MANAGEMENT

Leading & Collaborating in a Competitive World

13e

Bateman | Snell | Konopaske

McGraw Hill Education

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Thomas S. Bateman
McIntire School of Commerce
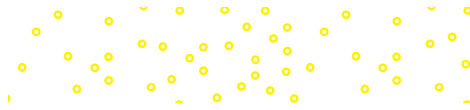*University of Virginia*

Scott A. Snell
Darden Graduate School of Business
University of Virginia

Robert Konopaske
McCoy College of Business
Texas State University

McGraw Hill Education
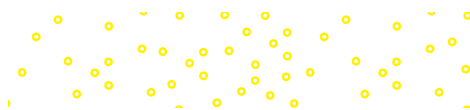
For my parents, Tom and Jeanine Bateman,
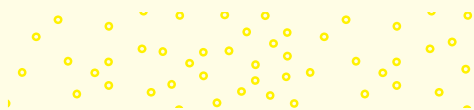and Mary Jo, Lauren, T.J., and James

and

My parents, John and Clara Snell,
and Marybeth, Sara, Jack, and Emily

and

My parents, Art and Rose Konopaske,
and Vania, Nick, and Isabella

About the Authors

THOMAS S. BATEMAN

Thomas S. Bateman is Bank of America professor in the McIntire School of Commerce at the University of Virginia, teaching leadership and organizational behavior at undergraduate and graduate levels. For many years prior to joining the University of Virginia, he taught organizational behavior at the Kenan-Flagler Business School of the University of North Carolina to undergraduates, MBA students, PhD students, and practicing managers. He taught for two years in Europe as a visiting professor at the Institute for Management Development (IMD), one of the world's leaders in the design and delivery of executive education. Professor Bateman earned his doctorate in business administration at Indiana University, and his BA from Miami University.

Professor Bateman is an active management researcher, writer, and consultant. He serves on the editorial boards of the *Academy of Management Review*, the *Academy of Management Journal*, and the *Asia Pacific Journal of Business and Management*. His articles appear in professional journals such as the *Academy of Management Journal, Academy of Management Review, Journal of Applied Psychology, Organizational Behavior and Human Decision Processes, Journal of Organizational Behavior*, *Human Relations*, *Journal of Macromarketing*, and *Proceedings of the National Academy of Sciences*. His recent work on leadership and psychology in the domain of climate change appears in *Nature Climate Change*, *Global Environmental Change*, and *The Conversation*.

Tom's long-time research interests center on proactive behavior (including leadership) by employees at all levels, with a recent turn toward scientists and public leadership. His consulting work has included a variety of organizations including Singapore Airlines, the Brookings Institution, the U.S. Chamber of Commerce, the Nature Conservancy, LexisNexis, Weber Shandwick, the Association of Climate Change Officers, and Chicago's Field Museum of Natural History.

SCOTT A. SNELL

Scott Snell is professor of business administration at the University of Virginia's Darden Graduate School of Business. He teaches courses in leadership, organizational capability development, and human capital consulting. His research focuses on human resources and the mechanisms by which organizations generate, transfer, and integrate new knowledge for competitive advantage. He is co-author of four books: *Managing People and Knowledge in Professional Service Firms, Management: Leading & Collaborating in a Competitive World, M: Management*, and *Managing Human Resources*. His work has been published in a number of journals such as the *Academy of Management Journal*, *Academy of Management Review, Strategic Management Journal, Journal of Management, Journal of Management Studies*, and *Human Resource Management*, and he was recently listed among the top 100 most-cited authors in scholarly journals of management. He has served on the boards of the Strategic Management Society's human capital group, the Society for Human Resource Management Foundation, the Academy of Management's human resource division, the *Human Resource Management Journal*, the *Academy of Management Journal*, and the *Academy of Management Review*. Professor Snell has worked with companies such as AstraZeneca, Deutsche Telekom, Shell, and United Technologies to align strategy, capability, and investments in talent. Prior to joining the Darden faculty in 2007, he was professor and director of executive education at Cornell University's Center for Advanced Human Resource Studies and a professor of management in the Smeal College of Business at Pennsylvania State University. He received a BA in psychology from Miami University, as well as MBA and PhD degrees in business administration from Michigan State University.

ROBERT KONOPASKE

Rob Konopaske is an associate professor of management and principles of management course coordinator in the McCoy College of Business at Texas State University. At the College, he also serves as the Director of the Institute for Global Business. A passionate educator who cares deeply about providing students with an exceptional learning experience, Rob has taught numerous undergraduate, graduate, and executive management courses, including Introduction to Management, Organizational Behavior, Human Resource Management, International Human Resources Management, and International Business. He has received numerous teaching honors while at Texas State University, most recently the 2016 Presidential Distinction Award, 2014 Gregg Master Teacher Award, and 2012–2013 Namesake for the PAWS Preview new student socialization program (an honor bestowed annually upon eight out of approximately 2,000 faculty and staff). Rob earned his doctoral degree in business administration (management) at the University of Houston, a master in international business studies (MIBS) degree from the University of South Carolina, and a bachelor of arts degree (Phi Beta Kappa) from Rutgers University. He has taught at the University of Houston, the University of North Carolina at Wilmington, and Florida Atlantic University.

Rob is co-author of several recent editions of six books: *Management: Leading & Collaborating in a Competitive World, M: Management, Organizational Behavior and Management, Human Resource Management, Global Management and Organizational Behavior*, and *Organizations: Behavior, Structure, Processes.* The eleventh edition of *Organizations* won a McGuffey Award (for longevity of textbooks and learning materials whose excellence has been demonstrated over time) from the national Text and Academic Authors' Association.

Rob's research has been published in such outlets as the *Journal of Applied Psychology, Academy of Management Executive, Management International Review, Business Horizons, Human Resource Management, Journal of Business Research, Journal of Management Education, Nonprofit Management and Leadership, Journal of Managerial Psychology,* and *Human Resource Management Review.* Dr. Konopaske currently serves on the editorial board of the *International Journal of Human Resource Management.*

Rob has lived and worked internationally, speaks three languages, and has held management positions with a large nonprofit organization and a Fortune 500 multinational firm. He consults, trains, and conducts research projects for a wide range of companies and industries. Current or former clients include Credit Suisse, PricewaterhouseCoopers, Buffalo Wings & Rings, KPMG, New Braunfels Utilities, and Johnson & Johnson.

Preface

Welcome to our 13th edition! Thank you to everyone who has used and learned from previous editions. We are proud to present to you our best-ever edition.

Our Goals

Our mission with this text is to inform, instruct, and inspire. We hope to *inform* by providing descriptions of the important concepts and practices of modern management. We hope to *instruct* by describing how you can identify options, make decisions, and take effective action. We hope to *inspire* not only by writing in an interesting way but also by providing a real sense of the challenges and fascinating opportunities ahead of you. Whether your goal is starting your own company, leading a team to greatness, building a strong organization, delighting your customers, or generally forging a positive and sustainable future, we want to inspire you to take meaningful action.

We hope to inspire you to be both a thinker and a doer. We want you to know the important issues, consider the consequences of your actions, and think before you act. But good thinking is not enough; management is a world of action. It is a world for those who commit to high performance.

Competitive Advantage

The world of management is competitive, while also rich with important collaborative opportunities. Never before has it been so imperative to your career that you learn the skills of management. Never before have people had so many opportunities and challenges with so many potential risks and rewards.

You will compete with other people for jobs, resources, and promotions. Your employer will compete with others for contracts, clients, and customers. To survive the competition, and to thrive, you must perform in ways that give you an edge that makes others want to hire you, buy from you, and do repeat business with you. Now and over time, you will want them to choose you, not the competition.

By this standard, managers and organizations must *perform.* Six essential performance dimensions are *cost, quality, speed, innovation, service*, and *sustainability*. When managed well, these performance dimensions deliver value to your customer and competitive advantage to you and your organization. Lacking performance on one or more of them puts you at a disadvantage. We elaborate on them all, throughout the book.

Our goal is to keep you focused on delivering important "bottom line" results–to make sure you think continually about delivering the goods that make both you and your organization successful. Good management practices and processes are the keys to delivering the results that you want and your employer wants. This results-oriented focus of *Management,* 13th edition, is a unique highlight you will take away from this book.

Leading & Collaborating

Yes, business is competitive. But it's not that simple. In fact, to think strictly in terms of competition is overly cynical, and such cynicism can sabotage your performance. Along with a realistic perspective on competitive realities, important action elements in managerial success are *collaboration* and *leadership.* To succeed, teams and organizations need people to work *with* rather than against one another, Put another way, you can't perform alone–the world is too complex, and business is too challenging.

You need to work with your teammates. Leaders and followers need to work as collaborators more than as adversaries. Work groups throughout your organization need to cooperate with one another. Business and government, often viewed as antagonists, can work productively together. And today more than ever, companies that traditionally were competitors engage in joint ventures and find other ways to collaborate on some things even as they compete in others. Leadership is needed to make these collaborations work.

How does an organization create competitive advantage through collaboration? It's all about the people, and it derives from good leadership.

Three stereotypes of leadership are that it comes from the top of the company, that it comes from one's immediate boss, and that it means being decisive and issuing commands. These stereotypes contain some truth, but realities are much more complex and challenging.

First, the person at the top may or may not provide effective leadership–in fact, truly good leadership is far too rare. Second, organizations need leaders at all levels, in every team and work unit. This includes you, beginning early in your career, and this is why leadership is a vital theme in this book. Third, leaders should be capable of decisiveness and of giving commands, but relying too much on this traditional approach isn't enough. Great leadership is far more inspirational than that, and helps people both to think

differently and to work differently—including working collaboratively toward outstanding results.

True leadership—from your boss as well as from you—inspires collaboration, which in turn generates results that are good for you, your employer, your customer, and all the people involved.

As Always, Currency and Variety in the 13th Edition

It goes without saying that this textbook, in its 13th edition, remains on the cutting edge of topical coverage, updated throughout with both current business examples and recent management research. We continue to emphasize real results, sustainability, and diversity, themes on which we were early and remain current leaders.

While still organizing the chapters around the classic management functions, we modernize those functions with a far more dynamic orientation. Looking constantly at change and the future, we describe the management functions as Delivering Strategic Value (for Planning), Building a Dynamic Organization (for Organizing), Mobilizing People (for Leading), and last but hardly least, Learning and Changing (for Controlling).

Special Features

Every chapter offers a fascinating and useful portfolio of special boxed features that bring the subject matter to life in real time:

1. **Management in Action,** a hallmark feature, presents unfolding contemporary three-part cases about today's business leaders and companies. The first part, "Manager's Brief," encourages students at the start of each chapter to begin thinking about one or more of that chapter's major themes in the context of the current business scene. For example, Chapter 1 introduces Facebook's Mark Zuckerberg and some of the challenges his company faces. The second Management in Action element, "Progress Report," appears about halfway through each chapter and incorporates additional chapter themes into the narrative. At each stage of this unfolding feature, we offer suggestions or questions for classroom discussion, in-class group work, or simply reflection. Closing out the Management in Action three-part series is "Onward," at the end of each chapter, which distills key aspects of the chapter and challenges students with questions for further consideration. Chapter 1's closing "Onward" segment reflects on what it might be like to work at Facebook.

2. **Social Enterprise** boxes offer examples illustrating chapter themes from outside the private sector. Many students are deeply interested in social entrepreneurs and enterprises, inherently and for future employment possibilities. Examples include: "Ashoka's Bill Drayton, Pioneer of Social Entrepreneurship" (Chapter 1), "Are Business School Graduates Willing to Work for Social Enterprises?"

(Chapter 10), and "Piramal Sarvajal Provides Clean Water via 'Water ATMs,'" (Chapter 17).

3. **Multiple Generations at Work** boxes discuss chapter themes from multigenerational perspectives, based on data rather than stereotypes, with a goal of strengthening what too often are difficult workplace relationships. Examples include: "Are 'Portfolio Careers' the New Normal?" (Chapter 2), "Crowdsourcing: An Inexpensive Source of Creative Ideas" (Chapter 3), and "Tech-Savvy Gen Z Is Entering the Workforce" (Chapter 17).

4. **The Digital World** feature offers unique examples of how companies and other users employ digital/social media in ways that capitalize on various ideas in each chapter. Students of course will relate to the social media but also learn of interesting examples and practice that most did not know before. Instructors will learn a lot as well!

That's the big picture. We believe the management stories in the boxed features light up the discussion and connect the major themes of the new edition with the many real worlds students will enter soon.

Up next is just a sampling of specific changes, updates, and new highlights in the 13th edition—enough to convey the wide variety of people, organizations, issues, and management challenges represented throughout the text.

Chapter 1

- New Management in Action about Mark Zuckerberg of Facebook.
- New Social Enterprise about Bill Drayton of Ashoka.
- New example of Yum! Brands having 43,000 restaurants in 135 countries.
- New Exhibit 1.1: "Staying Ahead of the Competition."
- New example of entrepreneurial college students pitching sustainable business ideas.
- New passage about artificial intelligence simplifying human-technology interfaces.
- New example of Quicken Loans Rocket Mortgage applications taking minutes to complete.
- New passage about Facebook entering the job posting space to compete against LinkedIn.

Chapter 2

- New Management in Action about Jeff Bezos creating Amazon's organizational environment.
- New Multiple Generations at Work about "portfolio careers" becoming the new normal.
- New Social Enterprise about the Paris Agreement and combating climate change.
- New example of Microsoft's HoloLens teaching medical students about human anatomy.

- Revised Exhibit 2.5: "Potential Substitutes and Complements."
- New example of AstraZeneca losing patent protection of its $5 billion product, Crestor.
- New passage on organizational challenges associated with acquisitions.
- New example of Target investing in "green chemistry innovation."

Chapter 3
- New Management in Action about Uber's questionable decision making.
- New example of General Electric using data analytics to improve efficiencies of digital wind farms.
- Updated Exhibit 3.2: "Comparison of Types of Decisions."
- New passage about *National Geographic*'s "Wanderlust" social media photo competition.
- New Exhibit 3.3: "The Phases of Decision Making."
- New example about IDEO suggesting ways to encourage employee creativity.
- New Exhibit 3.8: "Managing Group Decision Making."
- New example about Havenly crowdsourcing feedback on its pricing and new product ideas.

Chapter 4
- Updated Management in Action about Walt Disney scripting its own success.
- Revised Exhibit 4.1: "Decision-Making Stages and Formal Planning Steps."
- New passage about General Motors and Lyft forming an alliance to create a fleet of on-demand autonomous vehicles.
- Revised Exhibit 4.3: "Hierarchy of Goals and Plans."
- New passage about Chipotle's challenges with recent food-safety events.
- New Exhibit 4.5: "The Strategic Management Process."
- New passage about Elon Musk committing to enable human travel to Mars.
- New example of the U.S. Environmental Protection Agency's methane-to-energy projects.

Chapter 5
- New Multiple Generations at Work about Millennials being bullish on business.
- New Social Enterprise about India's Barefoot College, a college for the poor by the poor.

- New passage about Wells Fargo's incentive system leading to a major corporate scandal.
- New example about Amazon suing companies that sell false positive reviews on its site.
- Revised Exhibit 5.2: "Examples of Decisions Made under Different Ethical Systems."
- New example about Nabisco's utilitarian decision to lay off 1,200 workers at a Chicago plant.
- Updated Exhibit 5.3: "Current Ethical Issues in Business."
- New Exhibit 5.6: "A Process for Ethical Decision Making."
- New example about Starbucks building Leadership Energy and Environmental Design (LEED) stores in 20 countries.

Chapter 6
- New Management in Action about Alibaba's evolution to a global brand.
- New example of Harley-Davidson's marketing of motorcycles to riders in international markets.
- New example of Chinese companies purchasing U.S. firms and divisions like Starwood Hotels, Smithfield Foods, and GE's appliance business.
- Updated Exhibit 6.1: "Top 10 Global Firms."
- New example of a small business, AppIt, expanding internationally by acquiring a software development company in India.
- New example about the Philippines becoming a popular location for outsourcing.
- New passage about McDonald's collaborating with an Indian entrepreneur to adapt its menu (e.g., "Chicken Maharajah Mac") to the vegetarian country.

Chapter 7
- New Management in Action about Starbucks' entrepreneurial beginnings.
- New example about 28 million small businesses generating over half of all jobs in the U.S.
- Updated Exhibit 7.2: "Successful Entrepreneurs Who Started in Their 20s."
- New examples of franchises including Jimmy John's and Jazzercise.
- Updated Multiple Generations at Work: "Millennial Entrepreneurs Can Learn from Others with More Experience."
- New passage about Barbara Nascimento, founder of The Traveller Tours in Portugal, describing how to start a business.
- New example of Gordon Logan, CEO of Sports Clips, leveraging the skills of a top management team.

Chapter 8

- Updated Management in Action about leadership and structural changes at General Motors.
- Updated Social Enterprise about Kiva's approach to organizing.
- Updated Multiple Generations at Work about online networks replacing traditional hierarchies.
- New examples of Shake Shack, Microsoft, and Sanofi using top management teams.
- New Exhibit 8.2: "Examples of Differentiation."
- New Exhibit 8.13: "A Network Organization."
- New examples of how Southwest Airlines, MasterCard, SAP, and Target are integrating marketing and communications functions.
- New example of how the Internal Revenue Service is organized around customer groups.

Chapter 9

- New passages about organizing around ordinary and dynamic capabilities.
- New example of Canon's core capability in innovative image technology.
- New example about Dr Pepper Snapple Group, Coca-Cola, and PepsiCo forming an alliance to cut by 25 percent the amount of sugar in their soft drinks by 2025.
- Revised Exhibit 9.2: "How I's Can Become We's."
- New example of Walmart's CEO trying to reduce bureaucracy while encouraging employees to take more initiative.
- New example of Capital One using predictive analytics to make credit card offers to customers.
- New examples of small and large batch technologies.

Chapter 10

- Updated Management in Action about Google's ability to hire top talent.
- Updated Social Enterprise about business school graduates working for social enterprises.
- Updated Multiple Generations at Work about college students needing soft skills.
- New example about Kayak, Etsy, and W. L. Gore creating unique organization cultures.
- New Exhibit 10.1: "An Overview of the HR Planning Process."
- New examples about John Deere and Siemens Energy finding creative ways to train young employees through a combination of academic and hands-on training.

- New example of the U.S. government considering major changes to the H-1B temporary visa program.
- New passage on companies settling discrimination lawsuits brought by employees.

Chapter 11

- New Management in Action about diversity and inclusion at Apple.
- Updated Social Enterprise about managing diversity at Change.org.
- Updated example about changing workforce demographics.
- Updated Exhibit 11.3: "Top Ten Most Powerful Women Executives."
- New example of Kaiser Permanente, AT&T, and MasterCard continuing their strong commitment to diversity.
- Updated example of the number of women in leadership positions in S&P 500 companies.
- New example of percentage of individuals with disabilities who are employed.
- Updated Exhibit 11.6: "Some Top Executives of Color."

Chapter 12

- Updated Management in Action about Indra Nooyi's leading PepsiCo to perform with purpose.
- New Social Enterprise about Elizabeth Hausler's engineering of disaster-proof homes.
- New example of Richard Branson, CEO of Virgin Group, envisioning a world powered by renewable energy by 2050.
- New Exhibit 12.4: "Sources of Leader Power."
- Updated example of famous leaders including Margaret Thatcher, Nelson Mandela, Julius Caesar, and George Washington.
- New example of servant leadership philosophies at Zappos, Whole Foods Market, and the Container Store.
- New example of how Cheryl Bachelder, CEO of Popeye's Louisiana Kitchen, used active listening to increase store sales by 25 percent.
- New passages about lateral, intergroup, and shared leadership.

Chapter 13

- Updated Management in Action about what makes software company, SAS, such a great place to work.
- Updated Multiple Generations at Work about Millennials wanting to fulfill higher-order needs.
- Updated Social Enterprise about giving veterans a renewed sense of purpose.

- New example of the U.S. Department of Homeland Security setting cyber security goals.
- New example of Colorado-based New Belgium Brewery engaging in environmental and sustainability initiatives.
- New passage about how Ryan LLC rewards its employees with 12 weeks of paid pregnancy leave and paid 4-week sabbaticals.
- New passage about Menlo Innovations offering employees creative nonmonetary rewards.
- Updated passages about extrinsic rewards, empowerment, and quality of work life.

Chapter 14
- Updated Management in Action about self-managed teams working at Whole Foods Market.
- New Social Enterprise about co-working becoming more popular.
- Updated Multiple Generations at Work about preparing for global virtual teamwork.
- New passage about Cisco Systems relying on employee teams to remain competitive.
- New Exhibit 14.6: "A Four-Stage Model of Dispute Resolution."
- New example of parallel teams and team-based rewards being used by organizations.

Chapter 15
- New Management in Action about music-sharing platform SoundCloud encouraging the free flow of information among employees.
- Updated Social Enterprise about when the message is the story.
- New example of company review sites like Glassdoor.com and Salary.com attracting negative posts from employees.
- Updated passage about digital communication and social media.
- Updated passage about communication flowing through all parts of organizations.
- New example of Hilcorp, an oil and gas exploration company, using open book management.
- Updated passage about upward communication and open-door policies.

Chapter 16
- New Management in Action about electronic monitoring of employees' health to control costs.
- Updated Social Enterprise about using multiple ways to measure social impact.

- Updated Multiple Generations at Work about companies shifting to more frequent performance reviews.
- New passage about Chipotle Mexican Grill trying to correct its food-safety challenges.
- New example of Home Depot using six sigma to improve customer checkout processes.
- New passage about the role of board members in relation to governance of companies.
- New passage about feedback control and its relationship to employee performance.
- New example of Toyota asking "Why?" to identify root causes of problems.

Chapter 17
- New Management in Action about Elon Musk being an innovator extraordinaire.
- New Social Enterprise about India-based Piramal Sarvajal providing clean water via "Water ATMs."
- New Multiple Generations at Work about tech-savvy Gen Z entering the workforce
- New Exhibit 17.1: "Innovation Types with Examples."
- New passage about retailers like Macy's in New York attracting young shoppers to stores.
- New example of virtual health care for annual patient visits reducing costs.
- New example of biosensor patches being applied to patients' skin to monitor vital signs.
- New passage about Google's FaceNet research team winning a facial recognition competition.

Chapter 18
- Updated Management in Action about Shell Oil's leaders facing off with investors over climate change.
- Updated Multiple Generations at Work about Millennials being ready for the future of work.
- New example of Sears losing its dominance in retail.
- New example of world-class centers in San Francisco, London, Munich, Warsaw, and Shenzen.
- New Exhibit 18.3: "Reasons for Resistance to Change."
- New example of a manager at John Deere implementing change in a gradual manner.
- New Exhibit 18.8: "Opportunity Is Finding Ways to Meet Customers' Needs."
- New passage about big data, Internet of Things, and artificial intelligence combining to make cities smarter.
- New Exhibit 18.9: "Learning Cycle: Explore, Discover, Act."

A Team Effort

This book is the product of a fantastic McGraw-Hill team. Moreover, we wrote this book believing that we are part of a team with the course instructor and with students. The entire team is responsible for the learning process.

Our goal, and that of your instructor, is to create a positive learning environment in which you can excel. But in the end, the raw material of this course is just words. It is up to you to use them as a basis for further reflection, deep learning, and constructive action.

What you do with the things you learn from this course, and with the opportunities the future holds, *counts*. As a manager, you can make a dramatic difference for yourself and for other people. What managers do matters *tremendously*.

Acknowledgments

Bottom Line

In this ever more competitive environment, there are six essential types of performance on which the organization beats, equals, or loses to the competition: cost, quality, speed, innovation, service, and sustainability. These six performance dimensions, when done well, deliver value to the customer and competitive advantage to you and your organization.

Throughout the text, Bateman, Snell, and Konopaske remind students of these six dimensions and their impact on the bottom line with marginal icons. This results-oriented approach is a unique hallmark of this textbook.

New questions in this edition further emphasize the bottom line. The Instructor's Manual has answers to these questions.

Bottom Line
In all businesses—services as well as manufacturing—strategies that emphasize good customer service provide a critical competitive advantage. *Identify some excellent and poor customer service that you have received.*

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In CASE You Haven't Noticed . . .

Bateman, Snell, and Konopaske have put together an outstanding selection of case studies of various lengths that highlight companies' ups and downs, stimulate learning and understanding, and challenge students to respond.

Instructors will find a wealth of relevant and updated cases in every chapter, using companies—big and small—that students will enjoy learning about.

CHAPTER UNFOLDING CASES

Each chapter begins with a "Management in Action: Manager's Brief" section that describes an actual organizational situation, leader, or company. The "Manager's Brief" is referred to again within the chapter in the "Progress Report" section, showing the student how the chapter material relates back to the company, situation, or leader highlighted in the chapter opener. At the end of the chapter, the "Onward" section ties up loose ends and brings the material full circle for the student. Answers to Management in Action section questions can be found in the Instructor's Manual.

SOCIAL ENTERPRISE

Social Enterprise boxes have been updated in each chapter to familiarize students with this fast-growing sector. Answers to Social Enterprise questions are included in the Instructor's Manual.

MULTIPLE GENERATIONS AT WORK

In each chapter, a Multiple Generations at Work box has been updated added to highlight some of the intergenerational challenges faced by managers and employees today.

THE DIGITAL WORLD

The Digital World feature offers unique examples of how companies and other users employ digital/social media in ways that capitalize on various ideas in each chapter.

CONCLUDING CASES

Each chapter ends with a case based on disguised but real companies and people that reinforces key chapter elements and themes.

SUPPLEMENTARY CASES

At the end of each part, an additional case is provided for professors who want students to delve further into part topics.

Outstanding Pedagogy

Management: Leading & Collaborating in a Competitive World is pedagogically stimulating and is intended to maximize student learning. With this in mind, we used a wide array of pedagogical features—some tried and true, others new and novel:

END-OF-CHAPTER ELEMENTS

- **Key terms** are page-referenced to the text and are part of the vocabulary-building emphasis. These terms are defined again in the glossary at the end of the book.
- **Retaining What You Learned** provides clear, concise responses to the learning objectives, giving students a quick reference for reviewing the important concepts in the chapter.
- **Discussion Questions**, which follow, are thought-provoking questions on concepts covered in the chapter and ask for opinions on controversial issues.
- **Experiential Exercises** in each chapter bring key concepts to life so students can experience them firsthand.

Assurance of Learning

This 13th edition contains revised learning objectives and learning objectives are called out within the chapter where the content begins. The Retaining What You Learned for each chapter ties the learning objectives back together as well. And, finally, our test bank provides tagging for the learning objective that the question covers, so instructors will be able to test material covering all learning objectives, thus ensuring that students have mastered the important topics.

Comprehensive Supplements

INSTRUCTOR'S MANUAL

The Instructor's Manual was revised and updated to include thorough coverage of each chapter as well as time-saving features such as an outline, key student questions, class prep work assignments, guidance for using the unfolding cases, video supplements, and, finally, PowerPoint slides.

TEST BANK

The Test Bank includes more than 100 questions per chapter in a variety of formats. It has been revised for accuracy and expanded to include a greater variety of comprehension and application (scenario-based) questions as well as tagged with Bloom's Taxonomy levels and AACSB requirements.

POWERPOINT PRESENTATION SLIDES

The PowerPoint presentation collection contains an easy-to-follow outline including figures downloaded from the text. In addition to providing lecture notes, the slides also include questions for class discussion as well as company examples not found in the textbook. This versatility allows you to create a custom presentation suitable for your own classroom experience.

# McGraw-Hill Customer Experience

At McGraw-Hill, we understand that getting the most from new technology can be challenging. That's why our services don't stop after you purchase our products. You can e-mail our product specialists 24 hours a day to get product training online. Or you can search our knowledge bank of frequently asked questions on our support website. For customer support, call **800-331-5094**, submit a support request using our contact us form, **http://mpss.mhhe.com/contact.php**, or visit **www.mhhe.com/support**. One of our technical support analysts will be able to assist you in a timely fashion.

MANAGER'S HOT SEAT

This interactive, video-based application puts students in the manager's hot seat, building critical thinking and decision-making skills and allowing students to apply concepts to real managerial challenges. Students watch as 21 real managers apply their years of experience when confronting unscripted issues such as bullying in the workplace, cyber loafing, globalization, intergenerational work conflicts, workplace violence, and leadership versus management. In addition, Manager's Hot Seat interactive applications, featuring video cases and accompanying quizzes, can be found in Connect.

CREATE

Instructors can now tailor their teaching resources to match the way they teach! With McGraw-Hill Create, **www.mcgrawhillcreate. com**, instructors can easily rearrange chapters, combine material from other content sources, and quickly upload and integrate their own content, such as course syllabi or teaching notes. Find the right content in Create by searching through thousands of leading McGraw-Hill textbooks. Arrange the material to fit your teaching style. Order a Create book and receive a complimentary print review copy in three to five business days or a complimentary electronic review copy via e-mail within one hour. Go to **www.mcgrawhillcreate.com** today and register.

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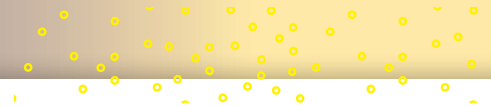
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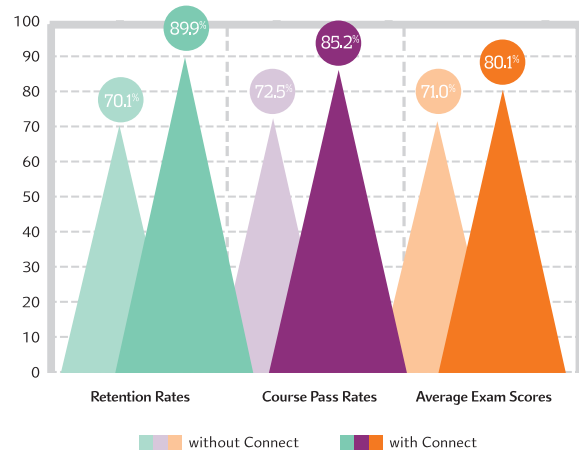
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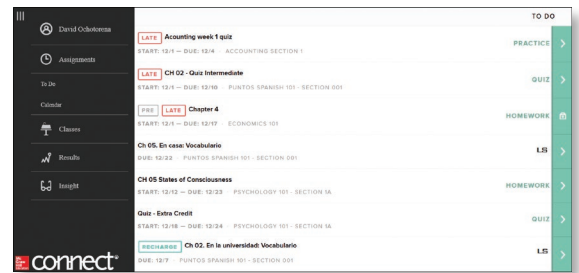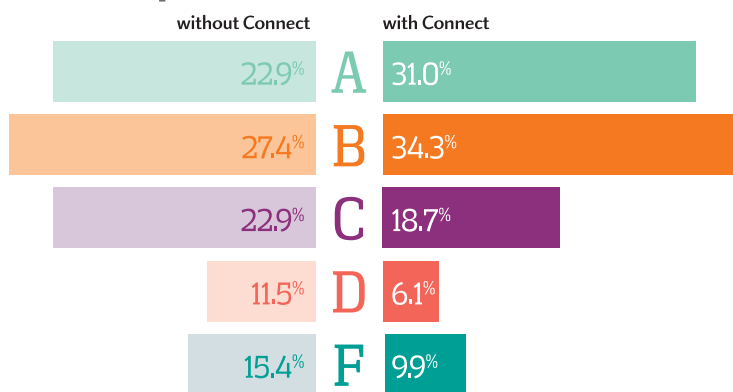
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The Management Process

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CHAPTER 1
Managing and Performing

> Management means, in the last analysis, the substitution of thought for brawn and muscle, of knowledge for folklore and tradition, and of cooperation for force.
>
> —PETER DRUCKER

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LEARNING OBJECTIVES

After studying Chapter 1, you will be able to:

LO 1 Summarize the major challenges of managing in the new competitive landscape.

LO 2 Describe the sources of competitive advantage for a company.

LO 3 Explain how the functions of management are evolving in today's business environment.

LO 4 Compare how the nature of management varies at different organizational levels.

LO 5 Define the skills you need to be an effective manager.

LO 6 Understand the principles that will help you manage your career.

CHAPTER OUTLINE

Managing in a Competitive World
Globalization
Technological Change
Knowledge Management
Collaboration across Boundaries

Managing for Competitive Advantage
Innovation
Service
Cost Competitiveness
Sustainability
Quality
Speed
Delivering All Types
of Performance

The Functions of Management
Planning: Delivering Strategic Value
Organizing: Building a Dynamic Organization
Leading: Mobilizing People
Controlling: Learning and Changing
Performing All Four Management Functions

Management Levels and Skills
Top-Level Managers
Middle-Level Managers
Frontline Managers
Working Leaders with Broad Responsibilities
Must-Have Management Skills

You and Your Career
Be Both a Specialist and a Generalist
Be Self-Reliant
Connect with People
Actively Manage Your Relationship with Your Organization
Survive and Thrive

Management in Action

ONE WELL-KNOWN MANAGER: FACEBOOK'S MARK ZUCKERBERG

What does a manager do? Dream up a bold new mission for the company? Build a corporate structure that ensures success? Lead and inspire others? Keep the company on track toward its goals?

Most managers perform all these basic functions to some degree, perhaps none more publicly or successfully than Mark Zuckerberg, founder and CEO of Facebook Inc. Zuckerberg has seen his company grow into a unique worldwide phenomenon with almost 2 billion active users, more than 600 times as many people as the average daily viewership of CNN, Fox, and MSNBC combined. Given that the company reported $8.8 billion in revenue in 2016, it seems Zuckerberg's passion for connecting people with one another has more than paid off. Facebook's unparalleled success does not mean Zuckerberg has no management challenges left, however.

Past hurdles that Zuckerberg had to deal with included the need for cash to fund Facebook's rapid growth. In 2012 he announced an initial public offering of stock to attract that cash, and then saw the company go through a damaging initial drop in its stock price. Next came the soaring popularity of smartphones, encouraging Facebook users to go mobile in droves. Facebook was forced to quickly develop its capability to carry advertising on its mobile app. Those mobile ads now bring in 80 percent of the company's revenue, up from zero in 2012.

More recent hurdles include charges that Facebook aided the spread of fake news during the 2016 U.S. presidential election campaign. Zuckerberg responded by developing partnerships with outside fact-checking groups to flag stories of questionable reliability. He

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directed upgrades of Facebook's user data tracking to counter problems of misreporting results to advertisers, and he wants to focus on artificial intelligence to prevent the sharing of inappropriate content. That story continues to unfold. Meanwhile Facebook teams are working to keep up with newer competitors like Snapchat by adding to the video capabilities of its Instagram platform.

While he is organizing and leading the company and refining its operations, Zuckerberg, ranked #1 in 2017 among the top 50 business people by *Fortune* magazine, is also still shaping plans for what he hopes Facebook can be. He recently released a bold statement of his views on its next big goal: to bring all of humanity together in a safe and informed "global community."[1]

Management challenges are ever-changing. What is going on now for Facebook and Mark Zuckerberg? As you read this chapter, notice the wide variety of skills that Zuckerberg needs to help Facebook meet its goals. Also, think about how managing people, money, and other resources enables Facebook and other organizations to accomplish far more than individuals acting independently could ever achieve.

Facebook's CEO, Mark Zuckerberg, is one of the most interesting leaders in business today. He is an innovator who combines technological know-how with a vision for the future and an obsessive drive to please customers. Together, those qualities have helped him build a business idea into a major corporation that continues to transform how people connect with one another.[2]

Zuckerberg is a standout among other top business leaders. Named 2016 Businessperson of the Year by *Fortune* magazine, he has successfully navigated the $350 billion media company through challenging times, as when Facebook was slow to respond to the shift to mobile, and the clumsy handling of its initial public offering.[3]

Consider the department store Macy's as a contrasting example. Following weaker than expected 2016 holiday sales, Macy's announced that it would close 63 stores and cut 10,000 job*s*.[4] Terry Lungren, who stepped down as CEO in February 2017, was replaced by Jeff Gennette, who has the daunting task of turning around seven straight quarters of sales declines.[5] Time will tell whether Macy's can compete effectively against changing shopping habits driven by online retail giants like Amazon.

In business, there is no alternative to managing well. Companies may fly high for a while, but they cannot do well for very long without good management. It's the same for individuals: the best performers succeed by focusing on fundamentals, knowing what's important, and managing well. The aim of this book is to help you succeed in those pursuits.

Managing in a Competitive World

LO 1 When the economy is soaring, business seems easy. Starting an Internet company looked easy in the 1990s, and ventures related to the real estate boom looked like a sure thing just a few years ago. But investors grew wary of dot-com start-ups, and the demand for new homes dropped off the table when the economy crashed in late 2008. At such times, it becomes evident that management is a challenge requiring knowledge and skills to adapt to new circumstances.

Management is a challenge requiring knowledge and skills to adapt to new circumstances.

What defines the competitive landscape of today's business? You will be reading about many relevant issues in the coming chapters, but we begin here by highlighting four ongoing challenges that characterize the business landscape: globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational boundaries.

Globalization

Far more than in the past, today's enterprises are global, with offices and production facilities in countries all over the world. Corporations operate worldwide, transcending national borders. Companies that want to grow often need to tap international markets. The change from a local to a global marketplace is irreversible.[6]

Fortune magazine annually publishes a list of the world's most admired companies. Whereas U.S. companies used to dominate, Switzerland-based Nestlé was the most admired maker of consumer food products in 2016, Germany's BMW was the most admired producer of motor vehicles, and Singapore Airlines was the most admired airlines company.[7] According to *Fortune*'s 2016 Global 500 list, the five largest firms are Walmart (U.S.), State Grid (China), China National Petroleum (China), Sinopec Group (China), and Royal Dutch Shell (British-Dutch).[8]

Globalization also means that a company's talent and competition can come from anywhere. As with its sales, more than half (60 percent) of GE's 333,000 employees live outside the United States.[9] Kentucky-based Yum! Brands (KFC, Pizza Hut, and Taco Bell) has over 43,000 restaurants in more than 135 countries. In 2016, about half of its profits came from outside the United States. On average, Yum! Brands opens six stores per day in international locations.[10]

PepsiCo's chief executive, Indra Nooyi, brought a much-needed global viewpoint to a company whose international business was growing three times faster than sales in the United States. Nooyi, who was raised in India and educated there and in the United States, steered the company toward more "better for you" and "good for you" snacks such as a Quaker beverage in China, Natural Balance snack bar in Mexico, and KeVita probiotic drinks in the United States.[11]

Globalization affects small companies as well as large. Many small companies export their goods. Many domestic firms assemble their products in other countries. And companies are under pressure to improve their products in the face of intense competition from foreign manufacturers. Firms today must ask themselves, "How can we be the best in the world?"

For students, it's not too early to think globally. Participating in the Global Business Institute program at Indiana University, one hundred students from North Africa, South Asia, and the Middle East came to the United States to pitch entrepreneurial business ideas to a panel of experts. The panel consisted of officials from Coca-Cola and the U.S. Department of State. The most recent winner was Team Pakistan, who proposed a business model that reduces waste by reselling used clothing.[12]

Globalization has changed the face of the workforce. Managers in this competitive environment needs to attract and effectively manage a talent pool from all over the globe.

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Technological Change

The Internet of Things, artificial intelligence, mobile applications, Big Data analytics, and cloud computing are only some of the ways that technology is vitally important in the business world. Technology both complicates things and creates new opportunities. The challenges come from the rapid rate at which communication, transportation, information, and other technologies change.[13] For example, after just a couple of decades of widespread desktop use, customers switched to laptop models, which require different accessories. Then, users turned to mini-laptops, tablets, smartphones, and smartwatches to meet their mobility technology needs.[14] Any company that served desktop users had to rethink its customers' wants and needs.

Later chapters discuss technology further, but here we highlight the rise of the Internet and its effects. How is the Internet so critical to business?[15] It is a digital marketplace, a means for manufacturing goods and services, a distribution channel, an information service, an arena for social activism,[16] and more. It drives down costs and speeds up globalization. It improves efficiency of decision making. Managers can watch and learn what companies around the world are doing in real time.

Although these advantages create business opportunities, they also create threats, not just from hackers but from competitors as they capitalize sooner on new developments than you do.

Things continue to change at breakneck speed. About 15 years ago, tech guru Tim O'Reilly coined the term "Web 2.0" to describe the exciting new wave of social networking start-ups that allow users to publish and share information. But most failed or stalled; very few, other than Facebook, made a profit.[17] Web 2.0 redefined the ways in which customers and sellers, employees and employers shared knowledge.

Next came Web 3.0, described as a "read-write-execute" web where applications, search findings, and online services are more tailored, integrated, and relevant to users.[18] Think about the last time you searched for a product on Amazon and a list of related products appeared on the screen as alternatives. Web 3.0 is giving way to the Internet of Things, where smartphones, home thermostats, weight scales, wearable fitness trackers, and so forth sense human activities and communicate this information wirelessly through networks to be used in myriad ways (regulate home temperature, check body weight, and tally miles walked).[19]

What's next for the digital frontier? It's hard to predict with precision, but as billions of people and businesses worldwide demand more personalized and connected experiences, artificial intelligence will simplify the interfaces between humans and technology. Instead of people adapting to new technologies as in the past, technology will adapt to people's preferences.[20]

Knowledge Management

Companies and managers need good new ideas. Because companies in advanced economies have become so efficient at producing physical goods, most workers have been freed up to provide services or "abstract goods" such as software, entertainment, data, and advertising. These workers, whose primary contributions are ideas and problem-solving expertise, are often referred to as *knowledge workers.* Managing these workers poses some particular challenges,[21] which we examine throughout this book.

Because the success of modern businesses so often depends on the knowledge used for innovation and the delivery of services, organizations need to manage that knowledge.[22] **Knowledge management** is the set of practices aimed at discovering and harnessing an organization's intellectual resources—fully using the intellects of the organization's people. Knowledge management is about finding, unlocking, sharing, and capitalizing on the most precious resources of an organization: people's expertise, skills, wisdom, and relationships. The nearby "Multiple Generations at Work" box explores how important knowledge transfer is to organizational survival.

Knowledge managers find these human assets, help people collaborate and learn, generate new ideas, and harness those ideas into successful innovations.

knowledge management

Practices aimed at discovering and harnessing an organization's intellectual resources.

Collaboration across Boundaries

One of the most important processes of knowledge management is to ensure that people in different parts of the organization collaborate effectively with one another. This requires productive communications among different departments, divisions, or other subunits of the organization. For example, "T-shaped" managers break out of the traditional corporate hierarchy to share knowledge freely across the organization (the horizontal part of the T) while remaining committed to the bottom-line performance of their individual business units (the vertical part).[23] Consulting firm McKinsey originally developed this T-shaped concept as a way for its employees to view clients' problems from both broad and deep perspectives.[24]

Toyota keeps its product development process efficient by bringing together design engineers and manufacturing employees from the very beginning. Often, manufacturing employees can see ways to simplify a design so that it is easier to make without defects or unnecessary costs. Toyota expects its employees to listen to input from all areas of the organization, so this type of collaboration is a natural part of the organization's culture. Employees use software to share their knowledge—best practices they have developed for design and manufacturing.[25] Thus, at Toyota, knowledge management supports collaboration and vice versa.

Collaboration across boundaries occurs even beyond the boundaries of the organization itself. Companies today must motivate and capitalize on the ideas of people outside the organization. Customers, for instance, can be collaborators. Companies must realize that the need to serve the customer drives everything else.

In this digitally connected era, customers *expect* to offer their ideas and be heard. Companies collaborate with their customers by actively and continuously listening and responding. L.L.Bean tracks customer comments and reviews on its website; if any product averages fewer than three stars out of five, the company removes it and directs the product manager to resolve the problem.[26] Businesses pay attention to customer comments on Amazon, Zappos, Yelp, TripAdvisor, Facebook, Twitter, and many more sites. Customer feedback management software can search these and other sites and generate statistics and reports. Companies can respond to negative online reviews with the goal of winning over their critics.[27]

Multiple Generations at Work

Move over Boomers, Here Comes the Next Generation of Leaders

The workforce is changing rapidly. A large number of Baby Boomers (born 1946–1964) will be exiting the workforce over the next 15 years. According to the Pew Research Center, approximately 10,000 Boomers turn 65 each day in the United States. Though some Boomers work into their later years, others step out of the workforce to enjoy hobbies, travel opportunities, and family time.

The talent exodus of top-level executives, managers, and leaders will translate into career opportunities for younger generations. Gen Xers (born 1965–1979) occupy many middle-level jobs, but there are not enough of them to fill all of the soon-to-be-vacant senior positions. Enter the Millennial generation (born 1980–2000), who make up the largest demographic cohort on record.[28] These early 30- and 20-somethings are flooding into the job market and will be needed to move quickly from team leader and frontline managerial positions to even higher responsibility.

Before Gen Xers and Millennials can assume higher-level positions in businesses, schools, government agencies, and nonprofits, organizational knowledge must be transferred from senior management to the less experienced Gen Xers and Millennial employees. Senior managers and leaders possess "know-how" and "know-who"

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that are critical to the long-term success of their organizations. Prior to retirement, senior talent will look to transfer their knowledge to younger employees.

Complicating this need is the fact that generations, like individuals, sometimes differ in their attitudes, personalities, and behaviors. This can affect everything from communication, customer service, teamwork, job satisfaction, morale, and retention to overall organizational performance.

The Digital World

Collaboration across boundaries now includes instant communication with stakeholders around the world. Humanitarian organizations are at the forefront of this collaboration. You can sign up online as a Red Cross digital advocate (redcross.org/volunteer/volunteer-opportunities/be-a-digital-advocate). Volunteers go online and monitor social media for tweets, Facebook posts, and other social media communication that can provide useful information to Red Cross workers. Volunteers also provide direct support by responding on social media with information about basic first aid and shelter locations, and for emotional support. One example was reminding a young teen who had tweeted she was home alone as a tornado was touching down that she needed to get in the bathtub if she didn't have a basement.

Online collaboration allows managers to manage many demands in a brief amount of time during crises. The United Nations (OCHA) uses trained volunteers called the Stand By Task Force (SBTF). They collaborate online from all over the world. When one group sleeps, another group in another part of the world is waking up and ready to help. This provides 24-hour support to leadership in the crucial hours of a crisis.

Businesses are learning from humanitarian organizations and are using online collaboration or crowdsourcing. GlaxoSmithKline (GSK) is crowdsourcing its malaria research by sharing its data online and allowing the public to collaborate. You will learn details of how GSK and others are using technology to support and accelerate management goals later in the text.

Managing for Competitive Advantage

Bottom Line

Because it's easy for managers to be so busy that they lose sight of what really drives performance, you will periodically see icons as bottom-line reminders of the need for innovation, quality, service, speed, cost competitiveness, and sustainability. *Which two or more of these advantages do you think would be hardest to deliver at the same time?*

innovation

The introduction of new goods and services; a change in method or technology; a positive, useful departure from previous ways of doing things.

quality

The excellence of your product (goods or services).

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The early Internet years turned careers (and lives) upside down. Students dropped out of school to join Internet start-ups or start their own. Managers in big corporations quit their jobs to do the same. Investors salivated, and invested heavily. The risks were often ignored or downplayed—sometimes tragically as the boom went bust in 2000.

And consider an earlier industry with similar transforming power: automobiles. There have been at least 2,000 carmakers—how many remain?

What is the lesson to be learned from the failures in these important transformational industries? A key to understanding the success of a company is the competitive advantage it holds and how well it can sustain that advantage.

To survive and win over time, you have to gain and sustain advantages over your competitors. You gain competitive advantage by being better than your competitors at doing valuable things for your customers. But what does this mean, specifically? To succeed, managers must deliver performance. The fundamental success drivers of performance are innovation, quality, service, speed, cost competitiveness, and sustainability.

Innovation

Companies must continually innovate. **Innovation** is the introduction of new goods and services. Your firm must adapt to changes in consumer demands and to new competitors.

Products don't sell forever; in fact, they don't sell for nearly as long as they used to because competitors are continuously introducing new products. Your firm must innovate, or it will die.

In 2000, Blockbuster was the market leader of the video rental industry. It didn't see the need to offer customers an alternative to driving to their retail stores to rent a movie, nor did the company eliminate late charges because they were a major source of revenue. Reed Hastings, founder of Netflix, displaced Blockbuster by allowing customers to order videos that would be delivered by mail. Customers could watch a video for as long as they wanted, then mail it back to Netflix. In 2010, Blockbuster filed for bankruptcy. Netflix has become a successful $8.8 billion company.[29]

The need for innovation is driven in part by globalization. One important reason is that facilities in other countries can manufacture appliances or write software code at a lower cost than facilities in the United States; U.S. facilities thus operate at a disadvantage. Therefore, they must provide something their foreign competitors can't—and often that requires delivering something new.

Nevertheless, as labor and other costs rise overseas, and as U.S. companies find ways to improve efficiency at home, the future for North American facilities may brighten. Nissan has expanded production in Smyrna, Tennessee, including assembly of its Infiniti JX luxury car and Leaf electric car. Other companies like BMW have announced plans to expand manufacturing operations in the United States. In 2016, the German auto maker completed its $1 billion expansion to its Spartanburg, South Carolina, plant, bringing annual production capacity to 450,000 vehicles.[30]

Innovation is today's holy grail (2017's number-one most-admired company in *Fortune*'s innovativeness category was Starbucks).[31] Like the other sources of competitive advantage, innovation comes from people, it must be a strategic goal, and it must be managed properly. Later chapters show you how great companies innovate.

Quality

Most companies claim that they are committed to quality. In general, **quality** is the excellence of your product. Customers expect high-quality goods and services, and often they will accept nothing less.

Historically, quality pertained primarily to the physical goods that customers bought; it referred to attractiveness, lack of defects, and dependability. The traditional approach to quality was to check work after it was completed and then eliminate defects, using inspection and statistical data to determine whether products were up to standards. But then W. Edwards Deming, J. M. Juran, and other quality gurus convinced managers to take a more complete approach to achieving *total* quality. This includes *preventing* defects before they occur, *achieving zero defects* in manufacturing, and *designing* products for quality. The goal is to solve and eradicate from the beginning all quality-related problems and to live a philosophy of *continuous improvement* in the way the company operates.[32]

Quality is further provided when companies customize goods and services to the wishes of the individual consumer. Choices at Starbucks give consumers thousands of variations on the drinks they can order. NikeID allows customers to customize their athletic shoes, Coca-Cola's Freestyle vending machines empower thirsty consumers to create over 100 soft-drink mixes, and Panera Breads permits visitors to its restaurants to enter custom orders via self-service kiosks.[33]

Providing world-class quality requires a thorough understanding of what quality really is.[34] Quality can be measured in terms of product performance, customer service, reliability (avoidance of failure or breakdowns), conformance to standards, durability, and aesthetics. Only when you move beyond broad, generic concepts such as "quality" and identify specific quality requirements can you identify problems, target needs, set precise performance standards, and deliver world-class value.

By the way, *Fortune* magazine's 2017 number-one company for quality of products and services was also Starbucks.

> The result of long-term relationships is better and better quality, and lower and lower costs.
>
> —W. Edwards Deming

Service

Important quality measures often pertain to the service customers receive. This dimension of quality is particularly important because the service sector has come to dominate the U.S. economy. In recent years, the fastest-growing job categories have been almost entirely health care services, and the jobs with the greatest declines are primarily in mining, logging, and manufacturing (although some manufacturing returns to the United States).[35] Services include intangible products such as insurance, hotel accommodations, medical care, and haircuts.

Service means giving customers what they want or need, when they want it. So, service is focused on continually meeting the needs of customers to establish mutually beneficial long-term relationships. Thus cloud computing companies, in addition to providing online access to software, applications, and other computer services, also help their customers store and analyze large amounts of customer and employee data.

An important dimension of service quality is making it easy and enjoyable for customers to experience a service or to buy and use products. The Detroit Institute of Arts hired a manager formerly with the Ritz-Carlton hotel chain, noted for its exceptional level of service, to be vice president of museum operations. As the art museum prepared for a grand reopening following a major renovation, the manager analyzed the types of customer interactions that occur in a museum, identifying ways to make the experience more pleasant. He also worked with his staff to identify ways to customize services, such as offering tours tailored to the interests of particular groups.[36]

service
The speed and dependability with which an organization delivers what customers want.

Speed

Google constantly improves its search product at a rapid rate. In fact, its entire culture is based on rapid innovation. Sheryl Sandberg, chief operating officer of Facebook, made a mistake early in her previous position as vice president of Google because she was moving too fast to plan carefully. Although the mistake cost the company a few million dollars, Google cofounder Larry Page responded to her explanation and apology by saying he was actually glad she had made the mistake. It showed that she appreciated the company's values. Page told Sandberg, "I want to run a company where we are moving too quickly and