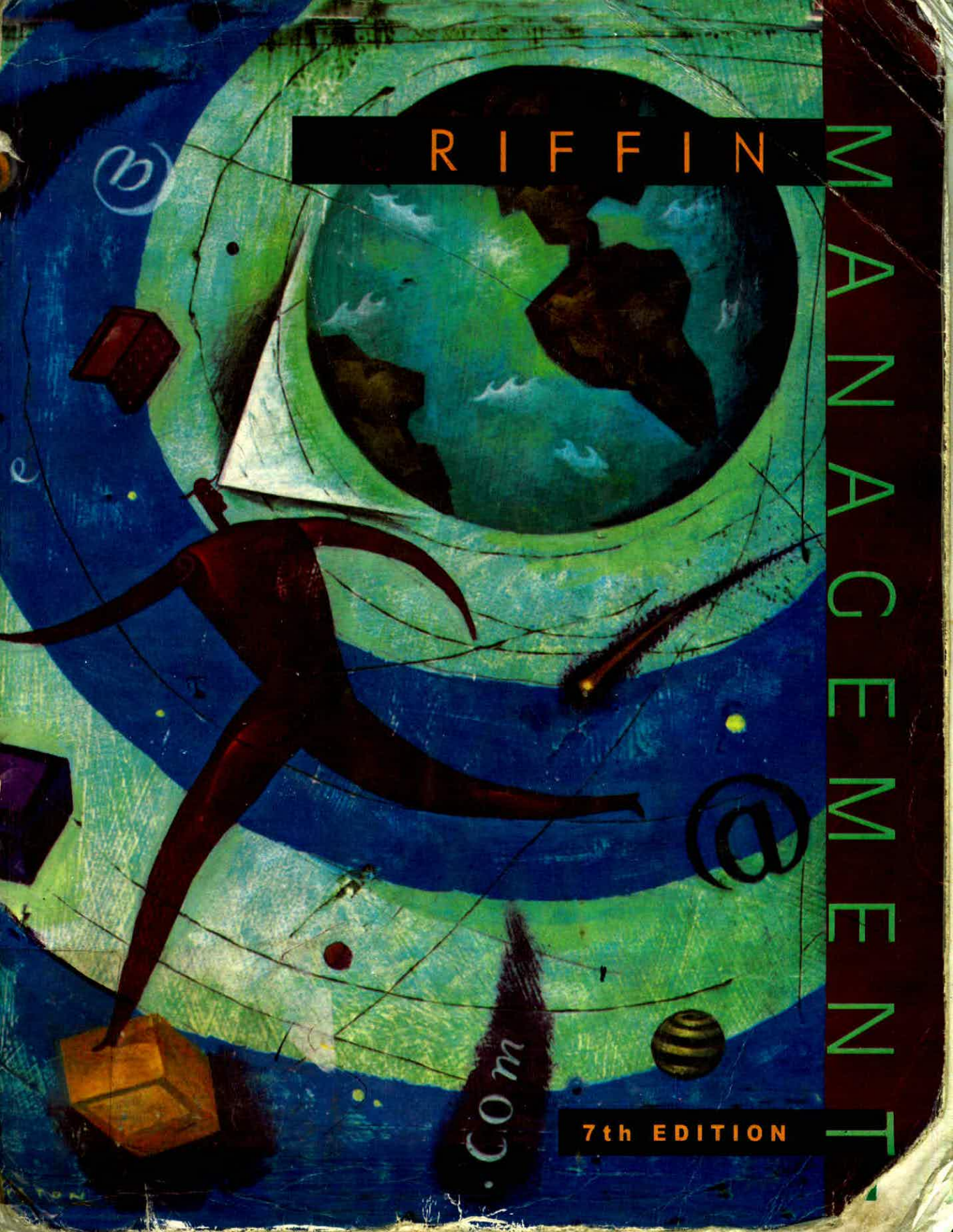


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7th EDITION

Management

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Ricky W. Griffin
Texas A & M University



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Management

Ricky W. Griffin

Texas A & M University

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*As always, this is for Glenda—my constant source
of inspiration and the singularity of my life.*

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Preface

Since the publication of its first edition in 1984, almost a million students have used *Management* in preparation for their careers in business. *Management* continues to be used in hundreds of universities, graduate programs, community colleges, and management development programs throughout the world. Indeed, the last edition of the book was used in over forty countries and translated into several foreign languages.

In this edition, I retained all the elements that have contributed to the book's success in the past while also taking a clear look toward the future—the future of business, of management, and of textbooks.

Writing a survey book poses a number of challenges. First, because it is a survey, it has to be comprehensive. Second, it has to be accurate and objective. Third, because management is a real activity, the book has to be relevant. Fourth, it has to be timely and up-to-date. And fifth, it needs to be as interesting and as engaging as possible. Feedback on previous editions of my text has always suggested that I have done an effective job of meeting these goals. In this edition, I think these goals have been met even more effectively.

I believe that previous users of *Management* will be pleased with how we retained the essential ingredients of a comprehensive management textbook while adding a variety of new elements and perspectives. I also believe that those new to this edition will be drawn to the solid foundations of management theory and practice, combined with new and exciting material.

Improvements in the Seventh Edition

The seventh edition of *Management* is a significant revision of the earlier work. Rather than simply adding the “hot topics” of the moment, I continued to thoroughly revise this book with the long-term view in mind. There are significant revisions of key chapters; an increased emphasis on the service sector, ethics, global management, and information technology; and a more integrated organization of chapters. These changes reflect what I, together with reviewers and employers, believe students will need to know as they enter a brand new world of management. In addition, several new pedagogical features such as “Managing in an E-business World” will also prove to be invaluable.

Integrated Coverage

Many books, including early editions of this text, set certain material off from the rest of the text. A separate section is often created at the end of the book called “emerging trends,” “special challenges,” or something similar. New and emerging topics, along with other material that doesn't easily fit anywhere else, are covered in that section. Unfortunately, by setting those topics apart in this way, the material often gets ignored or receives low-priority treatment.

I have chosen, however, to eliminate this material as a separate section. I decided that if this material was really worth having in the book at all, it needed to be fully integrated with the core material. Thus, all material has been integrated throughout the text in order to provide a more unified coverage of the entire field of management. This organization also helps to streamline the book's overall organization into six parsimonious and symmetrical parts. Because reviewers and students responded so favorably to this approach, it has been retained in the seventh edition. Further, more cross-referencing strengthens the integrated coverage throughout the text.

Improved Chapter Organization

This integrated approach to management also results in very effective chapter organization. Part One introduces the field of management, while Part Two focuses on the environment of management. The remaining four parts cover the basic managerial functions of planning and decision making, organizing, leading, and controlling.

New Material for a Brand New World of Management

A variety of topics are new to this edition, and coverage of other areas has been increased. In addition, new research and new examples have been integrated throughout the book. A few of the highlights are noted below:

Chapter 1, Managing and the Manager's Job An expanded managerial skills framework incorporates technical, interpersonal, conceptual, diagnostic, communication, decision-making, and time management skills.

Chapter 2, Traditional and Contemporary Issues and Challenges An expanded discussion of contemporary applied perspectives introduces the work of Senge, Covey, Peters, Porter, Kotter, and Adams. The section on contemporary management challenges was revamped. It introduces today's labor shortages, diversity, demography, change, technology, alternative models of organization, globalization, ethics and social responsibility, quality, and the service economy.

Chapter 4, The Ethical and Social Environment The section on individual ethics has been streamlined. New coverage of triggers for unethical behavior has been added. A new model for assessing ethical decisions was also added. A discussion of organizational constituents was reframed to reflect contemporary models of organizational stakeholders. And new terminology used to describe different approaches to social responsibility is now included.

Chapter 5, The Global Environment The discussion of developing economies was revised and recast as high potential/high growth economies. All data and statistics were updated. Coverage of cultural issues in international business was expanded.

Chapter 6, The Cultural and Multicultural Environment All data, statistics, and trends were updated.

Chapter 10, Managing New Venture Formation and Entrepreneurship Coverage of entrepreneurship and international management was expanded.

Chapter 12, Managing Organization Design Coverage of the team organization, the virtual organization, and the learning organization is included.

Chapter 14, Managing Human Resources In Organizations Coverage of change and human resource management was revamped. There is new coverage of the ADA and issues in managing high-skill workers.

Chapter 15, Basic Elements of Individual Behavior In Organizations Coverage of the “big five” model of personality is included. New coverage of affect and mood in organizations was added, as well as individual creativity in organizations.

Chapter 16, Managing Employee Motivation and Performance Coverage of the goal-setting theory of motivation is included. Coverage of new forms of working arrangements is also included.

Chapter 17, Managing Leadership and Influence Processes Coverage of impression management was added. There is also new coverage of the latest version of Vroom’s decision-making model.

Chapter 18, Managing Interpersonal Relations and Communication Coverage of communication in teams was revised and reframed. Coverage of electronic communication is now included.

Chapter 21, Managing Operations, Quality, and Productivity The organization was improved by using operations management as a framework for introducing quality and productivity.

Chapter 22, Managing Information and Information Technology This chapter has been thoroughly revised, including new and expanded coverage of the Internet and corporate intranets.

In addition to these content revisions and additions, all in-text examples have been carefully reviewed and most have been replaced and/or updated.

Features of the Book

Basic Themes

Several key themes are prominent in this edition of *Management*. One theme is the global character of the field of management. It is reinforced throughout the book by examples and cases. Another key theme is information technology. While information technology is covered in detail in Chapter 22, it is also highlighted in boxed inserts in other chapters and is integrated into the text itself throughout the book. Still another theme is the balance of theory and practice. Managers need to have a sound basis for their decisions, but the theories that provide that basis must be grounded in reality. Throughout the book I explain the theoretical frameworks

that guide managerial activities, and then I provide illustrations and examples of how and when those theories do and do not work. A fourth theme is that management is a generic activity not confined to large businesses. I use examples and discuss management in both small and large businesses as well as in not-for-profit organizations.

A Pedagogical System That Works

The pedagogical elements built into *Management*, Seventh Edition, continue to be effective learning and teaching aids for students and instructors.

- *Learning objectives and a chapter outline* serve to preview key themes at the start of every chapter as in the previous edition. *Key terms and concepts* are highlighted in boldface type, and many terms are defined in the margin next to where they are discussed. Effective *figures, tables, and photographs* with their own detailed captions help bring the material to life.
- Another exciting feature is called *Management Implications*. Each major section in every chapter concludes with a highlighted paragraph that clearly and succinctly reminds the reader of the specific application value of the preceding discussion.
- Three kinds of questions are found at the end of every chapter, designed to test different levels of student understanding. *Questions for Review* ask students to recall specific information; *Questions for Analysis* ask students to integrate and synthesize material; and *Questions for Application* ask students to apply what they've learned to their own experiences.
- Each chapter also concludes with three useful *skill-development exercises*. These exercises give students insights into how they approach various management situations and how they can work to improve their management skills in the future. The exercises are derived from the overall managerial skills framework developed in Chapter 1.

Applications That Keep Students Engaged

To fully appreciate the role and scope of management in contemporary society, it is important to see examples and illustrations of how concepts apply in the real world. I rely heavily on fully researched examples to illustrate real-world applications. They vary in length, and all were carefully reviewed for their timeliness. To give the broadest view possible, I vary examples of traditional management roles with nontraditional roles; profit-seeking businesses with nonprofits; large corporations with small businesses; manufacturers with services; and international examples with U.S. examples. Other applications include:

- *Opening incidents at the beginning of every chapter*. These brief vignettes draw the student into the chapter with a real-world scenario that introduces a particular management theme. Most opening incidents were revised for this edition.

- Each chapter also includes three or four boxed features. These boxes are intended to briefly depart from the flow of the chapter to highlight or extend especially interesting or emerging points and issues. Altogether there are five different featured boxes represented throughout the text:

“Managing in an E-business World”
(the increasing role of E-commerce)

“Management InfoTech”
(new technology and its role in management)

“Today’s Management Issues”
(current controversies, challenges, and dilemmas facing managers)

“Working with Diversity”
(the role of diversity in organizations)

“The World of Management”
(global issues in management)

- *End-of-chapter cases.* Each chapter concludes with a detailed case study. Virtually all the cases in the seventh edition are new and have been especially written for this book.

An Effective Teaching and Learning Package

- *Instructor’s Resource Manual* (Margaret Hill, Texas A&M University). This resource includes suggested class schedules and detailed teaching notes for every chapter. These notes include chapter summaries; learning objectives; detailed chapter lecture outlines, including opening incident summaries, highlighted key terms, teaching tips, group exercise ideas, and references to the transparencies; responses to review, analysis, and case questions; and information to help facilitate the skills development exercises. Teaching guides to accompany the video cases are also included.
- *Test Bank* (Betty M. Pritchett and Thomas K. Pritchett, Kennesaw State University). Well over 4,000 test items have been carefully and substantially revised for the seventh edition. The *Test Bank* includes true/false, multiple-choice, completion, matching, and essay questions. Each type of question is identified as a definition or fact (DEF), a concept or term relating to real-life incidences (APP), or a denotative understanding of a term or concept (COMP).
- *HMTesting.* This electronic version of the printed *Test Bank* allows instructors to generate and change tests easily. The program includes an on-line testing

feature by which instructors can administer tests via their local area network or over the Web. It also has a gradebook feature that lets users set up classes, record and track grades from tests or assignments, analyze grades, and produce class and individual statistics.

- *HM ClassPrep™ CD-ROM* is designed to assist the instructor with in-class lectures. The CD includes Lecture Outlines, Chapter Outlines, Learning Objectives, PowerPoint slides, including text art, and the Student CD's Knowledgebank.
- *Color Transparencies*. There are 130 full-color transparencies that illustrate every major topic in the text. The package consists of several key figures from the book as well as new materials that can be used to enrich classroom discussions. Four types of transparencies are included. *Chapter Text* transparencies reproduce key chapter figures. *Chapter Enrichment* transparencies provide images not in the text that will enhance chapter material. *Text Transition* transparencies introduce material in each of the six parts. *Supplemental Resource* transparencies provide general information that can be used when and as the instructor chooses.
- *Video Package*. An expanded, professionally developed video case collection is available with the Seventh Edition, and supplementary video case material can be found in the Instructor's Resource Manual. These videos explore various aspects of the management process.
- *Blackboard Course Cartridges*. This online course allows flexible, efficient, and creative ways to present learning materials and opportunities. In addition to course management benefits, instructors may make use of an electronic grade book, receive papers from students enrolled in the course via the Internet, and track student use of the communication and collaboration functions.
- *WebCT e-Packs*. This on-line course provides instructors with a flexible, Internet-based education platform. These Internet-based e-Packs provide multiple ways to present learning materials. The WebCT e-Packs come with a full array of features to enrich the on-line learning experience.
- *Web Site*. This site offers valuable information for both students and instructors. For students, the site includes ACE, management skills assessments, ready notes, flash cards, term paper help, related web resources, learning objectives, outlines, and company links. For instructors, PowerPoint slides, lecture outlines, and the instructor resources for Exercises in Management are available.
- *Study Guide* (Joseph Thomas, Middle Tennessee State University). The *Study Guide* has been revised to optimize student comprehension of definitions, concepts, and relationships presented in the text. Each chapter contains an expanded chapter outline to facilitate note taking, multiple-choice and true/false questions, and targeted questions that ask students to integrate material from lectures and the text. Annotated answers appear at the end of the *Study Guide*.
- *Student CD-ROM*. This CD has been carefully tailored to supplement and enhance the content of the text. The Knowledgebank, a feature new to the Seventh Edition, offers more information about various topics in the text. It can be

used to gain additional management knowledge or for a research project, and it can be found only on the Student CD. In addition, the CD also includes Chapter Outlines, Company Web Links, a Glossary, Learning Objectives, Ready Notes, Self-Assessment exercises, and Chapter Summaries.

- *Real Deal Upgrade CD-ROM*. This CD will replace the Student CD in December 2001. It will contain the material found on the Student CD, as well as additional Knowledgebank information and selected videos.
- *Exercises in Management*. This student manual provides experiential exercises for every chapter. The overall purpose of each exercise is given, along with the time required for each step, the materials needed, the procedure to be followed, and questions for discussion.
- *Manager: A Simulation*, Third Edition. This business simulation, developed by the successful team of Jerald R. Smith and Peggy Golden (Florida Atlantic University), allows student players to make business decisions through simulated real-world experiences. It presents cross-functional decisions about the operation of an organization in the home stereo industry. Acting as management teams, students encounter many factors as they tackle each phase of the business. Ongoing decisions include areas of pricing, advertising, quality control, cash flow, market research, and inventory management. Support materials are provided for instructors.
- *The Ultimate Job Hunter's Guidebook*, Third Edition. This practical, how-to handbook by Susan Greene (Greene Marketing and Advertising) and Melanie Martel (New Hampshire Technical Institute) is a concise manual containing abundant examples, practical advice, and exercises related to each of the job hunter's major tasks: conducting self-assessment, preparing résumés and cover letters, targeting potential employers, obtaining letters of recommendation, filling out job applications, interviewing, and starting a new job. The guide also covers current topics of interest such as online job hunting, handling rejection, networking, evaluating job offers, negotiating salary, and looking ahead to future opportunities. It also includes numerous success stories to inspire students.

I would also like to invite your feedback on this book. If you have any questions, suggestions, or issues to discuss, please feel free to contact me. The most efficient way to reach me is through e-mail. My address is rgriffin@tamu.edu.

R.W.G.

Acknowledgments

I am frequently asked by my colleagues why I write textbooks, and my answer is always, "Because I enjoy it." I've never enjoyed writing a book more than this one. For me, writing a textbook is a challenging and stimulating activity that brings with it a variety of rewards. My greatest reward continues to be the feedback I get from students and instructors about how much they like this book.

I owe an enormous debt to many different people for helping me create *Management*. My colleagues at Texas A&M have helped create a wonderful academic climate. The rich and varied culture at Texas A&M makes it a pleasure to go to the office every day. My assistant, Phyllis Washburn, deserves special recognition for putting up with me and making me look good.

The fine team of professionals at Houghton Mifflin has also been instrumental in the success of this book. Sponsoring editor George Hoffman and associate editor Damaris Curran each had a major role in the development and creation of this edition of *Management*. Fred Burns and Marcy Kagan were also instrumental in the production of this edition.

Many reviewers have played a critical role in the evolution of this project. They reviewed my work with a critical eye and in detail. I would like to tip my hat to the following reviewers, whose imprint can be found throughout this text:

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