

Management and rolls access code assignment

[Business](#), [Management](#)



Chapter Use this Learning Outline as you read and study this chapter.

Historical Background of Management • Explain why studying management history is important. • Describe some early evidences of management practice. Scientific Management • Describe the important contributions made by Frederick W. Taylor and Frank and Lillian Gilbreth. • Explain how today's managers use scientific management. General Administrative Theory • Discuss Fayol's contributions to management theory. • Describe Max Weber's contribution to management theory. Explain how today's managers use general administrative theories of management. Quantitative Approach • Explain what the quantitative approach has contributed to the field of management. • Discuss how today's managers use the quantitative approach. Toward Understanding Organizational Behavior • Describe the contributions of the early advocates of OB. • Explain the contributions of the Hawthorne Studies to the field of management. • Discuss how today's managers use the behavioral approach. The Systems Approach Describe an organization using the systems approach. • Discuss how the systems approach helps us understand management. The Contingency Approach • Explain how the contingency approach differs from the early theories of management. • Discuss how the contingency approach helps us understand management. Current Trends and Issues • Explain why we need to look at the current trends and issues facing managers. • Describe the current trends and issues facing managers. 2008934301 26 Management with Rolls Access Code, Ninth Edition, by Stephen P.

Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. Management Yesterday and Today 2008934301 “

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Deliver more based on less. ” That’s the product design approach that John R. Hoke III now wants his designers to use as they create new footwear. ¹ As the vice president of global footwear design for Nike, Hoke leads an international team of global footwear designers responsible for dreaming up, creating, and commercializing hundreds of footwear styles each year.

This new approach to sustainable design came from a corporate-wide mission called “ Nike Considered,” which has been described as “ an entirely new perspective, where innovation meets conservation. ” (See a description of Nike Considered at www.nike.com/nikebiz/nikeconsidered.) Hoke’s team of designers isn’t afraid to push the design envelope. They’re the ones who created the radically new cushioning systems used in Nike Air and Nike Shox. They’re also the ones who designed the distinctive barefoot running sneakers called “ Nike Free. Now Hoke is pushing his team to look at nature as a guide and to “ take out what is not necessary” when designing new products. So how has Hoke encouraged his team to be innovative as they “ consider” sustainable design? One thing he does is send teams on “ design inspiration trips. ” For instance, designers have gone to the zoo to observe and sketch animals’ feet. Designers also draw inspiration from an annual trip to the Detroit car show, where they study lines, silhouettes, styling, function, and color schemes of the automobiles.

Another source of inspiration came from a study of origami. As part of this learning experience, Hoke brought in an Israeli origami artist for three days to instruct the designers on paper folding. Says Hoke, “ The ideas that have come from that session are phenomenal. It forced us to look deeper at

flexibility and how geometry works. " Another lesson involved building an ergonomic chair out of cardboard; participants had to focus on bending and folding to hold the chair together instead of using traditional glue.

Hoke then made that assignment more interesting by having the chairs judged based on whether they could hold people during a contest of musical chairs. Although being innovative is the norm with Hoke's design team, innovation also will be critically important throughout the rest of the company if it is to continue to be an industry leader. Put yourself in Hoke's position. What advice could he give other company managers who wanted to encourage innovative thinking? Management with Rolls Access Code, Ninth Edition, by Stephen P.

Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 28 Part One Introduction N Q&A Can looking at management history help me be a better manager? Go to Q & A 2. 1 to find out. Hoke's push to come up with something innovative for the marketplace isn't all that unusual today. Many organizations, large and small, have made similar commitments to pursuing innovation with all its challenges and rewards. Why? Global competition and general competitive pressures reflect today's reality: innovate or lose.

Although John Hoke was innovative in how he inspired his employees to think in new ways about shoe design, he recognized that it's not always easy to implement new ideas. In fact, the history of management is filled with evolutions and revolutions in implementing new ideas. Looking at management history can help us understand today's management theory

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and practice. It can help us see what did and did not work. In this chapter, we'll introduce you to the origins of many contemporary management concepts and show how they have evolved to reflect the changing needs of organizations and society as a whole.

We'll also introduce important trends and issues that managers currently face, in order to link the past with the future and to demonstrate that the field of management is still evolving. (Go to www.prenhall.com/rolls)

HISTORICAL BACKGROUND OF MANAGEMENT Organized endeavors directed by people responsible for planning, organizing, leading, and controlling activities have existed for thousands of years. The Egyptian pyramids and the Great Wall of China, for instance, are tangible evidence that projects of tremendous scope, employing tens of thousands of people, were completed in ancient times.

The pyramids are a particularly interesting example. The construction of a single pyramid occupied more than 100, 000 workers for 20 years. 2 Who told each worker what to do? Who ensured that there would be enough stones at the site to keep workers busy? The answer to such questions is managers. Regardless of what these individuals were called, someone had to plan what was to be done, organize people and materials to do it, lead and direct the workers, and impose some controls to ensure that everything was done as planned.

Another example of early management can be seen during the 1400s in the city of Venice, a major economic and trade center. The Venetians developed an early form of business enterprise and engaged in many activities common

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to today's organizations. For instance, at the arsenal of Venice, warships were floated along the canals and at each stop, materials and riggings were added to the ship. Doesn't that sound a lot like a car "floating" along an automobile assembly line and components being added to it?

In addition to this assembly line, the Venetians also used warehouse and inventory systems to keep track of materials, human resource management functions to manage the labor force, and an accounting system to keep track of revenues and costs. 3 As these examples demonstrate, organizations and managers have been around for thousands of years. However, two historical events are especially significant to the study of management. First, in 1776, Adam Smith published *The Wealth of Nations*, in which he argued the economic advantages that organizations and society would gain from the division of labor (or job specialization)—the breakdown of jobs into narrow and repetitive tasks. Using the pin industry as an example, Smith claimed that 10 individuals, each doing a specialized task, could produce about 48,000 pins a day among them. However, if each person worked alone, performing each task separately, it would be quite an accomplishment to produce even 10 pins a day! Smith concluded that division of labor increased productivity by increasing each worker's skill and dexterity, by saving time

Management with Rolls Access Code, Ninth Edition, by Stephen P.

Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 2008934301 Chapter Two Management Yesterday and Today 29 lost in changing tasks, and by creating labor-saving inventions and machinery. The continued popularity of division of labor—for example,

specific tasks performed by members of a hospital surgery team, specific meal preparation tasks done by workers in restaurant kitchens, or specific positions played by players on a football team—is undoubtedly due to the economic advantages cited by Adam Smith.

The second important event, which started in the late eighteenth century, is the industrial revolution. During this time, machine power was substituted for human power, making it more economical to manufacture goods in factories rather than at home. These large efficient factories needed managers to forecast demand, ensure that enough material was on hand to make products, assign tasks to people, direct daily activities, and so forth. The need for formal theories to guide managers in running these large organizations had arrived.

However, it wasn't until the early 1900s that the first steps toward developing such theories were taken. In the next sections we present the six major approaches to management: scientific management, general administrative, quantitative, organizational behavior, systems, and contingency (see Exhibit 2-1). Keep in mind that each approach is concerned with the same “animal”; the differences reflect the backgrounds and interests of the writer.

A relevant analogy is the classic story of the blind men and the elephant, in which each man declares the elephant to be like the part he is feeling: The first man touches the side and declares that the elephant is like a wall; the second touches the trunk and says the elephant is like a snake; the third feels one of the elephant's tusks and believes the elephant to be like a

spear; the fourth grabs a leg and says an elephant is like a tree; and the fifth touches the elephant's tail and concludes that the animal is like a rope.

Each is encountering the same elephant, but what each observes depends on where he stands. Similarly, each of the six perspectives is correct and contributes to our overall understanding of management. However, each is also a limited view of a larger animal. We'll begin our journey into management's past by looking at the first major theory of management—scientific management. Exhibit 2-1 Development of Major Management Theories Management Theories Historical Background Scientific Management General Administrative Theorists Quantitative Approach Organizational Behavior

Systems Approach Contingency Approach Early Examples of Management Adam Smith Industrial Revolution Early Advocates Hawthorne Studies 2008934301 division of labor (or job specialization) The breakdown of jobs into narrow and repetitive tasks. industrial revolution The substitution of machine power for human power, which made it more economical to manufacture goods in factories rather than at home. Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter.

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Part One Introduction Explain why studying management history is •

Describe some early evidences of management important. practice.

SCIENTIFIC MANAGEMENT If you had to pinpoint the year modern management theory was born, 1911 might be a logical choice. That was the year Frederick Winslow Taylor's Principles of Scientific Management was

published. Its contents became widely accepted by managers around the world. The book described the theory of scientific management: the use of scientific methods to define the “one best way” for a job to be done.

Important Contributions Frederick W.

Taylor and Frank and Lillian Gilbreth made important contributions to scientific management theory. Let’s look at what they did. Frederick W.

Taylor Taylor worked at the Midvale and Bethlehem Steel Companies in Pennsylvania. As a mechanical engineer with a Quaker and Puritan background, he was continually appalled by workers’ inefficiencies.

Employees used vastly different techniques to do the same job. They were inclined to “take it easy” on the job, and Taylor believed that worker output was only about one-third of what was possible. Virtually no work standards existed.

Workers were placed in jobs with little or no concern for matching their abilities and aptitudes with the tasks they were required to do. Taylor set out to correct the situation by applying the scientific method to shop-floor jobs. He spent more than two decades passionately pursuing the “one best way” for such jobs to be done. Taylor’s experiences at Midvale led him to define clear guidelines for improving production efficiency. He argued that these four principles of management (see Exhibit 2-2) would result in prosperity for both workers and managers. How did these scientific principles really work? Let’s look at an example. Probably the best-known example of Taylor’s scientific management efforts was the pig iron experiment. Workers loaded “pigs” of iron (each weighing 92 pounds) onto railcars. Their daily average

output was 12.5 tons. However, Taylor believed that by scientifically analyzing the job to determine the “one best way” to load pig iron, output could be increased to 47 or 48 tons per day. After scientifically applying different Frederick W. Taylor (1856–1915) was the father of scientific management.

Working at Midvale Steel Company, Taylor witnessed many inefficiencies. He sought to create a mental revolution among both workers and managers by defining clear guidelines for improving production efficiency. 2008934301 Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. Chapter Two Management Yesterday and Today 31 Exhibit 2–2 Taylor’s Four Principles of Management

1. Develop a science for each element of an individual’s work, which will replace the old rule-of-thumb method. . Scientifically select and then train, teach, and develop the worker.
3. Heartily cooperate with the workers so as to ensure that all work is done in accordance with the principles of the science that has been developed.
4. Divide work and responsibility almost equally between management and workers. Management takes over all work for which it is better fitted than the workers.

Q&A Frederick Taylor sounds like a pretty strict manager. Was he?
Q & A 2. 2 explains. combinations of procedures, techniques, and tools, Taylor succeeded in getting that level of productivity. How?

He put the right person on the job with the correct tools and equipment, had the worker follow his instructions exactly, and motivated the worker with an economic incentive of a significantly higher daily wage. (Go to www.

prenhall. com/rolls) Using similar approaches for other jobs, Taylor was able to define the “ one best way” for doing each job. Overall, Taylor achieved consistent productivity improvements in the range of 200 percent or more. For his groundbreaking studies of manual work using scientific principles, Taylor became known as the “ father” of scientific management.

His ideas spread in the United States, France, Germany, Russia, and Japan, and inspired others to study and develop methods of scientific management.

His most prominent followers were Frank and Lillian Gilbreth. Frank and Lillian Gilbreth A construction contractor by trade, Frank Gilbreth gave up that career to study scientific management after hearing Taylor speak at a professional meeting. Frank and his wife Lillian, a psychologist, studied work to eliminate inefficient hand-and-body motions. The Gilbreths also experimented with the design and use of the proper tools and equipment for optimizing work performance. Frank is probably best known for his experiments in bricklaying. By carefully analyzing the bricklayer’s job, he reduced the number of motions in laying exterior brick from 18 to about 5, and on laying interior brick the motions were reduced from 18 to 2. Using Gilbreth’s techniques, a bricklayer was more productive and less fatigued at the end of the day. The Gilbreths were among the first researchers to use motion pictures to study hand-and-body motions. They invented a device called a microchronometer that recorded a worker’s motions and the amount of time spent doing each motion.

Wasted motions missed by the naked eye could be identified and eliminated.

The Frank and Lillian Gilbreth, parents of 12 children, ran their household

using scientific management principles and techniques. Two of their children wrote a book, *Cheaper by the Dozen*, which described life with the two masters of efficiency. 2008934301 scientific management Using the scientific method to determine the “one best way” for a job to be done. Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall.

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Gilbreths also devised a classification scheme to label 17 basic hand motions (such as search, grasp, hold), which they called therbligs (Gilbreth spelled backward with the th transposed). This scheme allowed the Gilbreths a more precise way of analyzing a worker's exact hand movements. How Do Today's Managers Use Scientific Management? The guidelines that Taylor and others devised for improving production efficiency are still used in organizations today. 6 For instance, when an employee is sorting a stack of papers and the papers are all aligned except they're upside down, is it more efficient to turn each paper right-side up as it's sorted or to turn the whole stack right-side up? When managers analyze the basic work tasks that must be performed, use time-and-motion study to eliminate wasted motions, hire the best qualified workers for a job, and design incentive systems based on output, they're using the principles of scientific management. (Go to [www. prehall. com/rolls](http://www.prehall.com/rolls)) But current management practice isn't restricted to scientific management.

In fact, we can see ideas from the next major approach—general administrative theory—being used as well. Q&A How is scientific

management a “ management” theory if it was focused on improving laborers’ jobs? See Q & A 2. 3 for an explanation. • Describe the important contributions made by • Explain how today’s managers use scientific Frederick W. Taylor and Frank and Lillian Gilbreth. management. GENERAL ADMINISTRATIVE THEORY Another group of writers looked at the subject of management from the perspective of the entire organization.

This approach, known as general administrative theory, described what managers do and what constituted good management practice. Let’s look at some important contributions of this perspective. Important Contributions The two most prominent theorists behind the general administrative approach were Henri Fayol and Max Weber. Q&A Why is Taylor considered the “ father of management” when Fayol was the one who actually studied managers? Check out Q & A 2. 4. Henri Fayol We introduced Fayol in Chapter 1 because he identified five functions of managers: planning, organizing, commanding, coordinating, and controlling.

Because his ideas were important, let’s look closer at what he had to say. 7 Fayol wrote during the same time period as Taylor. While Taylor was concerned with first-line managers and the scientific method, Fayol’s attention was directed toward the activities of all managers. He wrote from personal experience as he was the managing director of a large French coal-mining firm. Fayol described the practice of management as something distinct from accounting, finance, production, distribution, and other typical business functions.

His belief that management was an activity common to all business endeavors, government, and even in the home led him to develop 14 principles of management—fundamental rules of management that could be taught in schools and applied in all organizational situations. These principles are shown in Exhibit 2-3. (Go to www.prenhall.com/rolls) Max Weber Weber (pronounced VAY-ber) was a German sociologist who studied organizations. Writing in the early 1900s, he developed a theory of authority structures and relations. Weber described an ideal type of organization he called a bureaucracy—a form of organization characterized by division of labor, a clearly defined hierarchy, detailed rules and regulations, and impersonal relationships. Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 2008934301 Chapter Two Management Yesterday and Today 33 Exhibit 2-3 Fayol's 14 Principles of Management

1. Division of work. Specialization increases output by making employees more efficient. .
2. Authority. Managers must be able to give orders and authority gives them this right.
3. Discipline. Employees must obey and respect the rules that govern the organization.
4. Unity of command. Every employee should receive orders from only one superior.
5. Unity of direction. The organization should have a single plan of action to guide managers and workers.
6. Subordination of individual interests to the general interest. The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole.
7. Remuneration. Workers must be paid a fair wage for their services.
8. Centralization. This term refers to the degree to which subordinates are

involved in decision making. 9. Scalar chain. The line of authority from top management to the lowest ranks is the scalar chain. 10. Order. People and materials should be in the right place at the right time. 11. Equity. Managers should be kind and fair to their subordinates. 12. Stability of tenure of personnel. Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies. 3. Initiative. Employees who are allowed to originate and carry out plans will exert high levels of effort. 14. Esprit de corps. Promoting team spirit will build harmony and unity within the organization. Weber recognized that this “ ideal bureaucracy” didn’t exist in reality. Instead he intended it as a basis for theorizing about how work could be done in large groups. His theory became the model structural design for many of today’s large organizations. The features of Weber’s ideal bureaucratic structure are outlined in Exhibit 2-4.

Bureaucracy, as described by Weber, is a lot like scientific management in its ideology. Both emphasize rationality, predictability, impersonality, technical competence, and authoritarianism. Although Weber’s writings were less practical than Taylor’s, the fact that his “ ideal type” still describes many contemporary organizations attests to the importance of his work. How Do Today’s Managers Use General Administrative Theories? Some of our current management ideas and practices can be directly traced to the contributions of general administrative theory.

For instance, the functional view of the manager’s job can be attributed to Fayol. In addition, his 14 principles serve as a frame of reference from which many current management concepts have evolved. Weber’s bureaucracy

was an attempt to formulate an ideal prototype for organizations. Although many characteristics of Weber's bureaucracy are still evident in large organizations, his model isn't as popular today as it was in the twentieth century. Many 2008934301 therbligs A classification scheme for labeling 17 basic hand motions. eneral administrative theory A theory of management that focused on describing what managers do and what constitutes good management practice. principles of management Fundamental rules of management that could be taught in schools and applied in all organizational situations. bureaucracy A form of organization characterized by division of labor, a clearly defined hierarchy, detailed rules and regulations, and impersonal relationships. Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 4 Part One Introduction Exhibit 2-4 Weber's Ideal Bureaucracy Jobs broken down into simple, routine, and well-defined tasks Managers are career professionals, not owners of units they manage Positions organized in a hierarchy with a clear chain of command Division of Labor Career Orientation A bureaucracy should have Formal Selection Formal Rules and Regulations Authority Hierarchy Impersonality Uniform application of rules and controls, not according to personalities People selected for jobs based on technical qualifications System of written rules and standard operating procedures ontemporary managers feel that bureaucracy's emphasis on strict division of labor, adherence to formal rules and regulations, and impersonal application of rules and controls hinders individual employees' creativity and the organization's ability to respond quickly to an increasingly dynamic

environment. However, even in highly flexible organizations of creative professionals—such as Samsung, General Electric, or Cisco Systems—some bureaucratic mechanisms are necessary to ensure that resources are used efficiently and effectively.

- Discuss Fayol's contributions to management theory. Describe Max Weber's contribution to management
- Explain how today's managers use general administrative theories of management.

theory. QUANTITATIVE APPROACH TO MANAGEMENT Although passengers bumping into each other when trying to find their seats on an airplane can be a mild annoyance for them, it's a bigger problem for airlines because of the backed-up lines it can create, slowing how quickly the plane can take off. Based on research in space-time geometry, America West Airlines innovated a unique boarding process called "reverse pyramid" that has saved at least 2 minutes in boarding time. This is an example of the quantitative approach, which involves the use of quantitative techniques to improve decision making. This approach also has been called operations research or management science. Important Contributions 2008934301 The quantitative approach evolved from the development of mathematical and statistical solutions to military problems during World War II. After the war was over, many of the techniques that had been used for military problems were applied to businesses.

Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. Chapter Two Management Yesterday and Today 35 One group of military officers, nicknamed the Whiz Kids, joined Ford Motor Company in the mid-1940s and immediately began using statistical methods

and quantitative models to improve decision making. Two of these individuals whose names you might recognize are Robert McNamara (who went on to become president of Ford, U. S.

Secretary of Defense, and head of the World Bank) and Charles “ Tex” Thornton (who founded Litton Industries). What exactly does the quantitative approach do? It involves applications of statistics, optimization models, information models, and computer simulations to management activities. Linear programming, for instance, is a technique that managers use to improve resource allocation decisions. Work scheduling can be more efficient as a result of critical-path scheduling analysis. The economic order quantity model helps managers determine optimum inventory levels.

Each of these is an example of quantitative techniques being applied to improve managerial decision making. How Do Today’s Managers Use the Quantitative Approach? At Circuit City’s 600-plus locations, everything from the clothes the floor salespeople wear to how long 0 percent financing should be offered has been studied by statisticians. They found, for instance, that flat commissions worked better than the product-based commissions that had been used for over 48 years. This and other findings led to company changes that in one year alone contributed an estimated \$300 million in sales. The quantitative approach contributes directly to management decision making in the areas of planning and control. For instance, when managers make budgeting, scheduling, quality control, and similar decisions, they typically rely on quantitative techniques. Specialized software has made the use of quantitative techniques somewhat less intimidating for managers,

although they must still be able to interpret the results. We cover some of the more important quantitative techniques in Chapters 6, 9 and 18.

Despite its potential impact on managerial decision making, the quantitative approach hasn't influenced management practice as much as the next one we're going to discuss—organizational behavior—for a number of reasons. These include the fact that many managers are unfamiliar with and intimidated by the quantitative tools, behavioral problems are more widespread and visible, and it is easier for most students and managers to relate to real, day-to-day people problems than to quantitative models. After Marla (right) and Bonnie Schaefer, co-CEOs and chairs of the board, inherited Claire's Stores, Inc. a chain of jewelry and accessories outlets for teens and tweens, from their father, they quickly shifted the company's buying strategies. Profits have nearly doubled thanks to their relying on quantitative methods to guide their buyers, such as market research to track teen trends, instead of relying on the buyers' personal taste, as their father did. The sisters also studied the profit margins of Claire's many product lines and changed focus to sell more jewelry, that has higher margins. 2008934301

quantitative approach The use of quantitative techniques to improve decision making.

Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 36 Part One Introduction • Explain what the quantitative approach has • Discuss how today's managers use the quantitative contributed to the field of management. approach. TOWARD

UNDERSTANDING ORGANIZATIONAL BEHAVIOR As we know, managers get things done by working with people. This explains why some writers have chosen to look at management by focusing on the organization's people.

The field of study concerned with the actions (behavior) of people at work is called organizational behavior (OB). Much of what currently makes up the field of human resource management, as well as contemporary views on motivation, leadership, trust, teamwork, and conflict management, has come out of organizational behavior research. Early Advocates Although several individuals in the late 1800s and early 1900s recognized the importance of people to an organization's success, four stand out as early advocates of the OB approach: Robert Owen, Hugo Munsterberg, Mary Parker Follett, and Chester Barnard.

Their contributions were varied and distinct, yet they all believed that people were the most important asset of the organization and should be managed accordingly. Their ideas provided the foundation for such management practices as employee selection procedures, employee motivation programs, employee work teams, and organization-environment management techniques. Exhibit 2-5 summarizes the most important ideas of these early advocates. Exhibit 2-5 Early Advocates of OB

- Concerned about deplorable
- Actual manager who thought organizations were social systems that required cooperation Believed manager's job was to communicate and stimulate employees' high levels of effort First to argue that organizations were open systems
- Proposed idealistic workplace
- Argued that money spent improving labor was smart investment working conditions
- Pioneer in

field of industrial • Suggested using psychological psychology—scientific study of people at work tests for employee selection, learning theory concepts for employee training, and study of human behavior for employee motivation • • Robert Owen Late 1700s Chester Barnard 1930s Early Advocates of OB Hugo Munsterberg Early 1900s Mary Parker Follett Early 1900s • One of the first to recognize that rganizations could be viewed from perspective of individual and group behavior Proposed more people-oriented ideas than scientific management followers Thought organizations should be based on group ethic • • 2008934301 Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. Chapter Two Management Yesterday and Today 37 The Hawthorne Studies Without question, the most important contribution to the emergent OB field came out of the Hawthorne Studies, a series of studies conducted at the Western Electric Company Works in Cicero, Illinois.

These studies, which started in 1924, were initially designed by Western Electric industrial engineers as a scientific management experiment. They wanted to examine the effect of various lighting levels on worker productivity. Like any good scientific experiment, control and experimental groups were set up with the experimental group being exposed to various lighting intensities, and the control group working under a constant intensity. If you were the industrial engineers in charge of this experiment, what would you have expected to happen?

It's logical to think that individual output in the experimental group would be directly related to the intensity of the light. However, they found that as the level of light was increased in the experimental group, output for both groups increased. Then, much to the surprise of the engineers, as the light level was decreased in the experimental group, productivity continued to increase in both groups. In fact, a productivity decrease was observed in the experimental group only when the level of light was reduced to that of a moonlit night. What would explain these unexpected results?

The engineers weren't sure, but they concluded that lighting intensity was not directly related to group productivity, and that something else must have contributed to the results. They weren't able to pinpoint what that "something else" was, though. In 1927, the Western Electric engineers asked Harvard professor Elton Mayo and his associates to join the study as consultants. Thus began a relationship that would last through 1932 and encompass numerous experiments in the redesign of jobs, changes in workday and workweek length, introduction of rest periods, and individual versus group wage plans. For example, one experiment was designed to evaluate the effect of a group piecework incentive pay system on group productivity. The results indicated that the incentive plan had less effect on a worker's output than did group pressure, acceptance, and security. The researchers concluded that social norms or group standards were the key determinants of individual work behavior. Scholars generally agree that the Hawthorne Studies had a dramatic impact on management beliefs about the role of people in organizations.

Mayo concluded that people's behavior and attitudes are closely related, that group factors significantly affect individual behavior, that group standards establish individual worker output, and that money is less a factor in determining output than are group standards, group attitudes, and security. These conclusions led to a new emphasis on the human behavior factor in the management of organizations. Although critics attacked the research procedures, analyses of findings, and conclusions, it's of little importance from a historical perspective whether the Hawthorne studies were academically sound or their conclusions justified. 1 What is important is that they stimulated an interest in human behavior in organizations. (Go to www.prenhall.com/rolls) Q&A The Hawthorne Studies were an important turning point in management theory. Q & A 2. 5 explains why. How Do Today's Managers Use the Behavioral Approach? The behavioral approach has largely shaped how today's organizations are managed. From the way that managers design jobs to the way that they work with employee teams to the way that they use open communication, we can see elements of the behavioral approach.

Much of what the early OB advocates proposed and the conclusions from the Hawthorne Studies provided the foundation for our current theories of motivation, leadership, group behavior and development, and numerous other behavioral topics. 2008934301 organizational behavior (OB) The field of study concerned with the actions (behavior) of people at work. Hawthorne Studies A series of studies during the 1920s and 1930s that provided new insights into individual and group behavior. Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter.

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Part One Introduction • Describe the contributions of the early advocates •

Discuss how today's managers use the behavioral of OB. • Explain the

contributions of the Hawthorne Studies to the field of management.

approach. THE SYSTEMS APPROACH During the 1960s, management

researchers began to analyze organizations from a systems perspective, a

concept taken from the physical sciences. A system is a set of interrelated

and interdependent parts arranged in a manner that produces a unified

whole.

The two basic types of systems are closed and open. Closed systems are not

influenced by and do not interact with their environment. In contrast, open

systems dynamically interact with their environment. Today, when we

describe organizations as systems, we mean open systems. Exhibit 2-6

shows a diagram of an organization from an open systems perspective. As

you can see, an organization takes in inputs (resources) from the

environment and transforms or processes these resources into outputs that

are distributed into the environment.

The organization is “ open” to and interacts with its environment. The

Systems Approach and Managers How does the systems approach contribute

to our understanding of management? Researchers envisioned an

organization as being made up of “ interdependent factors, including

individuals, groups, attitudes, motives, formal structure, interactions, goals,

status, and authority. “ 12 What this means is that as managers coordinate

work activities in the various units of the organization, they ensure that all

these interdependent units are working together so that the organization's goals can be achieved.

For example, the systems approach would recognize that, no matter how efficient the production department might be, if the marketing department doesn't anticipate changes in customer tastes and work with the product development department in creating products customers want, the organization's overall performance will suffer. In addition, the systems approach implies that decisions and actions taken in one organizational area will affect others and vice versa. For example, if the purchasing department doesn't acquire the right quantity and quality of inputs, the production department will not be able to do its job effectively.

Exhibit 2-6 The Organization as an Open System
Inputs Raw Materials
Human Resources Capital Technology Information Environment System
Transformation Process Employees' Work Activities Management Activities
Technology and Operations Methods Feedback 2008934301 Outputs
Products and Services Financial Results Information Human Results E n v i r o
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Q&A As a manager, why should I be concerned with understanding how my organization works as a system? Go to Q & A 2. 6 to find out. Finally, the systems approach recognizes that organizations are not self-contained. They rely on their environment for essential inputs and as outlets to absorb their outputs. No organization can survive for long if it ignores government

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regulations, supplier relations, or the varied external constituencies upon which it depends. (We'll cover these external forces in Chapter 3.) How relevant is the systems approach to management? Quite relevant.

Think, for example, of a day-shift manager at a local Wendy's restaurant who every day must coordinate the work of employees filling customer orders at the front counter and the drivethrough windows, direct the delivery and unloading of food supplies, and address any customer concerns that arise. This manager " manages" all parts of the " system" so that the restaurant meets its daily sales goals. (Go to www.prenhall.com/rolls) • Describe an organization using the systems • Discuss how the systems approach helps us approach. understand management. THE CONTINGENCY APPROACH

Early management theorists such as Taylor, Fayol, and Weber gave us principles of management that they generally assumed to be universally applicable. Later research found exceptions to many of their principles. For example, division of labor is valuable and widely used, but jobs can become too specialized. Bureaucracy is desirable in many situations, but in other circumstances, other structural designs are more effective. Management is not (and cannot be) based on simplistic principles to be applied in all situations. Different and changing situations require managers to use different approaches and techniques. The contingency approach (sometimes called the situational approach) says that organizations are different, face different situations (contingencies), and require different ways of managing. (Go to www.prenhall.com/rolls) Self Assessment Library (S. A. L.) I get it . . . organizations face changing situations. But I'm not too sure how well I'll

adapt to all that change. Complete S. A. L. #III. C. 1 to find out. The Contingency Approach and Managers The contingency approach can be described as “ if, then. If this is the way my situation is, then this is the best way for me to manage. It’s intuitively logical because organizations and even units within the same organization are diverse—in size, goals, work activities, and the like. It would be surprising to find universally applicable management rules that would work in all situations. But, of course, it’s one thing to say that the way to manage “ depends on the situation” and another to say what the situation is. Management researchers have been working to identify these situational or “ what” variables. Exhibit 2-7 describes four popular contingency variables.

The list is by no means comprehensive—more than 100 different “ what” variables have been identified—but it represents those most widely used and gives you an idea of what we mean by the term contingency variable. As you can see, the contingency variables can have a significant impact on managers. The primary value of the contingency approach is that it stresses there are no simplistic or universal rules for managers to follow. (Go to www.prenhall.com/rolls) Q Saying “ it all depends” seems like I’ll never have any guidance on the best way to manage people or situations. True? Q & A 2. 7 and 2. tell you why the contingency approach is valuable to managers. 2008934301 system A set of interrelated and interdependent parts arranged in a manner that produces a unified whole. closed systems Systems that are not influenced by and do not interact with their environment. open systems Systems that interact with their environment. contingency approach Management approach that says that organizations

are different, face different situations (contingencies), and require different ways of managing. Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall.

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Exhibit 2-7 Popular Contingency Variables Organization Size. As size increases, so do the problems of coordination. For instance, the type of organization structure appropriate for an organization of 50, 000 employees is likely to be inefficient for an organization of 50 employees. Routineness of Task Technology. To achieve its purpose, an organization uses technology. Routine technologies require organizational structures, leadership styles, and control systems that differ from those required by customized or nonroutine technologies.

Environmental Uncertainty. The degree of uncertainty caused by environmental changes influences the management process. What works best in a stable and predictable environment may be totally inappropriate in a rapidly changing and unpredictable environment. Individual Differences. Individuals differ in terms of their desire for growth, autonomy, tolerance of ambiguity, and expectations. These and other individual differences are particularly important when managers select motivation techniques, leadership styles, and job designs. • Explain how the contingency approach differs from • Discuss how the contingency approach is he early theories of management. appropriate for studying management. CURRENT TRENDS AND ISSUES What current management concepts and practices are shaping “tomorrow’s history”? In this section, we’ll attempt to answer that question by

introducing several trends and issues that we believe are changing the way managers do their jobs. We introduced you to two important trends in Chapter 1—customer service management and innovation. In this chapter, we'll examine others including globalization, ethics, workforce diversity, entrepreneurship, e-business, knowledge management and learning organizations, and quality management.

Throughout the text we focus more closely on these issues in various boxes, examples, and exercises included in each chapter. Globalization Managers are no longer constrained by national borders. BMW builds cars in South Carolina. McDonald's sells hamburgers in China. Toyota makes cars in Kentucky. Australia's leading real-estate company, Lend Lease Corporation, built the Bluewater shopping complex in Kent, England, and contracted with Coca-Cola to build bottling plants in Southeast Asia. Danish toy maker Lego Group opened factories and a distribution center in the Czech Republic.

Swiss company ABB Ltd. constructed powergenerating plants in Malaysia, South Korea, China, and Indonesia. As these examples illustrate, the world has definitely become a global village, leading to important changes in the manager's job. **WORKING WITH PEOPLE FROM DIFFERENT CULTURES.** Even in your own country, you're likely to find yourself working with bosses, peers, and other employees who were born or raised in different cultures. What motivates you may not motivate them. Or your style of communication may be direct and open, but they may find this approach uncomfortable and threatening.

To work effectively with a group of diverse people, you'll need to understand how their culture, geography, and religion have shaped their values, attitudes, and beliefs and adjust your management style accordingly.

COPING WITH ANTICAPITALIST BACKLASH. Capitalism's emphasis on profits, efficiency, and growth may be generally accepted in the United States, Australia, and Hong Kong, but that emphasis is not nearly as popular in places like France, the Middle East, or the Scandinavian countries.

Managers at global companies like Coca-Cola, McDonald's, or Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 2008934301 Chapter Two Management Yesterday and Today Textile workers in Italy are facing some of the challenges of globalization as inexpensive imports from Asia force the Italian clothing industry to cut jobs. But Italy's 120, 000-member textile union, Filtea, is taking a controversial stand.

The union leadership believes that the best way to protect Italian workers and their jobs is not to impose protective duties or quotas or to strike, but rather to press for better working conditions, tax breaks for corporate research, and ultimately better Italian products that will be more competitive through streamlined manufacturing processes. 41 Procter & Gamble have come to realize that economic values aren't universally transferable. Management practices need to be modified to reflect the values of the different countries in which an organization operates. **MOVEMENT OF JOBS TO COUNTRIES WITH LOW-COST LABOR.**

Globalization means businesses can hire, source, and sell wherever they want. It's increasingly difficult for managers in economically advanced nations, where minimum wages are typically \$6 or more an hour, to compete against companies who rely on workers from developing nations where labor is available for 30 cents an hour. It's not by chance that a good portion of Americans wear clothes made in China, work on computers whose parts came from Thailand, and watch movies filmed in Canada. In a global economy, jobs tend to flow to places where lower costs provide businesses with a comparative advantage.

This "outsourcing" of jobs, however, has taken a new and unexpected turn, especially for those who think that the movement of jobs to countries with low-cost labor only affects factory workers and call-center operators. A number of low-cost countries are now graduating "large numbers of well-educated young people fully qualified to work in an information-based economy." 13 In 2005, there were 3.3 million college graduates in China and 3.1 million in India (all of whom are English-speaking) and only 1.3 million in the United States. 14 Why is this important?

Because the service-intensive economy of the United States is especially vulnerable to potential outflows of information-based jobs. The implication for managers is that they must be prepared to deal with the difficult task of balancing the interests of their organization as it looks for ways to keep costs low and remain competitive with their responsibilities to the communities within which they operate. SUMMARY. Yes, globalization can be controversial, as these issues show. Regardless of these controversies,

managers in organizations of all sizes and types around the world have to confront the challenges of operating in a global market. 5 Globalization is such an important topic that we devote one chapter to it (Chapter 4) and integrate discussion of its impact on the various management functions throughout the text. A number of our chapter-opening manager dilemmas, end-of-chapter cases, and chapter examples feature global managers and organizations. To reinforce the importance of your need to “think globally,” we’ve included on our R. O. L. L. S. Web site www.prenhall.com/rolls background data on several countries and opportunities for you to use this country information as you analyze a number of case scenarios at the end of Parts Two through Six. 008934301 Ethics Bernie Ebbers of WorldCom—sentenced to 25 years for fraud relating to his role in an \$11 billion accounting scandal. Former Enron CEO Jeff Skilling—charged with 35 Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 42 Part One Introduction counts including insider trading, fraud, conspiracy, and lying on financial statements. John Rigas of Adelphia Communications—sentenced to 15 years on charges of fraud and conspiracy. Former Tyco executives Dennis Kozlowski and Mark Swartz—sentenced to 8??? to 25 years in prison and ordered to pay more than \$239 million in restitution and fines for looting nearly \$600 million from their company. 16 The sad reality is that after these executives committed these crimes, their companies lay in ruins and the jobs and retirement savings of thousands of their employees had vanished. During the early years of this decade, it seemed as if every day brought to light another case of corporate lying,

misrepresentation, and financial manipulation. What happened to managerial ethics?

Ethical behavior seemed to have been forgotten or ignored as these managers put their self-interest ahead of others who might be affected by their decisions. Take, for example, the “ Enron Three”—former chairman Ken Lay (Ken Lay died July 6, 2006, in Aspen, Colorado, while awaiting sentencing on fraud conviction.), former CEO Jeff Skilling, and former CFO Andy Fastow. Each behaved as if the laws and accounting rules didn’t apply to him. They were greedy and manipulative, and conspired to deceive their board of directors, employees, stockholders, and others about Enron’s worsening financial condition.

Because of these managers’ highly unethical actions, thousands of Enron employees lost their jobs and the company stock set aside in their retirement savings became worthless. Although Enron seemed to be the most publicized example in this corporate ethics crisis, executives at a number of other companies also were engaging in similar kinds of unethical actions. What would you have done had you been a manager in these organizations? How would you have reacted? One thing we know is that ethical issues aren’t simple or easy. Make one decision and someone will be affected; make another, and someone else is likely to be affected.

In today’s changing workplace, managers need an approach to deal with the complexities and uncertainties associated with the ethical dilemmas that arise. We propose a process as outlined in Exhibit 2-8. What does this process entail? First, managers need to make sure they understand the

ethical dilemma they're facing. They need to step back and think about what issue (or issues) is at stake. Next, it's important to identify the stakeholders that would be affected by the decision. What individuals or groups are likely to be impacted by my decision?

Third, managers should identify the factors that are important to the decision. These include personal, organizational, and possibly external factors. We'll cover these factors in detail in Chapter 5. Next, managers should identify and evaluate possible courses of action, keeping in mind that each alternative will impact affected stakeholders differently. Then, it's time to make a decision and act. As today's managers manage, they can use this process to help them assess those ethical dilemmas they face and to develop appropriate courses of action.

Although most managers continue to behave ethically, these highly publicized abuses highlight a need to “upgrade” ethical standards, a need that's being addressed at two levels. First, ethics education is being widely emphasized in college curriculums. Second, organizations themselves are taking a more active role in creating and using codes of ethics, providing ethics training programs, and hiring ethics officers. We want to prepare you to deal with the ethics dilemmas you're likely to face. Therefore, we've included a “Thinking Critically About Ethics” box and an end-of-chapter ethics exercise in almost every chapter.

In addition, we've included five comprehensive integrative and interactive ethics scenarios that you'll find on our R. O. L. L. S. Web site www.prenhall.com/rolls. You'll have numerous opportunities to experience what it's like to

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deal with ethical issues and dilemmas! Exhibit 2–8 A Process for Addressing Ethical Dilemmas Step 1: What is the ethical dilemma? Step 2: Who are the affected stakeholders? Step 3: What personal, organizational, and external factors are important to my decision? 2008934301 Step 4: What are possible alternatives? Step 5: Make a decision and act on it.

Management with Rolls Access Code, Ninth Edition, by Stephen P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. Chapter Two Management Yesterday and Today 43 Workforce Diversity Self Assessment Library (S. A. L.) How comfortable am I being around others who are different from me? S. A. L. #1. B. 4 can help you begin to understand your own attitudes toward workplace diversity. One of the most important issues currently facing managers is coordinating work efforts of diverse organizational members in accomplishing organizational goals.

Today's organizations are characterized by workforce diversity—a workforce that's heterogeneous in terms of gender, race, ethnicity, age, and other characteristics that reflect differences. (Go to [www. prehall. com/rolls](http://www.prehall.com/rolls)) How diverse is the U. S. workforce? A report called Workforce 2020 stated that the U. S. labor force will continue to reflect increasing ethnic diversity, although at a slower pace. 17 Between 1994 and 2005, minorities accounted for slightly more than one-half of net new entrants to the U. S. workforce. From 2005 to 2020, the fastest growth in the U. S. labor force will be Asian and Hispanic workers.

In fact, Hispanics have now surpassed African Americans as the largest minority group in the United States. 18 Another significant demographic

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force affecting workforce diversity during the next decade will be the aging of the population, especially as the first wave of baby boomers (a population group encompassing individuals born between the years 1946 and 1964) turns 60. However, the impact may not be what you might expect. New research suggests that the boomers will have the ability—and the desire—to work productively and innovatively well beyond today's normal retirement age. 19 What impact might this trend have on the U.

S. workplace? Many of these individuals may choose to continue working, either full-time or part-time, especially because medical research is showing that work can actually help an individual stay mentally and physically fit. Yet, for some other older workers who might otherwise have chosen to retire, the weak performance of the stock market and its effect on their retirement investment accounts have forced them to continue working. For whatever reason older workers may decide to continue working, many corporations also have begun to recognize the extensive experience and knowledge that mature employees bring to the workplace.

To slow the “ brain drain,” more companies are “ looking to keep older workers by investing in training programs and flexible work schedules.... ” 20 Although 61. 5 million boomers currently make up 42 percent of the U. S. workforce, Generation Y (which is typically described as individuals born between 1977–1989) has been the fastest-growing segment of the workforce, growing from 14 to 21 percent during 2000–2004. 21 Eventually, there will be some 70 million of these Gen Y'ers, and their workplace

attitudes are likely to create significant challenges for managers in the increasingly multigenerational workplaces.

We'll study the challenges of managing generational differences in more detail in Chapter 14. (Turn to the back of the book and check out the Skills Module on Valuing Diversity.) But workforce diversity isn't just an issue for U. S. managers. It's a concern for managers in Canada, Australia, South Africa, Japan, Europe, and other countries. For instance, Japanese managers from Hitachi, Matsushita, Sony, and other Japanese multinationals manage Chinese employees in Dalian.

The European Union trade agreement, which opened up borders throughout much of western and now eastern Europe, has increased workforce diversity in organizations that operate in countries such as Spain, Germany, Italy, and France. Even in these and other economically developed nations, managers are finding that they need to effectively manage diversity as the level of immigration increases in Italy, the number of women entering the workforce rises in Japan, and the population ages in Germany. 22 Does the fact that workforce diversity is an issue today mean that organizations weren't diverse before? No.

They were, but diverse individuals made up a small percentage of the workforce, and organizations, for the most part, ignored the issue. Before the early 1980s, people took a "melting pot" approach to differences.

2008934301 workforce diversity A workforce that's heterogeneous in terms of gender, race, ethnicity, age, and other characteristics that reflect differences. Management with Rolls Access Code, Ninth Edition, by Stephen

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P. Robbins and Mary Coulter. Published by Prentice Hall. Copyright © 2007 by Pearson Education, Inc. 44 Part One Introduction We assumed that people who were “ different” would want to assimilate.

But we now recognize that employees don’t set aside their cultural values and lifestyle preferences when they come to work. The challenge for managers, therefore, is to make their organizations more accommodating to diverse groups of people by addressing different lifestyles, family needs, and work styles. The melting pot assumption has been replaced by the recognition and celebration of differences. 23 Smart managers recognize that diversity can be an asset because it brings a broad range of viewpoints and problem-solving skills to a company, and additionally helps organizations better understand a diverse customer base.

Many companies such as Altria, Citigroup, PepsiCo, and Turner Broadcasting have strong diversity programs. 24 For example, in the Frito Lay division of PepsiCo, the Hispanic employee affinity group provided input in the development of a line of guacamoleflavored potato chips, which has become a \$100 million product. 25 We’ll highlight many diversity-related issues and how companies are responding to those issues throughout this text in our “ Managing Workforce Diversity” boxes. In addition, you’ll find interactive diversity exercises on our R.

O. L. L. S. Web site [www. prenhall. com/rolls](http://www.prenhall.com/rolls). Entrepreneurship

Entrepreneurship is an important global activity. 26 But what exactly is entrepreneurship? It’s the process of starting new businesses, generally in response to opportunities. Three important themes are implied in this

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definition of entrepreneurship. First is the pursuit of opportunities.

Entrepreneurship is about pursuing environmental trends and changes that no one else has seen or paid attention to. For example, Jeff Bezos, founder of Amazon. com, was a successful programmer at an investment firm on Wall Street in the mid-1990s. However, statistics on the explosive growth in the use of the Internet (at that time, it was growing about 2, 300 percent a month) kept nagging at him. He decided to quit his job and pursue what he felt were going to be enormous online retailing opportunities. Today, you can buy books, music, cars, furniture, jewelry, and numerous other items on Amazon. The second important theme in entrepreneurship is innovation.

Entrepreneurship involves changing, revolutionizing, transforming, or introducing new products or services or new ways of doing business. Dineh Mohajer is a good example. As a fashionconscious young woman, she hated the brilliant and bright nail polishes for sale in stores because the bright colors clashed with her trendy pastel-colored clothing. She wanted pastel nail colors that would match what she was wearing. When she couldn't find the right shade of nail polish to match her strappy blue sandals, Mohajer decided to mix her own. When her friends raved over her homemade colors, she decided to

Working part-time at an auto-body shop while pursuing his master's degree, engineering student Joe Born wondered whether an industrial paint buffer could smooth out the scratches that had ruined one of his favorite music CDs. The idea worked like a charm, and after receiving a patent on it, Born spent 4 years perfecting SkipDr, an inexpensive disc-repair kit that he

marketed successfully to Best Buy, Radio Shack, and Wal-Mart. Born's new company,