the new at McDonald's Australia (globalisation) Think about your management theories (counterpoint)	Generational Cohorts' Expectations in the Workplace: A Study of New Zealanders	Management in practice at AirAsia (Asian)
3	Environment and diversity	Google: a diverse and fun-filled culture Interaction through screens replaces face-to-face contact (technology) Carbon taxes and emissions trading schemes (sustainability) Greed and the big four banks (ethics) Globalisation and women (counterpoint – Asian) Diversity and the multicultural organisation in Singapore (diversity – Asian)	Capabilities and Organisational Success: Some Pointers from Five Australian Studies	Quality can endure despite environmental shocks
4	International dimensions of management	Export to China (Asian) Australian Volunteers International in Vietnam (globalisation – Asian) Ship breaking in Bangladesh (counterpoint – Asian) Australia, New Zealand and the United States (diversity) Supply and demand of labour – a global phenomenon (globalisation)	Corporate Social Responsibility in Asian Supply Chains (Asian)	Australian banks in Asia (Asian)

Chapter	Opening vignette	Features	Regional research	Case for critical thinking	
5	Ethical behaviour and social responsibility	Corporate social responsibility at the ABC	Sustainability at CSR Limited (ethics) BHP's Ok Tedi mine in Papua New Guinea (sustainability) Two views on nuclear energy and uranium mining (counterpoint) Singapore Compact tries to cover every angle (social responsibility – Asian) Corporate social responsibility in South-East Asia (sustainability – Asian)	Ethics, Power and Communities: Corporate Social Responsibility Revisited	Phone hacking, corruption and the closure of the <i>News of the World</i>
6	Information and decision-making	Amazon, apps and Apple	The downside of technology and global access (technology) McDonald's: adapting for the Asian market (globalisation – Asian)	Making the Most of Technology: Indian Women Migrants in Australia (Asian)	A flood of decisions
7	Planning	Planning at Flight Centre	Planning for better health (social responsibility) BP plans for a greener future (sustainability) Innovation and emerging markets in Asia (globalisation – Asian) The absurdity of planning in a rapidly changing global economy (counterpoint)	Where My Ideas Come From: Chris Anderson	Scenario planning at Royal Dutch Shell
8	Strategic management	Australia's most successful manufacturing business	Ghost mall: the largest shopping mall in the world? (globalisation – Asian) Webjet and Expedia: where competition gives way to co-opetition (counterpoint) Unique service at The House Collection hotels (diversity – Asian) Nokia: when innovation missed the market (innovation)	Developing Renewable Energy Supply in Queensland, Australia: A Study of the Barriers, Targets, Policies and Actions	Chatime: a taste for rapid growth
9	Organising	Scandals and structure: curing Queensland Health	SingTel aligns structure with global strategy (globalisation – Asian) Is restructuring worth the pain? (counterpoint) The strawberry generation (diversity – Asian) Greenwashing (sustainability) How much should structure adapt to new technology (technology)	Do Downsizing Decisions Affect Organisational Knowledge and Performance?	Valve steams ahead

Chapter	Opening vignette	Features	Regional Research	Case for critical thinking	
10	Controlling	Relying on quality to bring control (Asian)	Organisation structure as a form of control in emerging markets (social responsibility – Asian) Control in ship building (technology)	Project Management for Development in Africa: Why Projects are Failing and What Can Be Done About It	Control and the mobile worker: rethinking IT devices in the workplace
11	Human resource management	Valuing employees at McDonald's	Religion in the workplace (diversity) Discrimination at work in Asia (counterpoint – Asian) Doctors dead on their feet (ethics) Rio Tinto's commitment to diversity and inclusion (diversity) Is psych testing a great tool or a great disappointment? (counterpoint) From chief executive to philanthropist (social responsibility) Asian leadership in the global market (globalisation – Asian)	Irreconcilable Differences? Strategic Human Resource Management and Employee Well-Being	Sick leave costing employers
12	Leading	When leadership brawls become ugly	Just when is the right time to retire? (diversity – Asian) The Kiwi world beater (globalisation) The death of an innovator (technology) Green leadership (sustainability)	What Would Confucius Do? Confucian Ethics and Self-regulation in Management (Asian)	The leadership challenges of James Riady (Asian)
13	Communication and interpersonal skills	Communicating openly in China (Asian)	The fragility of organisational reputation (technology) Managers as storytellers (counterpoint)	Workplace Bullying in New Zealand: A Survey of Employee Perceptions and Attitudes	When great communication goes bad: Great Wall Motors (Asian)

Chapter		Opening vignette	Features	Regional Research	Case for critical thinking
14	Motivation and rewards	Being wooed at Sitback	Indian firms bribe staff with live telecasts (globalisation – Asian) Employee engagement and motivation (diversity) Adapting rewards to local contexts (globalisation) Can money be trumped? (counterpoint)	Salespeople Engagement and Performance: A theoretical model	The IT industry: from ping pong tables to nap rooms
15	Leading and managing change	Leadership and changing environments at Sony (Asian)	First there was a brick, now there's an iPhone (technology) Australia – an innovative country (innovation) The controversial carbon tax (sustainability) Chance and fate determine organisational survival (counterpoint) Change needed in Australian Defence Force culture (diversity)	Store Owners' Reactions to a Corporation's Takeover of a Shopping Centre in an Australian City	Wall Street sneezes and the world catches a cold

Preface

Welcome to *Management: Foundations and Applications, 2nd Asia–Pacific edition*, a text designed to be an enjoyable, informative and challenging introduction to both the art and the science of management. This edition has been thoroughly updated, continuing its strong emphasis on the importance of the Asian region to contemporary Australian and New Zealand organisations, with numerous Asian case examples featured to illustrate key management concepts.

Management: Foundations and Applications, 2nd Asia–Pacific edition, has also retained the features that have made it so popular with students and lecturers in earlier editions:

- balanced coverage of small- and medium-sized enterprises and larger multinational corporations
- an emphasis on the need for business activities to be sustainable in terms of preserving the welfare of future generations
- the Career Readiness Workbook at the back of the text, which includes a range of individual and group activities to encourage the practical application of management theory.

Management is, to paraphrase Henry Mintzberg, a messy task involving multiple pressures and roles. Managing an organisation in the Asia–Pacific region, in the broader context of the increasingly global economy, presents many challenges. For example, there is the objective of getting the most from diverse workforces when members differ in terms of age, sex, ethnicity or any of the many other characteristics that make us unique. There is also the challenge of managing the organisation’s approach to ethics, social responsibility and sustainability. This last area has become increasingly important as pressures on the global natural environment, such as those from pollution and global warming, are forcing politicians and companies to invest and manage for long-term environmental sustainability. Social responsibility and ethics are also playing an increasingly important role — and all of these are continuing themes throughout this book.

Many organisations throughout the Asia–Pacific region are exporting products, establishing international offices or developing links with other organisations in the region via alliances and joint ventures. International management entails developing an understanding of other cultures and markets with a view to ensuring that organisations respond positively to the great potential of international business. In this era of empowerment and flatter organisational structures, managers must come to terms with the challenge of working with people who want as much responsibility, autonomy and freedom as their managers do. Often the role of the manager has become more that of coach and mentor than traditional supervisor.

Organisations also seem to be rising and falling at a greater rate than has occurred in the past. The global economy, with its large networks of managers and policy-makers connected by high-speed internet and advanced mobile telecommunications technologies, is developing and reacting at a great pace. This has created a more dynamic and rapidly changing business environment to which managers must respond. They need to think entrepreneurially to ensure that customers’ changing needs and demands for entirely new products and services are met. The entrepreneurial imperative — based on clear strategies, planning and implementation — is a competency few managers can ignore.

Technology is continuing to develop and evolve at a rapid rate. The challenge for organisations is to keep up with these new developments. Significant consequences arise from the organisation’s choice of technology, whether it is used to produce key outputs

or for internal information management and communication. Managers are also under pressure as a result of the increasing legislative requirements and sociopolitical pressure for sustainable businesses and industrial development in the Asia–Pacific region. Sustainability is driving technological change in many organisations. Those companies that innovate to meet this challenge will be the ones that continue to survive and prosper into the future.

Rather than viewing the many challenges facing managers in contemporary organisations as negative and overwhelming, management students should be encouraged to regard them with a positive focus. With the necessary management theories, concepts, tools and examples, students will be well equipped to meet these demands. It is with this goal in mind that *Management: Foundations and Applications, 2nd Asia–Pacific edition*, has been written.

Building on the best management writing we could find and including our own substantial contributions to the field, we have created a text that aims to be engaging, cutting-edge, topical and, above all, useful. By *engaging*, we hope that readers will do more than just ‘read’ the text — that they will analyse, appraise and reflect on its contents. We have aimed for an easy-to-read style of writing and are delighted with the use of colour and design that encourages students to gain the maximum value from the book. We also hope that students will engage with *Management: Foundations and Applications, 2nd Asia–Pacific edition*, by applying the concepts covered to their own careers, whether now or in the future.

We have also made the text as *relevant* as possible to the experiences and aspirations of our student cohorts. Although the vast majority of management students are relatively young, a growing number of more experienced people are taking university studies in management. Variations in age are compounded by differing competencies in communication and general awareness of the organisational world. In responding to this diversity, we have provided a significant number of contemporary examples of management in practice found in Australia, New Zealand and South-East Asia, including an analysis of the management and leadership approaches of prominent managers and entrepreneurs in the region.

Management: Foundations and Applications, 2nd Asia–Pacific edition, has also been designed to allow instructors maximum flexibility in terms of the emphasis placed on various topics and the order in which they are taught. The self-contained design of each chapter also allows instructors to create their own schedule of management topics that supports their personal approach to the teaching of a management foundations course. *Management: Foundations and Applications, 2nd Asia–Pacific edition*, is a challenging text, incorporating critical analysis questions about management practices that should stimulate greater student appreciation of the complexities and paradoxes of contemporary organisational life. ‘Counterpoint’ features pose an alternative view on a topic and require students to think about the relevance and cultural reliability of theoretical frameworks. These features are particularly useful for tutorial discussions and class debates.

We have attempted to make *Management: Foundations and Applications, 2nd Asia–Pacific edition*, as useful as possible, recognising that there are usually broader aims associated with foundational management subjects than just imparting key concepts and theoretical frameworks. In our experience, it is also important that we develop relevant career-linked competencies in our students. The skills required to write effectively, make professional and interesting presentations, undertake effective research and develop abilities in teamwork are among the more important of these competencies. By encouraging their development in our students, we promote the kinds of self-management skills so vital for effective management in all types of organisational contexts. With this in mind, the Career Readiness Workbook at the back of the text contains carefully selected activities and exercises that can be used

to build competencies in these areas. A list of thought-provoking research and presentation projects is also included, providing a number of relevant and interesting assignment topics.

For the above reasons, we believe you will enjoy using *Management: Foundations and Applications, 2nd Asia-Pacific edition*.

We would like to sincerely thank the co-authors of earlier editions of this text, the late John Campling (formerly of James Cook University), Retha Wiesner (University of Southern Queensland), Eng Sieng Ang (HELP University College, Malaysia), Bobbie Chan (Open University of Hong Kong), Wee-Liang Tan (Singapore Management University), and So Ling Chau (Hang Seng School of Commerce, Hong Kong). We would also like to thank our academic colleagues who authored the invaluable resources that accompany the text, namely:

- PowerPoint presentations — Tui McKeown (Monash University)
- Test bank — Stephen Turner (Curtin University)
- Practice quizzes — Lucy Miller (Macquarie University)
- Instructor's resource guide — Dimitra Bonias (La Trobe University).

Our appreciation also goes to the John Wiley & Sons team for their contribution to this book: John Coomer (Publishing Director), Kylie Challenor (Content Editor), Shukla Chakraborty (Managing Editor), Emma Knight (Senior Publishing Assistant), Renee Bryon (Copyright and Image Research Supervisor), Delia Sala (Graphic Designer) and Jo Hawthorne (External Composition Coordinator). Thanks also to the many organisations and people in Australia, New Zealand and Asia who agreed to be interviewed and who supplied information for the various case studies in this book.

John Schermerhorn
Paul Davidson
David Poole
Peter Woods
Alan Simon
Ellen McBarron
April 2013

Transition guide

All of the chapters in the book have been significantly updated in this new edition with the latest management research and practical examples from the Asia–Pacific region. In addition, the chapter sequencing has been re-ordered, as outlined in the table below. However, each chapter is fully self-contained, allowing the flexibility for chapters to be taught or studied in any order, to suit a variety of course structures.

Chapter		Chapter no. in 1st edition
1	The contemporary workplace	1
2	Historical foundations of management	4
3	Environment and diversity	2
4	International dimensions of management	5
5	Ethical behaviour and social responsibility	6
6	Information and decision-making	3
7	Planning	7
8	Strategic management	9
9	Organising	10
10	Controlling	8
11	Human resource management	11
12	Leading	12
13	Communication and interpersonal skills	14
14	Motivation and rewards	13
15	Leading and managing change	15

How to use this book

Management: Foundations and Applications, 2nd Asia-Pacific edition, has been written and designed as a practical and user-friendly learning resource.

Each chapter opens with **study questions** that provide you with learning objectives, followed by a **brief real-world example** that introduces the chapter's theme.

CHAPTER 5

Ethical behaviour and social responsibility

Learning objectives

What is ethical behaviour?

How do ethical dilemmas complicate the workplace?

How can high ethical standards be maintained?

What is organisational social responsibility?

How do organisations and government work together in society?



Planning at Flight Centre

Flight Centre is an Australian travel agency that has achieved almost iconic status since opening its first shop in Sydney in 1981. It is different, somewhat edgy and even quirky, with a success-oriented culture but remarkably resilient in a business environment of constant change. Using an organisational structure based in evolutionary psychology and anthropology, seven staff make up a team (or 'family') in each retail store, and the six or seven families make up a 'village'. Flight Centre founder Graham Turner describes these villages as cooperatives, working together towards agreed-upon goals. About 15 villages are grouped as a 'tribe' so that employees have about 150 other staff to relate to – endearing both loyalty and a sense of significance and matching the natural order of numbers of people whom a person can be expected to remember in regular face-to-face contact. The tribes operate as business units, reporting to a nation leader.

By the time the company was floated on the stock exchange in 1995, it had amassed over 300 stores, with a turnover of \$1 billion. By 2012, it had 13 000 staff in 11 countries, including the United States (with 2000 employees), United Kingdom (with 1600 employees), New Zealand and South Africa, operating under 34 brands. Its Australian operation represents about half of its turnover, \$1.4 billion. By any estimate, it is an impressive, large and vibrant enterprise.

How does Flight Centre plan its business? A Board of Directors and managing director share the group's strategic and financial objectives. The managing director, chief financial officer and executive general manager of each state implement tactical plans for day-to-day operations, with the all-important stakeholders who manage the work of 'tribes'. Planning is done using management by objectives, senior managers get together figuring in driving ever-increasing productivity. Conducting its business in the fiercely competitive environment of corporate and leisure travel, Flight Centre's organisational structure is both effective and efficient, involving its staff while offering the needed flexibility and agility to meet market shifts. It is not surprising that planning effectively is so crucial to the group's success!

Question
It is said that management involves using strategy and planning to align the organisation's mission and purpose with its resources and its operating environment. How are these elements – the mission, the resources and the market – being brought together to influence the planning function in Flight Centre? How crucial is planning for the successful operation of the company?

176 management

globalisation Australian mining goes global

Ausenco, a Brisbane-based engineering and project management company, has achieved global success

sustainability BHP's Ok Tedi mine in Papua New Guinea (PNG)

The Ok Tedi mine is a classic example in the study of ethics, sustainability and social responsibility, as both sides of the argument are presented in this case. BHP did not build a suggested tailings dam to retain

social responsibility Organisation structure as a form of control in emerging markets

Emerging markets of India, China, Brazil, and other emerging economies are competing for global market share. An increasing number of emerging market companies are using organisational structures that are more suited to their own culture and market conditions. Adapted from the book 'Organisational Structure and Design in Emerging Markets' by Jeffrey Pfeffer and Jeffrey Pfeffer.

counterpoint Is restructuring worth the pain?

Organisational restructuring has a 'downside' that sometimes leads to a reluctance to change. Sometimes a new organisational structure is focused on cost savings by eliminating middle management positions.

technology Control in ship building

Austral is an Australian ship design and construction company headquartered in Western Australia that was founded in 1988. It builds a wide range of commercial and defence vessels, including passenger and vehicle/passenger ferries, coastal combat ships, high-speed military support vessels and patrol boats. Hundreds of Austral vessels now ply between ports all over the world – from Hong Kong and the Philippines to Norway, and from France to New York, Yemen and Trinidad. It is the world's leading manufacturer of high-speed passenger catamarans and large-vehicle-carrying fast ferries, and a dominant supplier to Asia.

Included among its customers are various navies around the world, including the US Navy, for which it has built two 127 metre long warships. By 2017, it will have built 22 ships for the US Navy, with roles centring on keeping open the normal maritime trade routes. Until recently, the US Navy may have based a ship in San Diego and sent it on deployments to Japan, Weeks would be spent just in transit each way. Now, a ship is more likely to be based in Singapore, and the crew fly in on rotations, saving time and fuel. The company has engineering operations in Darwin to service both its American and Australian warships. Not surprisingly, navies are generally conservative in their acquisition of vessels, and are highly demanding in their specifications for quality and performance.

Austral has been able to meet and exceed such benchmarks via tight management controls, attention to detail, and quality of design and workmanship. Technology plays a key role, with advanced computer design tools being utilised. Complex three-dimensional models preserve the accuracy of the design during construction, assist with structural analysis and help reduce production lead time. In addition, the company makes use of cutting-edge software to simulate and provide accurate predictions of the vessels' performances in any given sea area and any operating conditions. The implementation of such technological control measures in product design and construction has made Austral a respected name around the world in the shipbuilding industry.¹⁷

Question
The cargo-carrying 'liberty ships' of World War II were quickly and cheaply welded (rather than riveted) in vast numbers, with a minimum of materials and complexity, for America to supply a needy Britain. By contrast, present ships are typically by their nature very expensive, and they take a long time to build. What management controls do you think would be crucial for the ship building industry? What would be the main influences on these controls?



Colour-coded boxed features are embedded as part of the general text discussion in each chapter, highlighting key themes facing contemporary organisations and managers – **sustainability**, **ethics**, **social responsibility**, **diversity**, **innovation**, **technology** and **globalisation**. In addition, **counterpoints** provide alternative viewpoints to consider.

Manager's notepad 4.1
Checklist for joint ventures

- Choose a partner familiar with your firm's major business.
- Choose a partner with a strong local workforce.
- Choose a partner with future expansion possibilities.
- Choose a partner with a strong local market for its own products.
- Choose a partner with shared interests in meeting customer needs.
- Choose a partner with good profit potential.
- Choose a partner with a sound financial standing.

A wholly owned subsidiary is a local operation completely owned by a foreign firm.

A wholly owned subsidiary is a local operation completely owned and controlled by a foreign firm. Like joint ventures, foreign subsidiaries may be formed through direct investment in start-up operations or through equity purchases in existing ones. When such investments, foreign firms are clearly taking a business risk. They must be certain that they possess the expertise needed to manage and conduct business affairs successfully in the new environment. This is where previous experience gained through joint ventures can prove very beneficial.

counterpoint Ship breaking in Bangladesh

Whenever we see footage of a new cruise liner or other majestic vessel being launched, we usually see a magnum bottle of the finest French champagne being smashed against the hull followed by a gentle slide down the slipway. However, what happens when it is time for the end of the line? CBS News has shown grubby freighters and five-star cruise ships literally dumped on their sides on the beaches of some of the poorest countries in the world, Bangladesh.³²

Ship breaking in Bangladesh originated when a cyclone caused the beaching of a 4000-tonne vessel in 1965. The ship was soon ripped apart and stripped to the bone by locals, and the steel is then carried to waiting trucks that will take their metal to be recycled. Ships are broken up and don't die easily, so over the years, the industry has become a major source of income for the poor.



100 management

bullying: The present paper reports findings from a survey of over 1700 employees of 50 organisations in New Zealand. We describe the reported incidence of bullying at work, along with relevant work attitudes and experiences. Personal experience of bullying was reported by 17.8 per cent of respondents, and was significantly correlated with higher levels of stress, reduced well-being, and lower self-rated performance. On the other hand, the perceived effectiveness of organisational efforts to deal with bullying was considered an important contributor to both the occurrence of bullying and reduced negative effects of bullying. Overall, our findings illustrate the importance of developing organisational-level strategies to reduce the incidence of bullying and to counteract its negative impact, rather than expecting individuals to develop personal strategies to cope with this problem.

Activity
 Given the article's finding that organisations need to do more to develop strategies to reduce the amount of bullying that occurs, provide a series of suggestions that managers should consider for incorporation into an organisation's anti-bullying policies and procedures.

Case for critical thinking
When great communication goes bad: Great Wall Motors

If you have some knowledge of cars, you will undoubtedly perceive different brands and models to be quite different ways. Your perception of a Ferrari or Lamborghini, for instance, is likely to be quite different from your perception of a Ford or Toyota. Within brands, your perceptions of a Toyota Corolla is likely to be quite different to your perceptions of a Toyota luxury brand, Lexus. Perceptions are critical in the car-selling business, since Australia is said to be among the most competitive car markets in the world with hundreds of different models available.³¹ The general perception that customer groups have of a particular brand or model is likely to result in the sale (or loss of sales) of hundreds, or even thousands, of vehicles.

Interestingly, the same Australian company, Atco (owned by multi-millionaire Neville Crickitson), is the national distributor of both Mercedes and Lamborghinis, as well as the low-priced Chinese brands introduced into Australia in the last five years – Chery (pre-sensor cars) and Great Wall (minivans and off-road vehicles). What a contrast! Great Wall's advertising concentrates on the word 'Great'. The headline of the brochure for the V Series Lite, for instance, states 'How great can a great car get?' Inside, the greatness of these cars is emphasised even more:

The nationwide dealer network of over 70 dealerships continues to expand, reporting nothing but praise from owners all over the country who are enjoying the reliability, safety, technology and assurance that Great Wall offers. When you combine this with the amazing value that Great Wall represents, the Great Lite of China is fast becoming the Great Lite of Australia.³²

The buying proposition is simple – these Chinese cars are produced intensively compared to Korean and Japanese rivals, so customers will obtain as 'great' a vehicle as could possibly be expected for a budget price. To provide further 'assurance', owners receive a 3-year, 100 000-kilometre warranty on their Great Wall vehicles.

It seems that the warranty is more than warranted, since, when motoring writer Toby Higon and his companions purchased a Great Wall X230 and test-drove it over several

Chapter 13 Communication and Interpersonal Skills 395

Asian-themed boxed feature examples and cases appear regularly throughout the book, and are readily identifiable by their distinctive mauve colouring.

Critical analysis questions are posed at strategic points throughout each chapter, to stimulate thinking and debate on real-world issues facing contemporary managers.

Manager's notepads on a variety of topics in each chapter provide concise lists of tips for effective management.

Critical analysis

1. Some corporate social responsibility initiatives of CSR Limited were outlined earlier in the chapter. Interestingly, in its annual Corporate Sustainability Report, it also lists direct and indirect donations to political parties to support the democratic process as an initiative.³³ Do you believe this is acceptable in a sustainability program? Why or why not?
2. Can you think of any business actions that are unethical but not illegal?

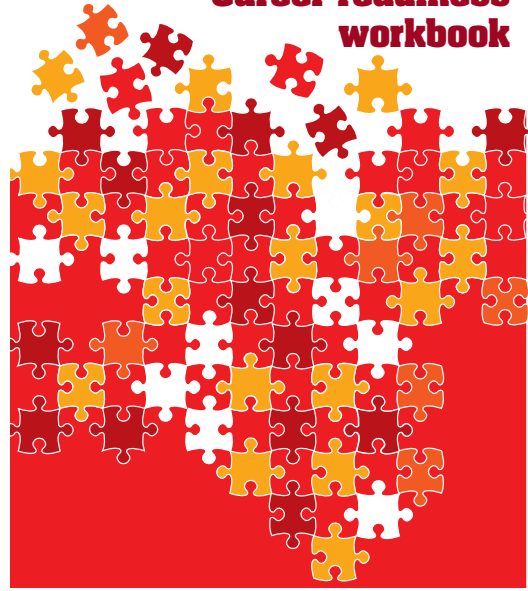
Ethics in the workplace

'Ethical business is good business' is a classic quote. The same can be said for all persons and institutions throughout society. But the real test is when managers or workers encounter a situation that challenges their ethical beliefs and standards. Often ambiguous

Manager's notepad 9.1
Five strategic management tasks

1. Identify organisational mission and objectives. Ask: 'What business are we in? Where do we want to go?'
2. Assess current performance in relation to mission and objectives. Ask: 'How well are we currently doing?'
3. Create strategic plans to accomplish purpose and objectives. Ask: 'How can we get where we really want to be?'
4. Implement the strategic plans. Ask: 'Has everything been done that needs to be done?'
5. Evaluate results; change strategic plans and/or implementation processes as necessary. Ask: 'Are things working out as planned? What can be improved?'

Career readiness workbook



The practical and innovative **Career Readiness Workbook** at the back of the text provides many ways to take full advantage of your study of management via a range of **individual and team exercises** and **research projects**, as well as outlining **assignment writing tips**.

exercises in teamwork

EXERCISE 1: My best manager

Preparation

Working alone, make a list of the behavioural attributes that describe the best manager you have ever worked for. This could be someone you worked for in a full-time or part-time job, a holiday job, volunteer job or student organisation. If you have trouble identifying an actual manager, make a list of behavioural attributes of the type of manager you would most like to work for in your next job.

Instructions

Form into groups as assigned by your instructor, or work with the classmate. Share your list of attributes and listen to the lists of others. Be sure to ask questions and make comments on items of special interest. Work together to create a master list that combines the unique attributes of the 'best' managers experienced by members of your group. Have a spokesperson share that list with the rest of the class.

Source: Adapted from Jack R. Schriesheim, Jr., James G. Hunt and Ronald K. Ogino, *Managing Organizational Behavior* (2nd edn, New York: Wiley, 2013), p. 30. This material is used by permission of John Wiley & Sons, Inc.

EXERCISE 2: Defining quality

Preparation

Write your definition of the word quality here.
QUALITY = _____

Instructions

Form groups as assigned by your instructor.

1. Have each group member present a definition of the word quality. After everyone has presented, come up with a consensus definition of quality. That is, determine and write down one definition of the word with which every member can agree.
2. Next, have the group assume the position of general manager in each of the following organisations. Use the group's quality definition to state for each a quality objective that can guide the behaviour of members in producing high-quality goods and/or services for customers or clients. Elect a spokesperson to share group results with the class.

- Organisations:
- (a) A school of business
 - (b) A public hospital
 - (c) A retail sporting shop
 - (d) A fast-food franchise
 - (e) A local post office
 - (f) A full-service bank
 - (g) A computer software

EXERCISE 3: The

Instructions

Form groups as assigned by your instructor. Form a master list of one or more future workplaces in which you are completing the following:

1. Write a one-page 'workplace 2015' organisation work plan.
2. Draw a spider diagram of the organisation work plan.
3. Choose a spokesperson to explain their plan.

EXERCISE

Preparation

Think about the spaces provided.

1. How much allocated _____ %
_____ %
_____ %
_____ %
2. How many hours per week _____ hours
3. What amount of a manager's time is typically spent in the following activities? (total should = 100%)
_____ % in scheduled meetings
_____ % in unscheduled meetings
_____ % using desk work
_____ % talking on the telephone
_____ % walking around the organization/work site

Exercises in teamwork 497

research and presentation projects

Project 1: Diversity lessons – 'what have we learned'?

Diversity in the workplace is clearly the subject of significant attention. Managers and employees are being urged to recognize and value diversity, and many are pursuing active programs to improve the environment for diversity in the workplace. Yet 'glass ceilings' remain obstacles to career and personal accomplishment for too many women and minority groups.

Questions

1. What are the 'facts' in terms of progress for minority groups and women in the workplace?
2. What lessons of diversity have been learned?
3. What are the 'best' employers doing?

Instructions

Use research sources at your disposal to complete a brief report on the research questions. Specific topics for consideration might include the following:

- Case studies of employers reported as having strong diversity programs. What do they have in common? What do they do differently? Is there a basic 'model' that could be followed by managers in other settings?
- Investigation of diversity with specific reference to how well people of different racial, ethnic, gender and generational groups work together. What do we know about this, if anything? What are the common problems, if any? What concerns do managers and workers have?
- Analysis of survey reports on how the 'glass ceiling' may affect the careers of women and minority groups in various occupational settings. Get specific data, analyse them and develop the implications. Prepare a report that summarises your research.
- A critical look at the substance of diversity training programs. What do these programs try to accomplish, and how? Are they working or not, and how do we know? Is there a good model for diversity training that may be used by others?
- Look at where we go from here. What diversity issues lie ahead for the new managers of tomorrow?
- Case studies of women and minority groups who have started their own businesses. The following websites may prove to be useful starting points:
– DiversityWork Australia www.work.ssn.au
– New Zealand Equal Employment Opportunities Trust www.eeotrust.org.nz

– Equal Opportunity Practitioners in Higher Education Australia.ssn.edu.au/diversity.html

– Victorian Department of Education, Employment and Training 'Managing Diversity' web page www.sofweb.vic.edu.au/hrm/mandiv/managdiv.htm.

Project 2: Changing corporate cultures

'Culture' is still a popular topic in management circles. Conventional wisdom holds that strong cultures can bond employees to a common sense of mission and it can reinforce work habits needed to serve customers well and maintain productivity. One aspect of organisational culture that is criticised today is lack of loyalty – loyalty of the organisation to employees and of employees to the organisation.

Questions

1. Do you think organisational cultures are changing?
2. If so, are they changing for the better or for the worse?

Instructions

Use research sources at your disposal to complete a brief report on these questions. Specific topics for consideration might include the following:

- Look for the latest thinking of management scholars and consultants on the role of 'corporate culture' in successful organisations. Many case examples and reports should be available on this topic. Look for success stories and try to interpret them in the context of the research question.
- Give special attention in your research to issues relating to loyalty. Try to access surveys of employees commenting on how they feel about job security, or commitment to their organisation, for example.
- Make a list, from your research, of things that can be done to change the culture of an organisation or work group in a positive manner. Critically evaluate each of these items in terms of these action criteria: (a) feasibility of dealing with the item, (b) length of time needed to achieve impact on the item and (c) the follow-up or reinforcement needed to maintain this impact. Review your entire analysis and answer this question: Can the recommended things really be accomplished by (a) a CEO, (b) a middle manager and (c) a team leader?
- Place the issue of corporate culture in the context of the growing number of international mergers, joint ventures and strategic alliances found in the global economy. What is the importance of differences in 'corporate cultures' as organisations of different

Research and presentation projects 493

assignment writing

Essay and report writing

If you are already reading this then you are thinking about getting serious about your studies, or achieving the best grades in your research and have performing students rarely make for an outstanding paper. Essays and reports completed at the last minute usually miss key parts of the question, lack the structure and flow of a strong paper, and often miss important 'value adding' elements, such as a professional presentation and the citing of additional source material.

High quality essays and reports take time to write. You need to think about the question, consider the question and prepare their answers. Simply put, doing things the night before rarely makes for an outstanding paper. Essays and reports completed at the last minute usually miss key parts of the question, lack the structure and flow of a strong paper, and often miss important 'value adding' elements, such as a professional presentation and the citing of additional source material.

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PREPARE EARLY!

Probably the greatest flaw in inferior essays is that students do not leave enough time to consider the question and prepare their answers. Simply put, doing things the night before rarely makes for an outstanding paper. Essays and reports completed at the last minute usually miss key parts of the question, lack the structure and flow of a strong paper, and often miss important 'value adding' elements, such as a professional presentation and the citing of additional source material.

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UNDERSTAND THE TOPIC

In most management essays, you will be asked to consider a specific topic. For example: 'It is said that when in Rome, do as the Romans do.' This would imply that Australian managers should adapt their ethical stance to that of the countries in which they do business. As you can see, there is an 'international dimension' to these individual essay topics. Students can use the material in the textbook as a starting point and then do some broader research on these questions. For both questions, students can look at both sides of the argument and be somewhat critical in their responses. In the first question, for example, the superior essays stated that not all of the weaknesses of Australian managers could be easily eliminated. Whereas some could be improved through training, self-reflection and

Assignment writing 495

Additional resources

For students

- **iStudy Management** is a digital study guide containing a wide range of interactive modules, skills self-assessments and local videos to enhance the understanding and application of key concepts.
- **Wiley E-Text** is a full electronic version of the text, available as a cheaper alternative to the printed text. The E-Text runs on a wide range of devices, including iPads and computers.

For instructors

Management: Foundations and Applications, 2nd Asia-Pacific edition, is supported by a comprehensive resource package that helps instructors to create a contemporary, dynamic and flexible learning environment, including:

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The contemporary workplace

Learning objectives

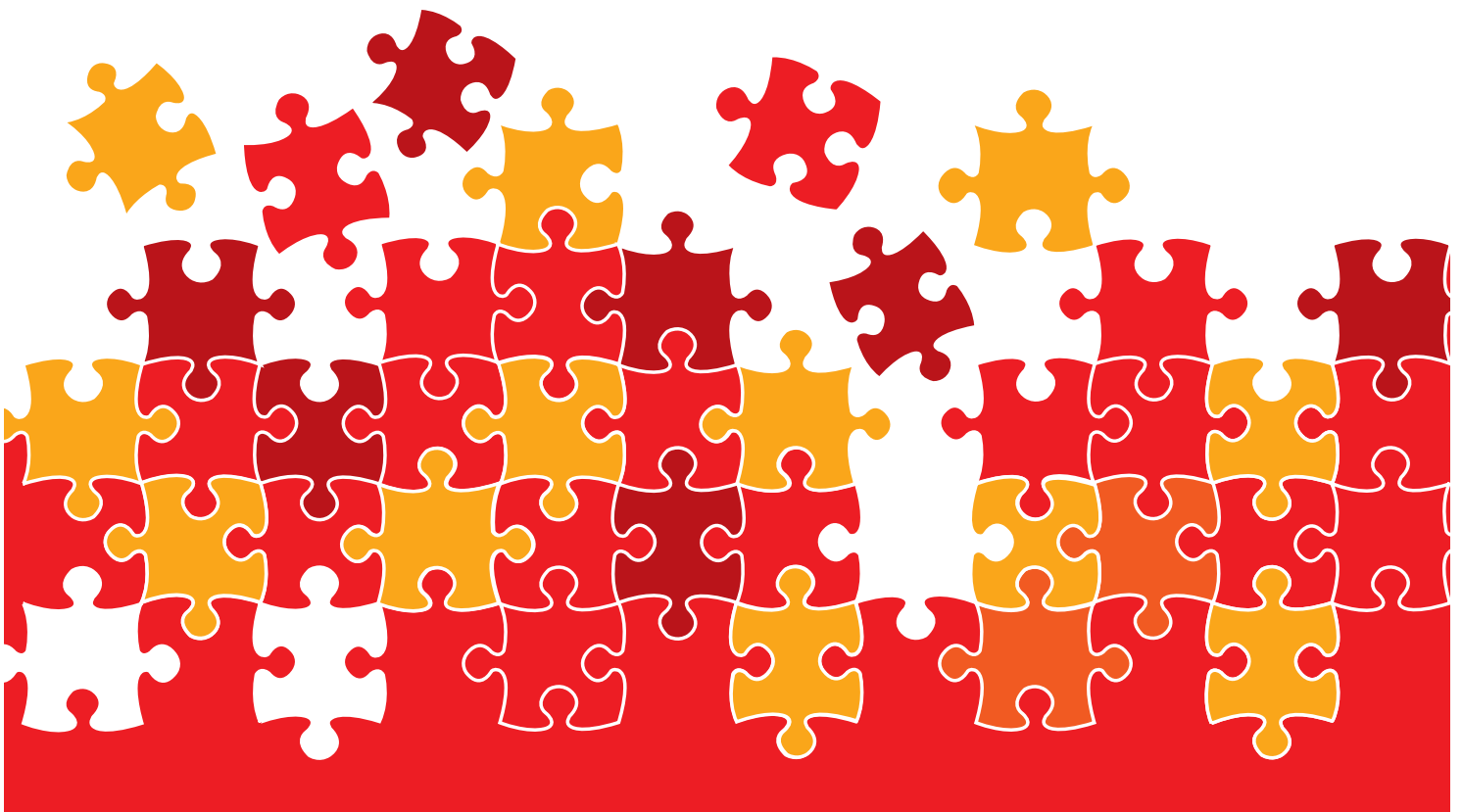
What are the challenges in the contemporary workplace?

What are organisations like in the contemporary workplace?

Who are managers and what do they do?

What is the management process?

How do you learn essential managerial skills and competencies?



Managing to keep Apple fresh

There are some companies that exude management magic, and Apple is one of them. It is no coincidence that Apple is renowned as a great place to work. It is not because Apple is soft on its employees or slack in its expectations. The company demonstrates the power of managing its culture to create the conditions in which good people want to come to do their best work.

However, this was not always the case. Now bigger than Microsoft, Apple used to be the poor relation to the all-conquering Microsoft. Apple had so small a share of the market that hackers simply didn't bother writing viruses to infect its 'microcomputers'. Decades ago, in 1977, we all but wrote off Apple and its hobbyist model, the iconic but quirky Apple IIe. In the years since, we opted for the big business name brands of IBM and HP, and later, Dell and Toshiba. Now it is they who are playing catch up, as wave after wave of Apple innovations have swept through, crested by desirable 'must-haves' such as the iPod, the iPhone and the iPad, and in laptops, the dazzling Macbook Pro – still the staple of product placement in avant-garde movies to show off the tech-savvy designer. Founder Steve Jobs was 'obsessed with product design and aesthetics, and with making advanced technology simple to use'.¹ There's no doubt that Apple has produced some of the world's most beautiful technology – elegant in shape and texture, robust in operation, and intuitive for the enthusiastic owner. Renowned as a control freak in his management style, Jobs inspired almost fanatical loyalty in customers with his 'simply beautiful' products. The company's sales tripled in five years.²

When Jobs, a few months before his death in 2011, announced his successor as Tim Cook, speculation was rife as to whether he would be able to sustain the company's market dominance and magic. So far, it seems that Cook is displaying leadership qualities dissimilar to his late predecessor, placing an emphasis on matters such as promotions and corporate reporting structures – issues Jobs didn't care much for. Unlike Jobs, he also seems to display a greater degree of inclusiveness, addressing Apple employees as a 'team', and he is keen for Apple to contribute to charities. Even though Jobs was described as a charismatic leader, he was considered a task master who sometimes could be difficult. On the other hand, Cook has been

described as diplomatic and energetic, with the potential to do a better job at maintaining relationships than Jobs did. However, Cook seems to have the same passion for many of the philosophies that Job's held dear, such as idolising product development and design and advocating intense secrecy.³

Before we had access to iPods, iPhones and iPads, the gramophone gave way to the transistor radio – which yielded to the Walkman. Now we have

In 2010, Apple launched the iPad, an innovative product designed to offer users laptop features in a tablet computer format. Sales into the millions propelled Apple into the rank of world's largest company.



what some consider to be the holy grail of a device – one that captures music and videos off the internet, stores them, plays them and allows ordinary people to make extraordinary movies, and a lot more besides. When the iPad 3 was launched in 2012, it sold an incredible 3 million in the first three days. No other company seems able to infuse its products with such irresistible appeal and build such long-term customer loyalty. Indeed, the iPad is also a computer that grows with the market, updating itself as upgrades are posted, and adapting to user needs. Whatever will they think of next?

More particularly, how does Apple do it? How does it *keep on* doing it? It is said that Apple hires people who are never satisfied, who are emotional about technology, and who collaborate in the spirit – and pursuit of – perfection. Eschewing diversification as its risk management strategy, so commonly adopted in lesser firms, Apple concentrates its energies on inventing, designing and building a small range of products exceedingly well. It gathers and integrates its talent and its processes economically, controlling its sources of competitive advantage itself (its hardware and its operating system), and it relentlessly drives for customer satisfaction. It thinks as if it is its own customer, and continually strives to delight and astonish with intuitive operation and chic efficiency. Apple's HR policy is to empower the source of its creativity – its people – and it gives them responsibility in managing its production and sales, and thus its outcomes. Every Monday the top management team reviews the last week's operations, from the progress of each product under development to the success of each product in the market. The company is committed to continuous learning, and to continuous growth in capability and market share.

When the global financial crisis hit, with its attendant economic downturn, then-Apple CEO Steve Jobs said he would not lay people off because he had gone to such trouble to recruit good people in the first place, and that he would keep up his research and development budget to innovate his way through the recession. Clever. Courageous management decision, you might say, but it marks out Apple as one of the truly great management examples of this century. The runs are already on the board, and the company is going ahead to build a magnificent innings. Part of this is due to organisational culture, and much of this is due to one man. Indeed, founder Steve Jobs himself was the subject of adulation for his brash creativity as much as for his company's technical wizardry.⁴ His loss to cancer in 2011 did not diminish the company's fortunes, and the various and ever-improving and innovating versions of the iPad became the must-have devices of 2010 and since.⁵

Apple stays fresh by hiring the right people, giving them the power to grow and developing them and their ideas, and pushing ahead in the quest for linking emotion and technology in products that are as sensuous to look at as they are efficient to operate. Apple's products excite the user and inspire adoring membership of the Apple community in customers and staff alike. It's the company that just will not quit. The applause by staff that breaks out in Apple stores worldwide as another excited customer walks out carrying a new purchase may appear superficial hype, but it may say something about the desirability that Apple infuses into its products. Not every company can have that kind of management, or needs it. But almost every company can learn from it.

Question

What can you learn from Apple's management style and method? What can you apply from it to your organisation?

INTRODUCTION

The 21st century has brought with it a new workplace — one in which everyone must adapt to a rapidly changing society with constantly shifting demands and opportunities. Learning and speed are *in*; habit and complacency are *out*. Organisations are fast changing, as is the nature of work itself. The global financial crisis showed beyond all doubt that the economy is global, is driven by demand and is sustained by innovation and technology. Even the concept of success — personal and organisational — is evolving as careers take new forms and organisations transform to serve new customer expectations. Such developments affect us all, offering both ‘unparalleled opportunity and unprecedented uncertainty’. In this age of continuous challenge, a compelling message must be heard by all of us — smart people and smart organisations create their own futures!⁶

In the quest for a better future, the best employers share an important commitment to people. Amid high performance expectations, they offer supportive work environments that allow people’s talents to be fully used while providing them with both valued rewards and respect for work–life balance. At the best of the best, for example, employees benefit from flexible work schedules, onsite child care, onsite health and fitness centres and domestic partner benefits, as well as opportunities for profit sharing, cash bonuses and competitive salaries. In short, the best employers are not just extremely good at attracting and retaining talented employees. They also excel at supporting them in a high-performance context so that their talents are fully used and their contributions highly valued.

Today’s dynamic new workplace also has huge implications for how individuals manage and shape their careers. Employees are increasingly committed to their own development; their aim is continuous improvement in order to optimise their chances of employment. Fewer and fewer employees depend on an organisation for their identity and they are no longer committed to one employer.

After studying high-performing companies, management scholars Charles O’Reilly and Jeffrey Pfeffer conclude that those companies achieve success because they are better than their competitors at getting extraordinary results from the people working for them. ‘These companies have won the war for talent’, they say, ‘not just by being great places to work — although they are that — but by figuring out how to get the best out of all of their people, every day’.⁷ This, in large part, is what *Management* and your management course are all about. Both are designed to introduce you to the concepts, themes and directions that are consistent with career success and organisational leadership in today’s high-performance work settings. As you begin, consider further the challenge posed by the title of O’Reilly and Pfeffer’s book: *Hidden Value: How Great Companies Achieve Extraordinary Results with Ordinary People*. Let your study of management be devoted to learning as much as you can to prepare for a career-long commitment to getting great things accomplished through working with people.

Working in today’s economy

As painful as the global financial crisis became, we are now increasingly aware we live and work in a new economy that is ripe with challenging opportunities and dramatic uncertainty.⁸ It is a networked economy in which people, institutions and nations are increasingly influenced by the internet and continuing developments in information technology.⁹ The new economy is a global economy whose scope increases daily. The nations of the world and their economies are increasingly interdependent, and with this globalisation

come great challenges as well as opportunities. The new economy is knowledge-driven. We must all accept that success must be forged in workplaces reinvented to unlock the great potential of human intelligence. The high-performance themes of the day are ‘respect’, ‘participation’, ‘empowerment’, ‘involvement’, ‘teamwork’, ‘self-management’ and more.

Undoubtedly, too, the new economy is performance driven. Expectations of organisations and their members are very high. Success is not guaranteed, but must be earned in a society that demands nothing less than the best from all its institutions. Organisations are expected to continuously excel on performance criteria that include innovation, concerns for employee development and social responsibility, as well as more traditional measures of profitability and investment value. When organisations fail, customers, investors and employees are quick to let them know. For individuals, there are no guarantees of long-term employment. Increasingly, jobs are earned and re-earned every day through performance and accomplishments. Careers are being redefined in terms of ‘flexibility’, ‘free agency’, ‘skill portfolios’ and ‘entrepreneurship’. Today, it takes initiative and discipline and continuous learning to stay in charge of your own career destiny. Tomorrow’s challenges are likely to be even greater. Just what are the challenges ahead?

Intellectual capital

The dynamic pathways into the future are evident among new benchmarks being set in and by progressive organisations everywhere. Many will be introduced throughout *Management*. What will become evident is the ultimate foundations of an organisation’s success are its people — what they know, what they learn and what they do with it. They carry not just the corporate memory, but also represent the firm’s **intellectual capital** — defined as the collective brain power or shared knowledge of a workforce that can be used to create value.¹⁰ Indeed, the ultimate elegance of the new workplace may well be its ability to combine the talents of many people, sometimes thousands of them, to achieve unique and significant results.

This is the new age of the **knowledge worker** — someone whose mind is an important asset to employers and who adds to the intellectual capital of the organisation.¹¹ If you want a successful career in the new economy you must be willing to reach for the heights of personal competency and accomplishment. You must be a self-starter willing to learn from experience continuously, even in an environment that grows daily more complex and challenging.

Globalisation

Japanese management consultant Kenichi Ohmae suggested that the national boundaries of world business have largely disappeared.¹² At the very least we can say that they are fast disappearing. Who can state with confidence where their favourite athletic shoes or the parts for their personal computer were manufactured? More and more products are designed in one country, their component parts are made in others and the assembly of the final product takes place in still another country. Top managers at Apple, Sony and other global corporations, for example, have no real need for the word ‘overseas’ in everyday business vocabulary. They operate as global businesses that view themselves as equidistant from customers and suppliers, wherever in the world they may be located. ‘Overseas’ becomes a permanent state of mind, not a nation state on a map.

This is part of the force of **globalisation**, the worldwide interdependence of resource flows, product markets and business competition that characterises our new economy.¹³ In a globalised world, countries and peoples are increasingly interconnected through the news, in travel and lifestyles, in labour markets and employment patterns, and in business dealings.

Intellectual capital is the collective brain power or shared knowledge of a workforce.

A **knowledge worker** is someone whose knowledge is an important asset to employers.

Globalisation is the worldwide interdependence of resource flows, product markets and business competition.

Government leaders now worry about the competitiveness of nations just as corporate leaders worry about business competitiveness.¹⁴ The world is increasingly arranged in regional economic blocs, with North and Latin America, Europe, and the Asia–Pacific region (including Australia and New Zealand, and especially India and China) as key anchors, and with Africa fast emerging to claim its economic potential. Like any informed citizen, you too must understand the forces of globalisation and be prepared to participate in it.

globalisation Australian mining goes global

Ausenco, a Brisbane-based engineering and project management company, has achieved global success through a careful and well planned approach to business. The company was founded by Zimi Meka and Bob Thorpe in Brisbane in 1991. It proved remarkably successful, with a ‘can do’ culture built on providing superior levels of innovative professional engineering services to its clients, both large and small. Their work ranged from minor pre-feasibility studies to assessing the viability of a proposed project, to designing, constructing and commissioning projects in some of the world’s most challenging and remote regions. It is this approach and strong business ethos that has seen their installed capital value running into the billions.

In 2008, the company expanded by purchasing US engineering companies Sandwell, Vector and PSI. The expansion provided the company with comprehensive capabilities in everything from consulting in the initial design phase to slurry transport and tailings dams. Still headquartered in Brisbane, with over 3000 staff globally and growing, Ausenco has delivered major projects in Canada and China, a high-tech copper project in Laos, along with other successful projects in Africa, Australia and South America. Indicative of

their growing reputation in the industry is their 2011 joint venture with Australian engineering company Worley Parsons to manage the delivery of Hancock Coal’s \$7.5 billion Alpha Coal project, in what is one of Queensland’s largest projects.

Careful focus on its activities, organisational capabilities and the continuing professional development of its own staff, plus the flexibility to meet client needs while still providing innovative project solutions, has meant that Ausenco survived the financial downturn in good shape, and with an optimistic forecast for its share price. The key to Ausenco’s success has certainly been the careful management of its operations and mutually productive relationships with its clients, ensuring that, Zimi Meka, as Ausenco CEO, has earned his place in the ranks of Australia’s most successful managers.



Question

Thinking about the challenges of managing in a fast-moving technology-rich multinational environment, how will the manager of tomorrow be successful? We can and should learn from the past, but what can we learn from the future? Where is it taking us?

Technology

The global economy is not the only beneficiary of developments in new technology. Who has not been affected by the internet? Those who are not willing to become a participant in the exploding world of information technology will be left behind. It is not an option anymore — it is a mandatory requirement in the contemporary workplace.

We now live in a technology-driven world dominated by interactive technologies that are compact, visually appealing and versatile — offering the user conveniences such as remote internet access at the click of a button. Computers allow organisations of all types and sizes, locally and internationally, to speed transactions and improve decision-making.¹⁵ From the small retail store to the large multinational firm, technology is an indispensable part of everyday operations — whether you are checking inventory, making a sales transaction, ordering supplies or analysing customer preferences. Recently, scanning technologies have become integral to streamlining operations for many businesses.

These lessons of ‘e-business’ are also being transferred to ‘e-government’, as local and national governments increasingly take advantage of the internet. And when it comes to communication, within the many parts of an organisation or between the organisation and its suppliers, customers and external constituents, geographical distances hardly matter anymore. Computer networking can bring together almost anyone from anywhere in the world at the touch of a keyboard. In ‘virtual space’ people in remote locations can hold meetings, access common databases, share information and files, make plans and solve problems together — all without ever meeting face to face.

As the pace and complexities of technological change accelerate, the demand for knowledge workers with the skills to use technology to full advantage is increasing. The shift to an information-based economy is dramatically changing employment. The fastest growing occupations are computer-related. Skilled help is in demand — low-skill workers displaced from declining industries find it difficult to find new jobs offering adequate pay. In a world where technological change is occurring at an accelerating rate, computer literacy must be mastered and continuously developed as a foundation for career success. For example, around 80 per cent of Australia and New Zealand’s population are internet users. The percentages are similarly high in Hong Kong and Singapore, with 69 and 67 per cent respectively.¹⁶

Diversity

Along with many other countries in the world, the populations of both Australia and New Zealand are ageing, due to people having fewer children and generally living longer than in past generations. Consider this fact: Currently, about 1 in 10 people in both countries are aged over 65. By 2050, there will be as many people aged over 65 in both countries as there are people between 15 and 40.¹⁷ Currently, the Australian workforce consists of a large proportion of employees aged over 45 years. The global financial crisis has severely impacted superannuation funds, so much so that many pre-retirees have deferred their retirement, and many who have retired have sought to rejoin the workforce. Consequently, as increasing numbers of the workforce belong to older age groups, it could be expected that age could become an important basis for the development of diversity management initiatives. However, research on 7500 Australian companies has found that less than one in three are attempting to attract mature-age workers.¹⁸

The term **workforce diversity** is used to describe the composition of a workforce in terms of differences among the members.¹⁹ These differences include gender, age, race, ethnicity, religion, sexual orientation and able-bodiedness. In Australasia the legal context of human resource management is very strict in prohibiting the use of demographic characteristics for staffing decisions such as hiring and promotion. However, discrimination against older employees continues in some sectors. Australasian organisations have been reluctant to hire older staff in spite of evidence to indicate that beliefs in their lessened capacity are false. Similarly, other forms of discrimination persist, despite laws designed to prevent them.

Workforce diversity describes differences among workers in gender, race, age, ethnic culture, able-bodiedness, religious affiliation and sexual orientation.

The issues of managing workforce diversity extend beyond legal considerations. Today's increasingly diverse and multicultural workforce offers great opportunities with respect to potential performance gains.²⁰ By 'valuing diversity' organisations can tap a rich talent pool and help people work to their full potential. But what does this really mean? It should mean 'enabling every member of your workforce to perform to his or her potential'. A female vice-president at Avon once posed the challenge of managing diversity this way: 'consciously creating an environment where everyone has an equal shot at contributing, participating, and most of all advancing'.²¹

Although easy to say, meeting social responsibilities to truly value diversity has proven harder to accomplish. Even though progress in equal opportunity continues to be made, lingering inequalities remain in the workplace. However, not only will the composition of the workforce change in the future, but the nature of the relationships people have with organisations will also continue to change. The past two decades have been characterised by an upward trend in all types of non-standard forms of employment. There has been an increase in casual work, temporary work, outsourcing and the use of agencies and other labour-market intermediaries. Given the continuing need for organisations to respond quickly in the marketplace, we could expect these forms of flexible employment to increase; but differences in approaches to pay, conditions of employment and opportunities for development are ready examples of the inequality this can involve.²²

Diversity bias can still be a limiting factor in too many work settings. Managing a diverse workforce needs to take into account the different needs of members of different identity groups. This latter point is illustrated very clearly by Fiona Krautil, who makes reference to wild animals in the zoo. She says:

Imagine your organisation is a giraffe house. Equal opportunity has been very effective widening the door of the giraffe house to let the elephant in, but home won't be best for the elephant unless a number of major modifications are made to the inside of the house. Without these changes the house will remain designed for giraffes and the elephant will not 'feel at home'.²³

Prejudice, or the holding of negative, irrational opinions and attitudes regarding members of diverse populations, sets the stage for diversity bias in the workplace. This bias can take the form of **discrimination** that actively disadvantages people by treating them unfairly and denying them the full benefits of organisational membership. It can also take the form of what some call the **glass ceiling effect** — the existence of an invisible barrier or 'ceiling' that prevents women and minority groups from rising above a certain level of organisational responsibility.²⁴ Researcher Judith Rosener suggests that the organisation's loss is 'undervalued and underutilised human capital'.²⁵

Prejudice is the display of negative, irrational attitudes towards members of diverse populations.

Discrimination occurs when someone is denied a job or a job assignment for reasons not job-relevant.

The **glass ceiling effect** is an invisible barrier limiting the advancement of women and minority groups.

diversity

The challenge of managing across cultures

Managing in an international environment is a significant challenge for organisational leaders in multinational corporations. Managing across cultures is never easy, and undertaking international leadership roles can be particularly difficult. Global supply chains, marketing strategies and human resource management approaches require constant coordination and fine-tuning. Whether you wish to lead a global corporation one day, or simply hope to develop international leadership skills, an overseas job assignment can provide an array of new skills and experiences.

A survey of 300 Australian general managers found that the traditional highly individualistic, consultative Australian leadership style is inappropriate when transferred to the hierarchical, group-oriented cultures of

many Asian countries. A global mindset is required in which managers adapt their style to the cultures in which they operate. This mindset can be developed through regular exposure to the business cultures of the Asia-Pacific, and an international assignment is one obvious way to achieve this. Undertaking international management and cross-cultural subjects at university is also highly recommended.

Workers in Asian countries can often be expected to show great respect to seniors and those in authority. In contrast, in Western cultures such as Australia and New Zealand, workers may be expected to emphasise self-interests more than group loyalty. Outsiders may find that the workplace in more masculine societies, such as Japan, displays more rigid gender stereotypes. Also, corporate strategies in more long-term cultures are likely to be just that – more long-term oriented. We will explore some potential reasons for these phenomena when we discuss the well-known international study conducted by Geert Hofstede in the chapter on the international dimensions of management.²⁶



Question

We all know that cultures are different from each other, with differing values, attitudes, feelings and behaviours. Is it possible to have an approach to management that flies over all these differences, like a one-size-fits-all theory that's infinitely adaptable?

Ethics

When a well-known business executive goes to prison for some misdeed, we notice. When a major environmental catastrophe occurs because of a business misdeed, we notice. Increasingly, too, we notice the 'moral' aspects of the everyday behaviour by organisations, their executives and employees.²⁷ Society is becoming strict in its expectation that social institutions conduct their affairs according to high moral standards. A global recession, coupled with a spate of corporate failures, poor corporate governance and the apparent indifference of some businesspeople to shareholders, employees and local communities are reasons for some businesses' poor image. Add to this a negative reaction to globalisation, cost-cutting and the gap between the wages of workers and those of senior executives, and a bleak picture emerges regarding the image of Australian big businesses.²⁸ These issues have also put the spotlight on the quality and moral standards of Australian boards and managers. It is not a pretty picture. For example, the collapses of ABC Learning Centres, Ansett Australia, HIH Insurance, Borders Group and One.Tel in recent years had one thing in common — bad management. Equally, the collapses of financial services organisations in the turmoil of the global financial crisis has raised serious questions about management incompetence, greed, corruption, and CEO remuneration; indeed, about corporate ethics generally.

The pressure for ethical and socially responsible conduct is on, and justifiably so. Organisations and their managers are becoming more responsive. Quite simply, they will not be able to keep customers if they do not treat them well and act in ways that are consistent with society's values. The expectations characteristic of this new century include sustainable development and protection of the natural environment; protection of consumers through product safety and fair practices; and the protection of human rights in all