# Contents



Cha	pter 1: Managing and the Manager's Job
	agement in Action: What Reed Hastings Has Say for Himself 2
An In	troduction to Management 4
	Management Process 6  anning and Decision Making: Determining  Courses of Action 7
	ontrolling: Monitoring and Evaluating Activities 8 ganizing: Coordinating Activities and Resources 8
Le	ading: Motivating and Managing People 8
	of Managers 9 anaging at Different Levels of the Organization 9
75	Top Managers 10   Middle Managers 10   First-Line Managers 10
Mi	Marketing Managers 10   Financial Managers 11   Marketing Managers 10   Financial Managers 11   Operations Managers 11   Human Resource Managers 11   Administrative Managers 11   Other Kinds of Managers 11
Basic Ma	Managerial Roles and Skills 11
	Interpersonal Roles 12   Informational Roles 12   Decisional Roles 13
Ma	anagerial Skills 13
	Technical Skills 13   Interpersonal Skills 13   Conceptual Skills 14   Diagnostic Skills 14   Communication Skills 14   Decision-Making Skills 14   Time-Management Skills 15
The N	lature of Managerial Work 15 and 1 graphs C
Th	e Science and the Art of Management 16

The Science of Management 16 | The Art of

Becoming a Manager 16

Management 16 School of Sold Sold of S

The Role of Education 16 | The Role of Experience 17

The Contingency Perspective 41
The Scope of Management 18
Managing in Profit-Seeking Organizations 18   Managing in Not-for-Profit Organizations 18
The New Workplace 19
THE MORE THINGS CHANGE: Capital Adventures in Microfinance 20
A WORLD OF DIFFERENCE: Aetna Ensures  Diversity 22
Summary of Learning Objectives and Key Points 23
Discussion Questions 24
Chapter 2: Traditional and Contemporary Issues and Challenges
Management in Action: Some Keys to Making
Vanagement in Action: The NetA 62 Ayewniet a
The Role of Theory and History in Management 28
The Importance of Theory and History 28
Why Theory? 28   Why History? 28 Precursors to Management Theory 29
Management in Antiquity 29   Early Management Pioneers 29
The Classical Management Perspective 30
Scientific Management 30
Administrative Management 32
The Classical Management Perspective Today 32
The Behavioral Management Perspective 33
The Human Relations Movement 34

The Emergence of Organizational Behavior

The Behavioral Management Perspective Today 35

ETHICALLY SPEAKING: Do You Feel Like You Have "Kick Me" Tattooed on Your Forehead? 36

-	-
1	Э
7	_

Management Science 38 Operations Management 38 The Quantitative Management Perspective Today 38 Integrating Perspectives for Management 39	The Importance of Organization Culture 62 Determinants of Organization Culture 63 Managing Organization Culture 63 Organization–Environment Relationships 64
Integrating Perspectives for Managers 39  The Systems Perspective 39	How Environments Affect Organizations 64
The Contingency Perspective 41 An Integrating Framework 42	Environmental Change and Complexity 64   Competitive Forces 65   Environmental Turbulence 66
Contemporary Management Issues and Challenges 43 Contemporary Applied Perspectives 44 Contemporary Management Challenges 45 THE MORE THINGS CHANGE: Make a Few Pills	TECHNICALLY SPEAKING: TV Gets Personal 67  How Organizations Adapt to Their Environments 68  Information Management 69   Strategic Response 69   Mergers, Acquisitions, and Alliances 69   Organization Design and Flexibility 69
and Call Me in 13 Years 46	Direct Influence 70  The Environment and Organizational
Summary of Learning Objectives and Key Points 47	Effectiveness 70 as 220009 memorasista erit
Discussion Questions 48	Models of Organizational Effectiveness 71
Summary of Learning Objectives and Key Points 23	Examples of Organizational Effectiveness 71
Discussion Questions 24	Summary of Learning Objectives and Key Points 73
PART TWO The Environmental Context of Management	Kinds of Managers 9  Managers 4 Different Levels of the Organization 9
Chapter 3: The Environment and Culture of Organizations 49	Chapter 4: The Ethical and Social Environment 75
of Organizations 49 management in Action: The NetApp Approach to Net Satisfaction 50  The Role of Theory and Netation and American South Company of the Role of Theory and Netation and American South Company of the Role of Theory and Netation and American South Company of the Role of Theory and Netation and South Company of the Role of Theory and Netation South Company of the Ro	Environment  Management in Action: Is Fair Trade / gradeful a Fair Trade of Fair Trade / gradeful a Fair Trade of
of Organizations phision of eyest emot moits and themsessed  Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52	Environment 75  Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78
of Organizations poision of eyest emoc moiss and transported  Management in Action: The NetApp Approach to Net Satisfaction 50 The Organization's Environments 152 The External Environment 153	Environment  Management in Action: Is Fair Trade  a Fair Trade-Off? 76  Individual Ethics in Organizations 78 organization  Managerial Ethics 78
of Organizations  Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52  The External Environment 53 The General Environment 53 The Economic Dimension 53   The Technological Dimension 54   The Sociocultural Dimension 56   The Political-Legal Dimension 56   The International Dimension 56	Environment  Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78  Managerial Ethics 78  How an Organization Treats Its Employees 78   How Employees Treat the Organization 79   How Employees and the Organization Treat Other Economic Agents 81
of Organizations Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52  The External Environment 53 The General Environment 53 The Economic Dimension 53   The Technological Dimension 54   The Sociocultural Dimension 56   The Political-Legal Dimension 56   The International Dimension 56  GREENING THE BUSINESS ENVIRONMENT: HP Keeps	Environment  Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78 Managerial Ethics 78 How an Organization Treats Its Employees 78   How Employees Treat the Organization 79   How Employees and the Organization Treat Other Economic Agents 81  ETHICALLY SPEAKING: "What Are They Going to Do—Cut My Pension in Half?" 80
of Organizations Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52  The External Environment 53 The General Environment 53 The Economic Dimension 53   The Technological Dimension 54   The Sociocultural Dimension 56   The Political-Legal Dimension 56   The International Dimension 56  GREENING THE BUSINESS ENVIRONMENT: HP Keeps Itself in the Recycling Loop 55	Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78 Managerial Ethics 78 How an Organization Treats Its Employees 78   How Employees Treat the Organization 79   How Employees and the Organization Treat Other Economic Agents 81  ETHICALLY SPEAKING: "What Are They Going to Do—Cut My Pension in Half?" 80 Ethics in an Organizational Context 81
of Organizations Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52  The External Environment 53 The General Environment 53 The Economic Dimension 53   The Technological Dimension 54   The Sociocultural Dimension 56   The Political-Legal Dimension 56   The International Dimension 56  GREENING THE BUSINESS ENVIRONMENT: HP Keeps Itself in the Recycling Loop 55 The Task Environment 57 Competitors 58   Customers 58   Suppliers 58   Strategic Partners 59   Regulators 59	Environment  Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78  Managerial Ethics 78  How an Organization Treats Its Employees 78   How Employees Treat the Organization 79   How Employees and the Organization Treat Other Economic Agents 81  ETHICALLY SPEAKING: "What Are They Going to Do—Cut My Pension in Half?" 80  Ethics in an Organizational Context 81  Managing Ethical Behavior 82  Creating Ethics Codes 82    Applying Moral Indement 83
of Organizations Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52  The External Environment 53 The General Environment 53 The Economic Dimension 53   The Technological Dimension 54   The Sociocultural Dimension 56   The Political-Legal Dimension 56   The International Dimension 56  GREENING THE BUSINESS ENVIRONMENT: HP Keeps Itself in the Recycling Loop 55 The Task Environment 57 Competitors 58   Customers 58   Suppliers 58   Strategic Partners 59   Regulators 59  The Internal Environment 61	Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78 Managerial Ethics 78 How an Organization Treats Its Employees 78   How Employees Treat the Organization 79   How Employees and the Organization Treat Other Economic Agents 81  ETHICALLY SPEAKING: "What Are They Going to Do—Cut My Pension in Half?" 80 Ethics in an Organizational Context 81 Managing Ethical Behavior 82 Creating Ethics Codes 82   Applying Moral Judgment 83   Maintaining Organizational Justice 85
of Organizations Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52  The External Environment 53 The General Environment 53 The Economic Dimension 53   The Technological Dimension 54   The Sociocultural Dimension 56   The Political-Legal Dimension 56   The International Dimension 56  GREENING THE BUSINESS ENVIRONMENT: HP Keeps Itself in the Recycling Loop 55 The Task Environment 57 Competitors 58   Customers 58   Suppliers 58   Strategic Partners 59   Regulators 59	Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78 Managerial Ethics 78 How an Organization Treats Its Employees 78   How Employees Treat the Organization 79   How Employees and the Organization Treat Other Economic Agents 81  ETHICALLY SPEAKING: "What Are They Going to Do—Cut My Pension in Half?" 80 Ethics in an Organizational Context 81 Managing Ethical Behavior 82 Creating Ethics Codes 82   Applying Moral Judgment 83   Maintaining Organizational Justice 85  Emerging Ethical Issues in Organizations 86
Management in Action: The NetApp Approach to Net Satisfaction 50  The Organization's Environments 52  The External Environment 53 The Economic Dimension 53   The Technological Dimension 54   The Sociocultural Dimension 56   The Political-Legal Dimension 56   The International Dimension 56  GREENING THE BUSINESS ENVIRONMENT: HP Keeps Itself in the Recycling Loop 55 The Task Environment 57 Competitors 58   Customers 58   Suppliers 58   Strategic Partners 59   Regulators 59  The Internal Environment 61 Owners 61	Management in Action: Is Fair Trade a Fair Trade-Off? 76  Individual Ethics in Organizations 78 Managerial Ethics 78 How an Organization Treats Its Employees 78   How Employees Treat the Organization 79   How Employees and the Organization Treat Other Economic Agents 81  ETHICALLY SPEAKING: "What Are They Going to Do—Cut My Pension in Half?" 80 Ethics in an Organizational Context 81 Managing Ethical Behavior 82 Creating Ethics Codes 82   Applying Moral Judgment 83   Maintaining Organizational Justice 85  Emerging Ethical Issues in Organizations 86

Social	Responsibility and Organizations 88
	as of Social Responsibility 88
	Organizational Stakeholders 88   The Natural Environment 88   General Social Welfare 90
	uments For and Against Social Responsibility 90
A	rguments For Social Responsibility 90   rguments Against Social Responsibility 92   Organizational Approaches to Social
R	Described in Approaches to Social Responsibility 92   Obstructionist Stance 93   Defensive Stance 94
	roactive Stance 94

# TECHNICALLY SPEAKING: CSI: Criminal Science for the Incarcerated 91

The Government and Social Responsibility 95

How Government Influences Organizations 95

Direct Regulation 95 | Indirect Regulation 96

How Organizations Influence Government 96

Personal Contacts 96 | Lobbying 96 |
Political Action Committees 96 | Favors 97

Managing Social Responsibility 97

Formal Organizational Dimensions 97

Legal Compliance 98 | Ethical Compliance 98 |
Philanthropic Giving 100

Informal Organizational Dimensions 98

Organization Leadership and Culture 98 | Whistle-Blowing 99

Evaluating Social Responsibility 99

Summary of Learning Objectives and Key Points 100

Discussion Questions 100

## Chapter 5: The Global Environment

# Management in Action: The Embargo

The Nature of International Business 106
The Meaning of International Business 106
Trends in International Business 107
Managing the Process of Globalization 108
Importing and Exporting 108 | Licensing 109 |
Strategic Alliances 109 | Direct Investment 110
Competing in a Global Market 111

# TECHNICALLY SPEAKING: "Walmart's Worst Nightmare"? 112

The Structure of the Global Economy 113

Mature Market Economies and Systems 113

High-Potential/High-Growth Economies 115

Other Economies 115

The Role of the GATT and the WTO 116

General Agreement on Tariffs and Trade (GATT) 116 |
World Trade Organization (WTO) 116

Environmental Challenges
of International Management 117
The Economic Environment 117
Economic System 117 | Natural Resources 117 |
Infrastructure 118

## The Political/Legal Environment 118

Government Stability 118 | Incentives for International Trade 120 | Controls on International Trade 120 | Economic Communities 121

# GREENING THE BUSINESS ENVIRONMENT: Changing the Climate of Global Aid 119

The Cultural Environment 121

Values, Symbols, Beliefs, and Language 121 | Individual Behaviors Across Cultures 122

Competing in a Global Economy 125
Globalization and Organization Size 125
Multinational Corporations 125 | Medium-Size
Organizations 125 | Small Organizations 125
Management Challenges in a Global Economy 126
Planning and Decision Making in a Global
Economy 126 | Controlling in a Global Economy 126 |
Organizing in a Global Economy 127 | Leading in a
Global Economy 127

Summary of Learning Objectives and
Key Points 127 State of the magnitude of the state of the sta

Discussion Questions 128

103

## Chapter 6: The Multicultural Environment

# Management in Action: Are Minorities Subprime Citizens? 132

The Nature of Diversity and Multiculturalism 134

Diversity and Multiculturalism in Organizations 135

Trends in Diversity and Multiculturalism 135



Dimensions of Diversity and Multiculturalism	136
Age Distributions 136   Gender 137	
Ethnicity 138   Other Dimensions of Diversity 1	40
Multicultural Differences 140	

### TECHNICALLY SPEAKING: "We're All Potential Users" 139

## Effects of Diversity and Multiculturalism in Organizations 140 Diversity, Multiculturalism, and Competitive Advantage 140 Diversity, Multiculturalism, and Conflict 142

### **GREENING THE BUSINESS ENVIRONMENT: Wayward** Winds on the Legislative Horizon 143

## Managing Diversity and Multiculturalism in Organizations 144 Individual Strategies 144 Understanding 144 | Empathy 145 | Tolerance 145 | Willingness to Communicate 145 Organizational Approaches 146 Organizational Policies 146 | Organizational Practices 146 | Diversity and Multicultural Training 147 |

Toward the Multicultural Organization 148 Summary of Learning Objectives and Key Points 149 Discussion Questions 149

Organization Culture 147

## PART THREE Planning and Decision Making

Chapter 7: Basic Elements of Planning and **Decision Making** 

### Management in Action: Did AIG Ensure Risky Decisions? 152

Decision Making and the Planning Process, 154

Organizational Goals 155 Purposes of Goals 155 Kinds of Goals 156 Level 156 | Area 156 | Time Frame 158 Responsibilities for Setting Goals 158 Managing Multiple Goals 158

Organizational Planning 159 Kinds of Organizational Plans 159 Strategic Plans 159 | Tactical Plans 159 | 2000 200 | 1500 2 Operational Plans 159

Time Frames for Planning 159 Long-Range Plans 160 | Intermediate Plans 160 | Short-Range Plans 160

Responsibilities for Planning 160

Planning Staff 162 | Planning Task Force 162 | Board of Directors 162 | Chief Executive Officer 162 | Executive Committee 162 | Line Management 163

## THE MORE THINGS CHANGE: How to Price a Body Wrap in a Recession 161

Contingency Planning and Crisis Management 163

Tactical Planning 165 Developing Tactical Plans 165 Executing Tactical Plans 166

Operational Planning 167 Page 1881 Control of the Page 1881 Control of Single-Use Plans 167 words 1 168 white O Vision 1 Programs 167 | Projects 167 Standing Plans 168

Policies 168 | Standard Operating Procedures 168 | Rules and Regulations 168

Managing Goal-Setting and Planning Processes 169 1000 Name of the Marketine Barriers to Goal Setting and Planning 169 Inappropriate Goals 169 | Improper Reward System 170 | Dynamic and Complex Environment 170 Reluctance to Establish Goals 170 | Resistance to Change 170 | Constraints 170

Overcoming the Barriers 171

Understand the Purposes of Goals and Planning 171 Communication and Participation 171 | Consistency, Revision, and Updating 171 | Effective Reward Systems 171

### TECHNICALLY SPEAKING: A New Tool for Driving Decisions 172

Using Goals to Implement Plans 173 The Nature and Purpose of Formal Goal Setting 173 The Formal Goal-Setting Process 173 | The Effectiveness of Formal Goal Setting 174 a length small to stutted and

Summary of Learning Objectives and Key Points 175

Discussion Questions 176 10 to page 14 and proposed 1/4

The Performance of Entirepreneural Organizations Label	International and Global Strategies 199 1897 on		
Chapter 8: Managing Strategy and Strategic Planning 177	Developing International and Global Strategies Global Efficiencies 199   Multimarket Flexibility		
Management in Action: The Hype about Hybrids 178	Worldwide Learning 201		
Reasons for harling 250 .	ETHICALLY SPEAKING: The Little-White-Lie Strategy 200		
The Nature of Strategic Management 179	Strategic Alternatives for International Business		
The Components of Strategy 180  Types of Strategic Alternatives 180	Oceance 777		
Strategy Formulation and Implementation 181	Summary of Learning Objectives and Key Points		
Using SWOT Analysis to Formulate Strategy 181	Discussion Questions 205		
GREENING THE BUSINESS ENVIRONMENT: You, Too, Can Afford a Place in the Sun 182			
Evaluating an Organization's Strengths 183	Chapter 9: Managing Decision Making		
Common Organizational Strengths 183   Distinctive Competencies 183   Imitation of Distinctive	and Problem Solving		
Competencies 184	Management in Action: Citi ODs on CDOs 20		
Evaluating an Organization's Weaknesses 184	The Nature of Decision Making 210 210		
Evaluating an Organization's Opportunities and Threats 185	Decision Making Defined 210 210 10 10 10 10 10 10 10 10 10 10 10 10 1		
Strategy at JPMorgan 256	Types of Decisions 210		
Formulating Business-Level Strategies 185	Decision-Making Conditions 211		
Porter's Generic Strategies 185	Decision Making under Certainty 211   Decision		
The Miles and Snow Typology 187	Making under Risk 211   Decision Making under Uncertainty 212		
Strategies Based on the Product Life Cycle 188	From twin trends all allegation of the		
Implementing Business-Level Strategies 189	TECHNICALLY SPEAKING: Big Pharma Puts R&E		
Implementing Porter's Generic Strategies 189	to the Test 213		
Differentiation Strategy 189   Overall Cost Leadership	Rational Perspectives on Decision Making 214		
Strategy 190 Implementing Miles and Snow's Strategies 191	The Classical Model of Decision Making 214		
Prospector Strategy 191   Defender Strategy 101	Steps in Rational Decision Making 214  Recognizing and Defining the Decision Situation 2		
Analyzer Strategy 191  Analyzer Strategy 191	Identifying Alternatives 215   Evaluating Alternative		
Formulating Corporate-Level Strategies 192	Selecting an Alternative 216   Implementing the Callernative 217   Following Up and Evaluating the		
Single-Product Strategy 192 3 Journal another 90	Results 217 14 25 Than 24 August 19		
Related Diversification 19202 Control President 19202	THE MORE THINGS CHANGE: Hard Facts and		
Bases of Relatedness 192   Advantages of Related Diversification 193	Half-Truths and 218 inaprolain land facts and Half-Truths and 218 inaprolain land and the same of the		
Unrelated Diversification 193	Behavioral Aspects of Decision Making 219		
The second secon	The Administrative Model 220		
mplementing Corporate-Level Strategies 194  Becoming a Diversified Firm 194	Political Forces in Decision Making 221		
Development of New Products 195   Replacement of	Intuition and Escalation of Commitment 221		
Suppliers and Customers 195   Mergers and	Intuition 221   Escalation of Commitment 221		
Acquisitions 195 A and J LOOC atmonstrate to the second of	Risk Propensity and Decision Making 222		
Managing Diversification 196 75 when the present	Ethics and Decision Making 222		
BCG Matrix 198   GE Business Screen 197 380M 3HT	Advisory Boards 246   Management Consultants 246   The Small Business Administration 246   Newsoking 24		
	The state of the s		

on Giving 270

national and Global Strategies 199 veloping International and Global Strategies 199 Global Efficiencies 199 | Multimarket Flexibility 199 | Worldwide Learning 201 Ventinal Croubs 224

nary of Learning Objectives and Key Points ssion Questions 205

207

## gement in Action: Citi ODs on CDOs 208

ature of Decision Making 210 The Nature of Entrepret 012 handled gniskM noisis es of Decisions 210 Decision Making under Certainty 211 | Decision Making under Risk 211 | Decision Making under Incertainty 212

NICALLY SPEAKING: Big Pharma Puts R&D the Test 213 Strategy for Entrepreneusial Organization, 1997

al Perspectives on Decision Making 214 2001 Classical Model of Decision Making 214 os in Rational Decision Making 214 Recognizing and Defining the Decision Situation 214 dentifying Alternatives 215 | Evaluating Alternatives 216 | electing an Alternative 216 | Implementing the Chosen lternative 217 Following Up and Evaluating the esults 217 Writing a Business Plan 241

## ORE THINGS CHANGE: Hard Facts and Structure of Entrepreneurial Organiz 815ns adturT-1

oral Aspects of Decision Making 219 Administrative Model 220 ical Forces in Decision Making 221 ition and Escalation of Commitment 221 tuition 221 | Escalation of Commitment 221 Propensity and Decision Making 222 cs and Decision Making 1222 Openal to 2001100



Group and Team Decision Making in Organizations 223 Forms of Group and Team Decision Making 223 Interacting Groups and Teams 223 | Delphi Groups 223 | Nominal Groups 224 Advantages of Group and Team Decision Making 224 Disadvantages of Group and Team Decision Making 225 Managing Group and Team Decision-Making Processes 225 Summary of Learning Objectives and Key Points 226 Discussion Questions 226 Chapter 10: Managing New Venture Formation and Entrepreneurship 229 Management in Action: The Creative Imprint at Bigfoot 230 The Nature of Entrepreneurship 232 The Role of Entrepreneurship in Society 232 Job Creation 233 Innovation 234 A WORLD OF DIFFERENCE: The Invisibib Woman Importance to Big Business 236 Strategy for Entrepreneurial Organizations Choosing an Industry 236 of no sewip aggress is not in Services 237 | Retailing 238 | Construction 238 | Finance and Insurance 238 | Wholesaling 238 | Transportation 239 | Manufacturing 239 Emphasizing Distinctive Competencies 240 Identifying Niches in Established Markets 240 Identifying New Markets 241 | First-Mover Advantages 241 Writing a Business Plan 241 Entrepreneurship and International Management 242 Structure of Entrepreneurial Organizations 243 Starting the New Business 243 Buying an Existing Business 243 | Starting from Scratch 243 Financing the New Business 244 Personal Resources 244 | Strategic Alliances 244 Lenders 244 | Venture Capital Companies 244 | Small-Business Investment Companies 245 SBA Financial Programs 245 Sources of Management Advice 245 Advisory Boards 246 | Management Consultants 246 | The Small Business Administration 246 | Networking 247

Franchising 247

The Performance of Entrepreneurial Organizations 248 Trends in Small-Business Start-Ups 249 Emergence of E-Commerce 249 | Crossovers from Big Business 249 | Opportunities for Minorities and Women 249 | Better Survival Rates 250 Reasons for Failure TECHNICALLY SPEAKING: What Went Wrong with Wesabe? 251 Reasons for Success 251 Summary of Learning Objectives and Key Points 252 Discussion Questions 253 PART FOUR The Controlling Process Chapter 11: Basic Elements of Control 255 Strategy at JPMorgan 256 The Nature of Control 258 The Purpose of Control 258 Complexity 259 | Minimizing Costs 260

# Management in Action: Facets of Jamie Dimon's

Adapting to Environmental Change 258 | Limiting the Accumulation of Error 259 | Coping with Organizational Types of Control 260 Areas of Control 260 | Levels of Control 261 | Responsibilities of Control 261

Steps in the Control Process 262 Establishing Standards 262 | Measuring Performance 263 | Comparing Performance Against Standards 263 | Considering Corrective Action 263

Operations Control 264 Preliminary Control 264 Screening Control 265 265 Postaction Control

Financial Audits 271

Financial Control 266 Budgetary Control 267 267 300 300 300 Types of Budgets 267 | Developing Budgets 268 | Strengths and Weaknesses of Budgeting 269 Other Tools for Financial Control 269 Financial Statements 269 | Ratio Analysis 271 |

THE MORE THINGS CHANGE: The Grift That Keeps on Giving 270

Building Blocks of Information Technology 317

Structural Control 272 do eningia de Bureaucratic Control 273	TECHNICALLY SPEAKING: Teaming Technology
Bureaucratic Control 273 Decentralized Control 273 Strategic Control 274 Integrating Strategy and Control 274 International Strategic Control 274  TECHNICALLY SPEAKING: Engineering Time at FedEx 275  Managing Control in Organizations 276 Characteristics of Effective Control 276 Integration with Planning 276   Flexibility 276   Accuracy 277   Timeliness 277   Objectivity 277	Implementing Operations Systems Through Supply Chain Management 296 Operations Management as Control 296 Purchasing Management 297 Inventory Management 298  Managing Total Quality 299 The Meaning of Quality 299 The Importance of Quality 299 Competition 300   Productivity 300   Costs 300 Total Quality Management 300
Resistance to Control 277  Overcontrol 277   Inappropriate Focus 278   Rewards for Inefficiency 278   Too Much Accountability 279  Overcoming Resistance to Control 279  Encourage Employee Participation 279   Develop Verification Procedures 279	Strategic Commitment 300   Employee Involvement 301   Technology 301   Materials 301   Methods 301  TQM Tools and Techniques 301  Value-Added Analysis 302   Benchmarking 302   Outsourcing 302   Reducing Cycle Time 302   ISO 9000:2000 and ISO 14000 303   Statistical Quality Control 303   Six Sigma 304
Summary of Learning Objectives and Key Points 280  Discussion Questions 281	The Meaning of Productivity 304 Forms of Productivity 304  The Importance of Productivity 305
Chapter 12: Managing Operations, Quality, and Productivity 283  Management in Action: Orchestrating Outcomes 284	Productivity Trends 305 Improving Productivity 306 Improving Operations 306   Increasing Employee Involvement 307
The Nature of Operations Management 286 The Importance of Operations 286 Manufacturing and Production Operations 287 Service Operations 287 The Role of Operations in Organizational Strategy 287	Summary of Learning Objectives and Key Points 307  Discussion Questions 308  Management Processes  Changed Management Processes  Changed Management Processes
Designing Operations Systems 288 Determining Product-Service Mix 288 Capacity Decisions 288 Facilities Decisions 289 Location 289   Layout 289	Chapter 13: Managing Information and Information Technology 311  Management in Action: You Can't Make This Stuff Up 312
THE MORE THINGS CHANGE: How to Get2 a Human 290 Organizational Technologies 291 Manufacturing Technology 291 Automation 292   Computer-Assisted Manufacturing 293   Robotics 294	Information and the Manager 314  The Role of Information in the Manager's Job 314  Characteristics of Useful Information 315  Accurate 316   Timely 316   Complete 316    Relevant 316  Information Management as Control 316

Service Technology 294



ETHICALLY SPEAKING:	Can	Suppressed	Information
Break Your Heart?			MATERIAL PARTY

## Types of Information Systems 319

User Groups and System Requirements 320 Managers at Different Levels 320 | Functional Areas and Business Processes 321

## Major Systems by Level 321

Transaction-Processing Systems 321 Systems for Knowledge Workers and Office Applications 321 | Systems for Operations and Data Workers 321 | Knowledge-Level and Office Systems 322 | Management Information Systems 322 | Decision Support Systems 322 | Executive Support Systems 323 | Artificial Intelligence and Expert Systems 323

### The Internet 323

The World Wide Web 324 | Servers and Browsers 324 | Directories and Search Engines 325 | Intranets 326 | Extranets 326

## THE MORE THINGS CHANGE: Your Algorithmic Alter Ego 325

Managing Information Systems 326 Creating Information Systems 326 Integrating Information Systems 328 Using Information Systems 329 Managing Information Security 329 Understanding Information System Limitations

## The Impact of Information Systems on Organizations 331 Leaner Organizations 331

More Flexible Operations 331 Increased Collaboration 331

More Flexible Work Sites 332

Improved Management Processes 332 Changed Employee Behaviors 333

Summary of Learning Objectives and Key Points 333

Discussion Questions 334

## **PART FIVE** The Organizing Process

Chapter 14: Basic Elements of Organizing 337

### Management in Action: Delayering as a Defense Mechanism 338

The Elements of Organizing 340

### Designing Jobs 340

Job Specialization 340 Miles Jermola adecomental

Benefits and Limitations of Specialization 341

Alternatives to Specialization 342

Job Rotation 342 | Job Enlargement 342 |

Job Enrichment 342 | Job Characteristics Approach 343 Work Teams 343

#### 343 Grouping Jobs: Departmentalization

Rationale for Departmentalization

Common Bases for Departmentalization 344

Functional Departmentalization 344 | Product

Departmentalization 345 | Customer

Departmentalization 345 | Location Departmentalization 345 | Other Forms of

Departmentalization 346 | Other Considerations 346

## Establishing Reporting Relationships 346

Chain of Command 347

Narrow Versus Wide Spans 347

## **TECHNICALLY SPEAKING: What Looks**

Like a Game of Cat's Cradle Played by

Mice on Speed? 348

Tall Versus Flat Organizations

Determining the Appropriate Span

## Distributing Authority 351

The Delegation Process 351

Reasons for Delegation 351 | Parts of the Delegation

Process 352 | Problems in Delegation 352

Decentralization and Centralization 353

## Coordinating Activities 354

The Need for Coordination 354

Structural Coordination Techniques 355

The Managerial Hierarchy 355 | Rules and Procedures 355 | Liaison Roles 355 | Task Forces 355 |

Integrating Departments 356

Electronic Coordination 356

## Differentiating Between Positions 356

Differences Between Line and Staff

Administrative Intensity

## ETHICALLY SPEAKING: A Panel of Your Peers

Summary of Learning Objectives and Key Points 359

Discussion Questions

## Chapter 15: Managing Organization Design 361

# Management in Action: Authority & Function at A&F 362

The Nature of Organization Design 364

Universal Perspectives on Organization Design 365
Bureaucratic Model 365
Behavioral Model 366

Situational Influences on Organization Design 367

A WORLD OF DIFFERENCE: To Offshore or Not to Offshore 368 Core Technology 367

TECHNICALLY SPEAKING: "Ph.D.'s for a Dollar an Hour" 370 Environment 369 Organizational Size 371 Organizational Life Cycle 371

Strategy and Organization Design 372 Corporate-Level Strategy 372 Business-Level Strategy 373 Organizational Functions 373

Basic Forms of Organization Design 373
Functional (U-Form) Design 374
Conglomerate (H-Form) Design 375
Divisional (M-Form) Design 375
Matrix Design 376
Hybrid Designs 378

Emerging Issues in Organization Design 378
The Team Organization 379
The Virtual Organization 379
The Learning Organization 379
Special Issues in International Organization
Design 380

Discussion Questions 382

Summary of Learning Objectives and Key Points 381

Chapter 16: Managing Organization Change and Innovation

385

# Management in Action: The Science of the Deal 386

The Nature of Organization Change 388
Forces for Change 388

External Forces 388 | Internal Forces 389
Planned Versus Reactive Change 389

Managing Change in Organizations 390

Steps in the Change Process 390

The Lewin Model 390 | A Comprehensive Approach to Change 390

Understanding Resistance to Change 391

Uncertainty 391 | Threatened Self-Interests 392 |
Different Perceptions 392 | Feelings of Loss 392

Overcoming Resistance to Change 392

Participation 392 | Education and Communication 393 |
Facilitation 393 | Force-Field Analysis 393

Areas of Organization Change 394
Changing Organization Structure and Design 394
Changing Technology and Operations 394
Changing People, Attitudes, and Behaviors 396
Changing Business Processes 396
The Need for Business Process Change 397 | Approaches to Business Process Change 397

Organization Development 398

OD Assumptions 398 | OD Techniques 398 |
The Effectiveness of OD 400

Organizational Innovation 400

# TECHNICALLY SPEAKING: The F/X of Tech from the Fan's POV 401

The Innovation Process 402
Innovation Development 402 | Innovation
Application 402 | Application Launch 402 |
Application Growth 402 | Innovation Maturity 403 |
Innovation Decline 403

Forms of Innovation 403

Radical Versus Incremental Innovations 403 | Technical Versus Managerial Innovations 403 | Product Versus Process Innovations 404



## THE MORE THINGS CHANGE: A Marriage of Technique and Technology 405

The Failure to Innovate 406

Lack of Resources 406 | Failure to Recognize Opportunities 406 | Resistance to Change 406

Promoting Innovation in Organizations

The Reward System 406 | Organization Culture 407 | Intrapreneurship in Larger Organizations 407

Summary of Learning Objectives and Key Points 408

Discussion Questions 409

## Chapter 17: Managing Human Resources in Organizations

## Management in Action: No Company for Old-Fashioned Management 412

The Environmental Context of Human Resource Management 413

The Strategic Importance of HRM 414 10 TO 2001A

The Legal Environment of HRM 414 40 angular

Equal Employment Opportunity 414 | Compensation and Benefits 416 | Labor Relations 416 | Health and Safety 418 | Emerging Legal Issues 418

### THE MORE THINGS CHANGE: The Law of Collective Begging 417

Social Change and HRM 418 golsve C nonexing and

A WORLD OF DIFFERENCE: Power Plays in the Workplace 419

Attracting Human Resources 420

Human Resource Planning 420

Job Analysis 420 | Forecasting Human Resource Demand and Supply 420 | Matching Human Resource Supply and Demand 422

Recruiting Human Resources 422

Selecting Human Resources 423

Application Blanks 423 | Tests 424 | Interviews 424 | Assessment Centers 424 | Other Techniques 424

Developing Human Resources 425

Training and Development 425

Assessing Training Needs 425 | Common Training Methods 425 | Evaluation of Training 426

Performance Appraisal 426

Common Appraisal Methods 427 | Errors in Performance Appraisal 428

Performance Feedback 429

Maintaining Human Resources 429

Determining Compensation 429

Wage-Level Decision 430 | Wage Structure Decision 430 | Individual Wage Decisions 431

Determining Benefits 431

Career Planning 432

Managing Labor Relations 433 How Employees Form Unions Collective Bargaining 434

New Challenges in the Changing Workplace

Managing Knowledge Workers 435

The Nature of Knowledge Work 435

Knowledge Worker Management and Labor Markets 436

Contingent and Temporary Workers

Trends in Contingent and Temporary Employment 437 Managing Contingent and Temporary Workers 437

Summary of Learning Objectives and Key Points 438

Discussion Questions 439

## **PART SIX** The Leading Process

Chapter 18: Basic Elements of Individual Behavior in Organizations 441

### Management in Action: The Psychopath in the Executive Suite 442

Understanding Individuals in Organizations The Psychological Contract 444 The Person-Job Fit 445 The Nature of Individual Differences 445

Personality and Individual Behavior The "Big Five" Personality Traits 446 The Myers-Briggs Framework 448 Other Personality Traits at Work 449 Emotional Intelligence 450

Attitudes and Individual Behavior 4	50
Work-Related Attitudes 451	deleval
Job Satisfaction or Dissatisfaction	151
Organizational Commitment 452	
Affect and Mood in Organizations	452

Perception and Individual Behavior 453

Basic Perceptual Processes 453

Selective Perception 453 | Stereotyping 454

Perception and Attribution 454

Stress and Individual Behavior 454

Causes and Consequences of Stress 455

Causes of Stress 457 | Consequences of Stress 457

Managing Stress 457

A WORLD OF DIFFERENCE: The BOSS in Indian BPO 458

Creativity in Organizations 459
The Creative Individual 460

Background Experiences and Creativity 460 | Personal
Traits and Creativity 460 | Cognitive Abilities and
Creativity 460

Charter 21: Mana

The Creative Process 460

Preparation 460 | Incubation 461 | Insight 461 |
Verification 461

Enhancing Creativity in Organizations 462

Types of Workplace Behavior 462
Performance Behaviors 462
Withdrawal Behaviors 463
Organizational Citizenship 463

THE MORE THINGS CHANGE: A Disturbance in the Work Force 464

Dysfunctional Behaviors 465

Summary of Learning Objectives and Key Points 465

Discussion Questions 466

Chapter 19: Managing Employee Motivation and Performance 469

# Management in Action: Are You Happily Productive or Productively Happy? 470

The Nature of Motivation 472

The Importance of Employee Motivation in the Workplace 472

The Traditional Approach 472 | The Human
Relations Approach 473 | The Human Resource
Approach 473

Content Perspectives on Motivation 473
The Needs Hierarchy Approach 474

Maslow's Hierarchy of Needs 474 | The ERG Theory 475
The Two-Factor Theory 475
Individual Human Needs 476
Implications of the Content Perspectives 477

Process Perspectives on Motivation 478

Expectancy Theory 478

Effort-to-Performance Expectancy 479 | Performance-to-Outcome Expectancy 479 | Outcomes and Valences 479 |

Equity Theory 479

Goal-Setting Theory 480

Goal Difficulty 480 | Goal Specificity 481

Implications of the Process Perspectives 481

Reinforcement Perspectives on Motivation 483
Kinds of Reinforcement in Organizations 483
Providing Reinforcement in Organizations 484
Implications of the Reinforcement Perspectives 485

Popular Motivational Strategies 485

Empowerment and Participation 485

Areas of Participation 486 | Techniques and Issues in Empowerment 486

Alternative Forms of Work Arrangements 486

Variable Work Schedules 487 | Flexible Work

Schedules 487 | Job Sharing 487 | Telecommuting 487

A WORLD OF DIFFERENCE: The Balance of Trade-Offs 488

Using Reward Systems to Motivate Performance 487
Merit Reward Systems 487
Incentive Reward Systems 489
Incentive Pay Plans 489 | Other Forms of Incentive 489
Team and Group Incentive Reward Systems 490
Common Team and Group Reward Systems 490 |
Other Types of Team and Group Rewards 491
Executive Compensation 492

Standard Forms of Executive Compensation 492 | Special Forms of Executive Compensation 492 | Criticisms of Executive Compensation 494

i	Contents	1
		25

THE MORE THINGS CH	ANGE: The	NetApp	Approach
to Net Jobs 493	paroach 472	Monolib	The Tru

New Approaches to Performance-Based Rewards 494

Summary of Learning Objectives and Key Points 495

Muslow's Urengrahy of Needs 474 [The ERG Theory 47

The Two-Pactor Theory ASS and an advancementary

Discussion Questions 496

Chapter 20: Managing Leadership and Influence Processes

### Management in Action: When to Stand on Your Head and Other Tips from the Top 500

The Nature of Leadership 502

The Meaning of Leadership 502

Leadership and Management 502

Leadership and Power 502

Legitimate Power 502 | Reward Power 503 | Coercive Power 503 | Referent Power 503 | Expert Power 504 | Using Power 504 Kinds of Reinforcement in Organia

## Generic Approaches to Leadership 505 157 spiblyors

Leadership Traits 505 150 telephone Rendership Traits

Leadership Behaviors 505 part of shoots with religion

Michigan Studies 505 | Ohio State Studies 506 | Managerial Grid 506 Areas of Participation 486 | Te

## Situational Approaches to Leadership 508

LPC Theory 508 manual Avork of the anti-

Favorableness of the Situation 509 | Favorableness and Leader Style 509 | Flexibility of Leader Style 509

Path-Goal Theory 510

Leader Behavior 510 | Situational Factors 511

Vroom's Decision Tree Approach 512 2 DISWSA DINE

Basic Premises 512 | Decision-Making Styles 514 | Evaluation and Implications 514

## THE MORE THINGS CHANGE: Tips for Tough Times 513

The Leader-Member Exchange Approach 514

Related Approaches to Leadership 515

Substitutes for Leadership 515

Charismatic Leadership 516

Transformational Leadership 516

Emerging Approaches to Leadership 15171 bas asouth A Strategic Leadership 517 Cross-Cultural Leadership 518

A WORLD OF DIFFERENCE: Getting on Board with Diversity + 519 official of the book has been Affect and Mood in Diversity Ethical Leadership 518

Political Behavior in Organizations 520 1149 1911 1184 Common Political Behaviors 520 Impression Management 521 additife but notige 2184 Managing Political Behavior 521

Summary of Learning Objectives and Key Points 522

Discussion Questions 523

Chapter 21: Managing Interpersonal

Relations and Communication 525 Background Experiences and Creativity 460 | Pe

A WORLD ORDER RESIDENTAL BOSS, SHOW A

### Management in Action: The Converse of In-Person Communication 526

The Interpersonal Nature of Organizations 528 Interpersonal Dynamics 529 Outcomes of Interpersonal Behaviors 530

Communication and the Manager's Job 530 A Definition of Communication 530 The Role of Communication in Management 531 The Communication Process 532

Forms of Communication in Organizations 533 Interpersonal Communication 533

Oral Communication 533 | Written Communication 533 | Choosing the Right Form 534

#### **TECHNICALLY SPEAKING: The Medical Uses of Viral** Discussion Ouestions A466 tourise() leads E-Mail 535

Communication in Networks and Work Teams 536 Organizational Communication 536

Vertical Communication 537 | Horizontal Communication 537 [112] DIRECTION 12 1 THE STATE OF THE S

Electronic Communication 538

Formal Information Systems 538 | Personal Electronic Technology 538 H BOY SIA THOITDA III THOMODEREM or Productively Happy? 470

THE MORE THINGS CHANGE: The
Brutally-Honest-Opinion Business 539

Informal Communication in Organizations 540
The Grapevine 541
Management by Wandering Around 541
Nonverbal Communication 542

Managing Organizational Communication 543
Barriers to Communication 543
Individual Barriers 543 | Organizational Barriers 544
Improving Communication Effectiveness 545
Individual Skills 545 | Organizational Skills 546

Summary of Learning Objectives and Key Points 547

Discussion Questions 548

Chapter 22: Managing Work Groups and Teams

551

Management in Action: On the One Hand (Or Maybe on the Other Hand) 552

Groups and Teams in Organizations 554

Types of Groups and Teams 554

Functional Groups 554 | Informal or Interest Groups 554 |

Task Groups 555

Why People Join Groups and Teams 556

TECHNICALLY SPEAKING: What to Do When the Surgeon Asks for a Joystick 557

Interpersonal Attraction 558 | Group Activities 558 | Group Goals 558 | Need Satisfaction 558 | Instrumental Benefits 558
Stages of Group and Team Development 559

Characteristics of Groups and Teams 560 Role Structures 560

Role Ambiguity 561 | Role Conflict 561 | Role Overload 561

Behavioral Norms 562

Norm Generalization 562 | Norm Variation 563 | Norm Conformity 563

Cohesiveness 563

Factors That Increase Cohesiveness 563 | Factors That Reduce Cohesiveness 564 | Consequences of Cohesiveness 564

Formal and Informal Leadership 565

Interpersonal and Intergroup Conflict 566
The Nature of Conflict 566
Causes of Conflict 566

Interpersonal Conflict 567 | Intergroup Conflict 569 | Conflict Between Organization and Environment 569

THE MORE THINGS CHANGE: Whistle-Blowing in the Dark 568

Managing Conflict in Organizations 570
Stimulating Conflict 570
Controlling Conflict 571
Resolving and Eliminating Conflict 572

Negotiation 572

Summary of Learning Objectives and Key Points 574

Discussion Questions 574

**Building Effective Skills** 577

Management at Work 607

You Make the Call 641

Notes 649

Name Index 671

Organization and Product Index 675

Subject Index 681