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(第十三版)

THIRTEENTH EDITION

管理学

M

ANAGEMENT

A GLOBAL AND ENTREPRENEURIAL

——全球化与创业视角

海因茨·韦里克

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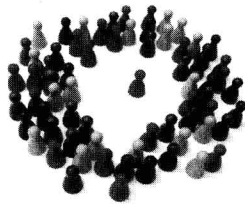
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Management

A Global and Entrepreneurial Perspective

Thirteenth Edition

作者简介

海因茨·韦里克（Heinz Weihrich）是旧金山大学全球管理和行为科学退休教授。他在加利福尼亚州大学洛杉矶分校（UCLA）获得博士学位，并荣获秘鲁圣玛丁大学名誉博士学位，分别在加利福尼亚州大学伯克利分校、哈佛商学院和韩国高级科技学院（KAIST）商学院做过访问学者。他的研究领域包括管理、国际管理和行为科学。韦里克教授先后在亚利桑那州立大学、加利福尼亚州大学洛杉矶分校以及在奥地利、中国(北京和上海)、埃及、法国、德国、中国香港、牙买加、科威特、马来西亚、墨西哥、新加坡、韩国、瑞士、中国台湾和泰国等国家及地区任教。同时，他还是瑞士苏黎世管理研究生院和中国上海中欧国际工商学院（CEIBS）的教授。此外，他还是北京大学、上海华东科技大学（ECUST）和德国路德维希港应用科学大学的兼职教授。

韦里克教授出版了包括各个不同版本和译文版在内的90多本书籍，是经典之作《管理学——全球化视角》（已故的哈罗德·孔茨和西里尔·奥多奈尔为此书的合作著者，目前已经翻译成了不同版本的16国文字）、《管理学——全球化与创业视角》和《管理学精要》（同样译成了不同版本）的合作著者。多年来，《管理学》一直是世界市场上的畅销书，其西班牙语版本在过去25年中一直位居最畅销书榜首。他的另一本专门探讨目标驱动和成功导向管理系统、名为《管理卓越：通过目标管理提高生产率》的专著，已经被翻译成了中文、德文、希腊文、意大利文、日文和西班牙文。韦里克教授在美国和海外以多种语言在各类期刊上发表了140多篇论文，这些期刊包括《人力资源计划》、《系统管理期刊》、《国际管理评论》、《长期规划》、《行政学院管理》和《欧洲商业评论》（他的其中一篇《用TOWS矩阵分析德国竞争优势——波特模型的选择方案》论文于1999年被评选为当年最佳论文奖）。他目前的研究领域包括如何提高企业和国家的全球竞争力、战略管理、管理卓越和全球化领导。

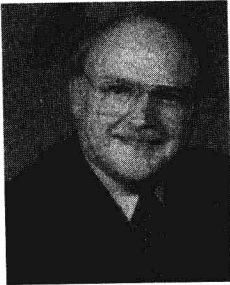
除了从事学术研究外，韦里克博士在美国、欧洲、非洲和亚洲各国积极参与了管理咨询和高层管理人员以及组织发展工作。他所从事的管理咨询、企业管理以及教学工作涉及许多公司，包括伊斯曼—柯达公司、大众汽车公司、通用汽车公司（英国）、休斯飞机制造公司、ABB（瑞士）、德国梅赛德斯—奔驰汽车公司、中国华润（集团）有限公司、广东企业（中国）以及马来西亚企业研究院（马来西亚）。他多次在美国、欧洲、亚洲和墨西哥等地进行管理学术演讲。此外，他还被推选为国际管理学院院士，这是国际管理学界所授予的最高荣誉。韦里克博士被列入以下名人录：《国际企业家名人录》、《成功人士录》、《国际人物传记词典》、《国际成功人士录》、《加州名人录》、《美国教育名人录》、《西方侯爵名人录》、《美国名人录》、《世界名人录》和《世界五千名人录》。有关他的更多传记信息刊登在他的互联网网页上：www.usfca.edu/fac-staff/weihrichh。

马克·V·坎尼斯(Mark V. Cannice)博士是创业和风险资本领域国际著名学者、教师和代言人。他现任旧金山大学商学院创业和创新学教授,以其杰出的研究、教学和服务久负盛名。他也是旧金山大学创业项目(为全美领先的创业学项目之一)的创始人和执行主任。坎尼斯教授是发行量很大的季刊《硅谷风险资本家信心指数报告》的撰稿人,该刊物由ProQuest数据库出版,经彭博财经服务网(彭博股票代码:USFSVCCI)在全球125个国家和地区转载,并被《经济学家》、《华尔街日报》、《纽约时报》、新华社、路透社、《明镜周刊》(Der Spiegel)、消费者新闻与商业频道(CNBC)、全国公共广播网(National Public Radio)以及许多其他媒体广泛引用。此外,他还创办了一个类似的、有关中国风险资本产业的季刊,即《中国风险资本家信心指数报告》(彭博股票代码为:CVCCI)。坎尼斯教授在许多核心学术和专业期刊上发表了其风险资本和技术管理研究成果,这些刊物包括《管理国际周刊》、《高科技管理研究专刊》、《风险资本:创业融资国际专刊》以及《小企业和企业家杂志》等。

坎尼斯教授给许多亚洲、非洲、欧洲和拉丁美洲政府部门和大学进行过创业教育咨询和授课,给许多首席执行官、首席技术主管、律师、私募管理人员做过主旨报告,给无数的创新企业做过顾问。他还分别在中国的两所顶级大学,即香港科技大学(2006年)和北京大学(2005年)做过访问教授。他在旧金山大学和香港科技大学创建和领导了著名的国际企业规划竞赛。他还组建了自己的国际贸易公司——“太平洋商业开发公司”。他曾在美国海军服役九年,任海军航空飞行官,曾荣升为统辖太平洋地区的巡航任务司令官,后被晋聘为美国海军预备役部队司令官。他在美国海军学院(安纳波利斯)获得学士学位,在旧金山大学获得工商管理硕士(MBA)学位,在印地安那大学凯利商学院获得工学硕士和博士学位。

已故的**哈罗德·孔茨**(Harold Koontz)担任过企业和政府的高级管理人员、大学教授、公司董事长和董事、管理顾问,曾多次为世界各地的高层管理人员举办管理学讲座,同时他还是许多专著和论文的作者。从1950年起,孔茨任加利福尼亚大学洛杉矶分校的管理学教授;从1962年开始担任该校的米德·约翰逊管理学讲座教授;1978~1982年间,担任国际管理科学院院长。他独自完成和合著了19本书及90多篇论文,其中包括本书,当时书名为《管理学原理》。他的《董事会和有效管理》一书于1968年获“管理科学院图书奖”。获耶鲁大学博士学位后,孔茨博士曾先后担任纽黑文铁路管理委员会的助理、战时生产委员会运输部主任、美国铁路联合会副会长助理,跨世界航空公司总裁助理和康佛尔公司销售部经理。他还在许多公司担任过管理顾问,包括休斯车床制造公司、休斯飞机制造公司、普里克斯公司、荷兰KLM皇家航空公司、大都会人寿保险公司、西方石油公司和通用电话公司。孔茨教授曾获以下殊荣:当选为美国管理科学院和国际管理科学院院士;并担任一届管理科学院院长;1962年获米德·约翰逊奖;1974年获管理发展协会的泰勒·凯奖。此外,他被收入《美国名人录》、《金融和产业界名人录》和《世界名人录》。他于1984年逝世。

About the Authors



Heinz Weihrich is Professor Emeritus of Global Management and Behavioral Science at the University of San Francisco (USF). He received his doctorate from the University of California at Los Angeles (UCLA) and an honorable doctorate from San Martin University in Peru. He was a visiting scholar at the University of California in Berkeley, the Harvard Business School, and the KAIST (Korea Advanced Institute of Science and Technology) Business School in Seoul. His fields of work are management, international management, and behavioral science. Prof. Weihrich has taught at Arizona State University, UCLA, and in countries and regions such as Austria, China (Beijing and Shanghai), Egypt, France, Germany, China Hong Kong, Jamaica, Kuwait, Malaysia, Mexico, Singapore, South Korea, Switzerland, China Taiwan, and Thailand. He has also been a faculty member at the Graduate School of Business in Zurich, Switzerland and at the China European International Business School (CEIBS) in Shanghai, China. He is a visiting professor at Peking University in Beijing, the East China University of Science and Technology (ECUST) in Shanghai, and the University of Applied Science in Ludwigshafen, Germany.

He has authored more than 90 books, including its various editions and translations, and is the co-author of the classic *Management: A Global Perspective*, formerly co-authored by the late Horold Koontz and the late Cyril O'Donnell (translated into 16 languages in its various editions), *Management: A Global and Entrepreneurial Perspective*, and *Essentials of Management* (also in several language editions). The book *Management* has been the best-seller around the world for many years and has been the best-seller in the Spanish-language edition for more than 25 years. Another book, *Management Excellence—Productivity Through MBO*, discusses a goal-driven, success-oriented management system. The book has been translated into Chinese, German, Greek, Italian, Japanese, and Spanish languages. Over 140 of his articles have been published in the United States and overseas in several languages in journals such as *Human Resource Planning*, *Journal of Systems Management*, *Management International Review*, *Long Range Planning*, *The Academy of Management Executive*, and the *European Business Review* ("Analyzing the Competitive Advantages and Disadvantages of Germany with the TOWS Matrix—an Alternative to Porter's Model" was selected as the most outstanding paper in 1999). His current research interests are in improving the global competitiveness of enterprises and nations, strategic management, managerial excellence, and career strategy.

In addition to pursuing his academic interests, Dr Weihrich has been active in management consulting as well as in management and organizational development in the United States, Europe, Africa, and Asia. His consulting, business and teaching

experiences include working with companies such as Eastman Kodak, Volkswagen, Hughes Aircraft, ABB (Switzerland), Mercedes-Benz, China Resources Co., Guangdong Enterprises (China), and the Institute Pembangunan Keusahawanan (Malaysia). He has given many speeches on global management topics in the United States, Europe, Asia, Mexico, and Peru. He has been elected as a Fellow of the International Academy of Management, the highest honor conferred by the international management movement. For more biographical information on this author see *International Businessmen's Who's Who, Men of Achievement, Dictionary of International Biography, International Leaders in Achievement, Who's Who in California, Who's Who in American Education, Marquis' Who's Who in the West, Who's Who in America, Who's Who in the World, Five Thousand Personalities of the World*, and his web site at <http://www.usfca.edu/facstaff/weibrichh/>



Mark V. Cannice, Ph.D. is an internationally recognized scholar, teacher, and speaker on entrepreneurship and venture capital. He is a Professor of Entrepreneurship and Innovation with the University of San Francisco School of Business and Professional Studies, where he has been recognized for outstanding research, teaching, and service. He is also the Founder and Executive Director of the USF Entrepreneurship Program (recognized among the nation's leading entrepreneurship programs). Prof. Cannice writes the widely-followed quarterly *Silicon Valley Venture Capitalist Confidence Index Report®* which is published by ProQuest, carried globally on Bloomberg Professional Services in 125 countries and regions (Bloomberg ticker symbol: USFSVVC), and has been referenced in the *Economist*, *Wall Street Journal*, *New York Times*, *Xinhua News Service*, *Reuters*, *Der Spiegel*, CNBC, National Public Radio, and many other media. He writes a similar quarterly report on the Chinese venture capital industry, *China Venture Capitalist Confidence Index Report™* (Bloomberg ticker symbol: CVCCI). Professor Cannice's research in venture capital and technology management has been published in many leading academic journals (e.g. *Management International Review*, *Journal of High Technology Management Research*, *Venture Capital: An International Journal of Entrepreneurial Finance*, *Journal of Small Business and Entrepreneurship*, etc.)

Prof. Cannice has advised and lectured governmental organizations and universities from Asia, Africa, Europe, and Latin America on entrepreneurial education, given keynote address to CEO/CTO, attorney, and private equity manager audiences, and advised numerous start-up ventures. He has been a Visiting Professor at the Hong Kong University of Science and Technology (2006) and Peking University (2005)—China's top two universities. He founded and directed the prestigious international business plan competitions at the University of San Francisco and the Hong Kong University of Science and Technology. He also founded his own company, Pacific Business Development, Inc., an international trading firm. He also served nine years as a Naval Flight Officer in the U.S. Navy—most notably as a Patrol Plane Mission Commander throughout the Pacific, and was promoted to Commander in the U.S. Naval Reserves. He holds a Ph.D. and M.S. from Indiana University Kelley School of Business, an MBA from USF, and a B.S. from the United States Naval Academy (Annapolis).



Harold Koontz was active as a business and government executive, university professor, company board chairman and director, management consultant, lecturer to the top management of organizations worldwide, and an author. From 1950 he was Professor of Management and from 1962 Mead Johnson Professor of Management at UCLA; from 1978 to 1982 he was World Chancellor at the International Academy of Management. He was the author or coauthor of 19 books and 90 journal articles, including this book, which was originally called *Principles of Management*. His *Board of Directors and Effective Management* was given the Academy of Management Book Award in 1968. After his doctorate at Yale, Dr Koontz served as Assistant to the Trustees of the New Haven Railroad, Chief of the Traffic Branch of the War Production Board, Assistant to the Vice-President of the Association of American Railroads, Assistant to the President of Trans World Airlines, and Director of Sales for Convair. He acted as management consultant for, among others, Hughes Tool Company, Hughes Aircraft Company, Purex Corporation, KLM Royal Dutch Airlines, Metropolitan Life Insurance Company, Occidental Petroleum Corporation, and General Telephone Company. Professor Koontz's honors included election as a Fellow of the American Academy of Management and the International Academy of Management and a term of service as President of the former. He received the Mead Johnson Award in 1962 and the Society for Advancement of Management Taylor Key Award in 1974 and is listed in *Who's Who in America*, *Who's Who in Finance and Industry*, and *Who's Who in the World*. He passed away in 1984.

*In memory of Harold Koontz
A pioneer in management education
who
“untangled the management theory jungle”
by organizing managerial knowledge
according to the management functions,
the framework used in
today’s popular textbooks.*

To my wife Ursula

Heinz Weihrich

To my family

Mark Cannice

Preface

The objective of this book is to prepare men and women for an exciting, challenging, and rewarding managerial career.

For many years, previous editions of this book have been bestsellers globally. The Latin American editions have been bestsellers in the Spanish-speaking world for more than a decade. This book has had an international orientation long before it became fashionable to do so. The 13th edition builds on that tradition, but it not only adds much new information pertinent to the 21st century, but also includes the very important topic of entrepreneurship. The entrepreneurial viewpoint is integrated throughout the book.

As the title, *Management: A Global and Entrepreneurial Perspective*, indicates, the book takes an international view of managing. At the same time, we realize that it is an entrepreneurial spirit that drives much organizational and personal success. Through our research, travels, and teaching in many countries, we have learned from students, managers, and professors and listened to their challenges. Consequently, they have responded by using this book, which has been translated into 16 languages. The international perspective is essential because national barriers are crumbling and new alliances among companies and peoples are being formed. In this edition, as in previous ones, we have drawn from our business experiences and integrate theory with practice. We also now highlight the Silicon Valley entrepreneurial perspective in this text. Through our experience of working with many leaders in the entrepreneurial eco-system of Silicon Valley, we strive to include an innovative perspective to the practice of management not found in other management texts. Beyond the discussion of managerial issues in the Americas, attention is given to topics in the European Union and Asia, regions that are sometimes neglected in other management textbooks.

■ WHO WILL BENEFIT FROM THIS BOOK?

All persons who work in organizations and entrepreneurs will benefit from learning about contemporary managing. They include students in colleges and universities—who will one day join organizations—aspiring managers, managers who want to become more effective, other professionals who want to understand the organization in which they work, and entrepreneurs who need to learn how to plan new businesses and communicate their competitive edge to investors. This book is for people in all kinds of organizations, such as governments, health-care providers, educational institutions, and other not-for-profit enterprises.

The managerial functions are essentially the same for first-line supervisors, middle managers, and top executives. To be sure, there are considerable variations in the environment, scope of authority, and types of problems in the various positions. Yet all managers undertake the same basic functions to obtain results by establishing an environment for effective and efficient performance of individuals working together in groups.

■ ORGANIZATION OF THE BOOK

As in previous editions, managerial knowledge is classified according to the functions of planning, organizing, staffing, leading, and controlling. A systems model, used throughout the book, integrates

these functions into a system; it also links the enterprise with its environment. The suggested open systems view is even more important now than in the past, as the external environment has become more challenging through internationalization and more open to communication over the Internet.

Part 1 covers the basis of global management theory and practice; it also introduces the systems model that serves as the framework of this book. To provide the perspective of the book, Part 1 includes chapters on management and its relations to the external environment, social responsibility, and ethics. Moreover, to emphasize the international orientation, it also includes a chapter on global, comparative, and quality management. Parts 2 through 6 discuss the managerial functions of planning, organizing, staffing, leading, and controlling. The relevant principles, or guides, for each function are summarized in Appendix A at the end of the book.

The entrepreneurial and international perspectives of managing are emphasized upon in each of the part's closing section. Specifically, the closings for Parts 1 to 6 have an international and entrepreneurial focus section that gives special attention to important issues such as China as a new economic power and the entrepreneurial environment of Silicon Valley. To exemplify the global competitiveness of automobile companies, a global car industry case is presented in each part closing, and to assist new entrepreneurs, we include a business plan outline in the format expected by business professionals in Silicon Valley.

■ REVISION WORK IN THIS EDITION

While material that was well received over the years has been retained, much new information has been added. For example, this edition builds on the strong characteristics of previous editions, such as breadth, depth, the use of examples, and cases; at the same time, many modern ideas, techniques, and features have been added, especially those providing an Asian perspective of managing. The discussion and application of entrepreneurship is carried on throughout the book — not just added to it.

In revising this book, we have responded to three major influences. One is the valuable feedback from teachers, scholars, and students in the United States and abroad who have used past editions of this book at various levels of academic and practical management education in a wide variety of universities and enterprises. Another major influence to which we have responded is the great volume of research, new ideas, and advanced techniques, especially those being applied to management from the behavioral, social, and physical sciences as well as information technology. The final influence on the new edition has come from entrepreneurs, venture capitalists, and attorneys who generously shared their experiences.

The emphasis is on managerial practice based on sound theory. Although not all changes can be mentioned here, certain revision work should be pointed out. All chapters have been updated with current international and entrepreneurial perspectives on management. New interviews with leading entrepreneurs, venture capitalists, executives, and attorneys from Silicon Valley have been included to bring current and deep insights to the principal of managing entrepreneurially. Furthermore, significant additional focus on the managerial environment in India and China has been included through cases and perspectives throughout the text. New theoretical content on the blue ocean strategy, balanced scorecard, and decision-making heuristics has been introduced as they apply to the management function. The integration of the Value Chain concept with the systems approach to management has also been added to provide a deeper appreciation for the power of these approaches to management.

Part 1 (Chapters 1 to 3) now includes a discussion on management during the global financial crisis and the pursuit of energy independence as well as cases on China and the EU. Part 2 (Chapters 4 to 6) presents new cases on management in India as well as numerous interviews and insights from Silicon

Valley. The various issues of organizing are considered in Part 3 (Chapters 7 to 10) focusing on topics such as the “boundaryless” organization as practiced by General Electric along with new insights into the management of intellectual property for competitive advantage.

Staffing issues are examined in Part 4 (Chapters 11 to 13) with the identification of the “best companies to work for” as well as the “most admired companies” based on research by Fortune magazine along with a discussion of human resource management in India and Silicon Valley. The managerial function of leading is discussed in Part 5 (Chapters 14 to 17). Focus on Tata and Cisco has been included along with a perspective on the impact of proper corporate communications. Part 6 (Chapters 18 to 20) deals with the managerial function of controlling, includes new perspectives on managing for operational efficiency and effectiveness as well as new theoretical content on the balanced scorecard approach and value chain activities.

Two appendixes are at the end. The first summarizes the principles, or guides, for the managerial functions of planning, organizing, staffing, leading, and controlling in Appendix A. The principles allow students and managers to check whether organizational problems can be traced to the violation of managerial principles. The second Appendix (B) is even more specific, identifying specific areas critical for the success of managers and organizations. The Management Excellence Survey can be used for managerial and organizational development. The purpose of both appendixes is to facilitate the integration of theory with practice.

■ LEARNING AIDS

To aid learning, each chapter is organized as follows. It begins with the objectives that are to be accomplished after reading the chapter. The text in the left margins gives an overview of the key points in the chapter. It also aids in reviewing key concepts. Included in the margins as well are websites to refer readers to further information related to the organization or topic under discussion. The use of international and entrepreneurial perspectives illustrates the concepts, principles, and theories presented. Each chapter concludes with a summary and a list of key ideas and concepts for review. To relate these ideas and concepts to the “real” world, exercises and action steps are suggested. Readers are encouraged to make use of the World Wide Web by conducting Internet research. A case with questions ends each chapter.

What makes this book different from many other management textbooks is the addition of the closing section in each of the six parts. Each of the closings contains an international focus discussion with a challenging topic, a current entrepreneurial discussion, and a global car industry case. These closings, together with the discussion of international management issues throughout the book, give the book a truly global perspective of management theory and practice.

■ FOLLOW THE AUTHORS

Faculty and students are invited to follow the authors on Twitter and bring the authors’ current insights and research into their classroom. This will enable them to receive regular updates on world business events. The authors will also offer discussion questions that relate management practice to the current issues of the day. These discussion questions may be used as an impetus for class debate on various management issues. Further, the authors’ up to the minute research and insights will help connect faculty and students around the world to the unique management and entrepreneurial issues and opportunities of Silicon Valley and the San Francisco Bay Area. This can be done by signing up for a Twitter account and electing to follow ‘ManagementWCK’.

■ ACKNOWLEDGMENTS

The late Dr. Harold Koontz is sorely missed. At a memorial session at an Academy of Management meeting, Professor Ronald Greenwood stated that Howdy Koontz was many years ahead of his time. Indeed, his inspiration and guidance popularized the classification of management knowledge according to managerial functions, a framework now used around the world. He will never be forgotten for his contributions to management, preserved in his numerous articles and his many books, which have been continuously updated.

Professor Koontz and we are indebted to so many persons contributing to the various editions that a complete acknowledgment would be encyclopedic. Many scholars, writers, and managers are acknowledged through references in the text. Many managers with whom we have served in business, government, educational, and other enterprises have contributed by word and example. Thousands of managers in all kinds of enterprises in various countries have honored us over the years by allowing us to test our ideas in executive training classes and lectures. Especially helpful were the many executives around the world who generously shared their international experiences. For example, the managers in executive programs in Switzerland, Kuwait, Malaysia, Thailand, China, and China Hong Kong provided us with opportunities to learn about their cultures and their managerial practices. Specifically, the students and executives at the China Europe International Business School (CEIBS) in Shanghai, Peking University in Beijing, Hong Kong University of Science and Technology, and Chulalongkorn University in Bangkok provided valuable insights into managerial practices in their countries. Moreover, to those executives with whom we have been privileged to work as directors, consultants, or teachers, we are grateful for the opportunity to gain the clinical practice of managing.

Many colleagues, scholars, managers, and students have contributed their ideas and suggestions to this book. The late Professor Keith Davis of Arizona State University was particularly generous with his time. Weihrich's mentors at the University of California, Los Angeles, especially Professor George S. Steiner, have done much to stimulate the interest in the development of the TOWS Matrix for strategic planning. Professors Peter F. Drucker, George S. Odiorne, and Gene Seyna, to whom Weihrich's book *Management Excellence: Productivity through MBO* has been dedicated, have sharpened the thinking about goal-driven management systems and managerial productivity. In previous editions, special appreciation was expressed to those who contributed in many important ways. While they are not named here, their contributions have been important for this edition too. We thank the many executives, venture capitalists, entrepreneurs, and attorneys who generously provided their insightful perspectives to make this book more vital and valuable to its readers.

We would like to thank the many adopters and contributors to the best-selling Spanish-language editions of *Management: A Global Perspective* and the many people at McGraw-Hill Interamericana who were involved in publishing previous editions. They have contributed greatly to make the book a bestseller in the Spanish-speaking world.

For this edition we would like to express our appreciation to all the people at Tata McGraw Hill in India for their interest in and contribution to our book.

Finally, we thank our wives Ursula and Gay for their continuing support.

HEINZ WEIHRICH
MARK CANNICE

1

Management: Science, Theory, and Practice

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1. explain the nature and purpose of management
2. understand that management, as used in this book, applies to all kinds of organizations and to managers at all organizational levels
3. recognize that the aim of all managers is to create a surplus
4. identify the trends in information technology and globalization
5. explain the concepts of productivity, effectiveness, and efficiency
6. describe the evolution of management and some recent contributions to management thought
7. describe the various approaches to management, their contributions, as well as their limitations
8. show how the management process, or operational process, approach to management theory and science has a basic core of its own and draws from other approaches
9. realize that managing requires a systems approach and that practice must always take into account situations and contingencies
10. define the managerial functions of planning, organizing, staffing, leading, and controlling
11. understand how this book is organized

Learning Objectives

Each chapter begins with learning objectives which outline what each chapter aims at achieving and what the reader should know on its completion.

Margin Notes

These notes in the text margins give an overview of the key points in the chapter. They also aid in reviewing key concepts. Also included in the margins are websites for readers to refer to for further information related to the organization or the topic under discussion.

In organizing, there is no one best way; it depends on the specific situation.

Organizing involves developing an intentional structure of roles for effective performance. It requires a network of decision and communication centers for coordinating efforts toward group and enterprise goals. To work, an organization structure must be understood, and principles must be put into practice. As emphasized earlier, in organizing, as elsewhere in managing, there is no one best way. What works will always depend on the specific situation.

■ AVOIDING MISTAKES IN ORGANIZING BY PLANNING

Establishment of objectives and orderly planning are necessary for good organization.

As with the other functions of managing, establishment of objectives and orderly planning are necessary for good organization. As Lyndall Urwick said in his classic book *The Elements of Administration*, "Lack of design [in organization] is illogical, cruel, wasteful, and inefficient."¹

Planning for the Ideal

The search for an ideal organization to reflect enterprise goals under given circumstances is the impetus to planning. The search entails charting the main lines of organization, considering the organizational philosophy of the enterprise managers (e.g., whether authority should be centralized as much as possible or whether enterprise operations should be divided into semi-independent products or territorial divisions), and sketching out consequent authority relationships. The ultimate form established, like all other plans, seldom remains unchanged, and continual remodeling of the ideal plan is normally necessary. Nevertheless, an ideal organization plan constitutes a standard; and by comparing the present structure with it, enterprise leaders know what changes should be made when possible.

An organizer must always be careful not to be blinded by popular notions in organizing because what may work in one enterprise may not work in another. Principles of organizing have general application, but the background of each enterprise's operation and needs must be considered in applying these principles. Organization structure needs to be tailor-made.

Modification for the Human Factor

If the available personnel do not fit into the ideal structure and cannot or should not be pushed aside, the only choice is to modify the structure to fit individual capabilities, attitudes, or limitations. Although this modification may seem like organizing around people, in this case one is first organizing around the goals to be met and activities to be undertaken and only then making modifications for the human factor. Thus, planning will reduce compromising the necessity for principal whenever changes occur in personnel.

Advantages of Organization Planning

Planning the organization structure helps determine future personnel needs and required training programs.

Planning the organization structure helps determine future personnel needs and required training programs. Unless it knows what managerial personnel will be needed and what experience should be demanded, an enterprise cannot intelligently recruit people and train them.

Furthermore, organization planning can disclose weaknesses. Duplication of effort, unclear lines of authority, overlapping lines of communication, excessive red tape, and obsolete practices show up best when desirable and actual organization structures are compared.

Walkthrough

478 Part 6 Controlling

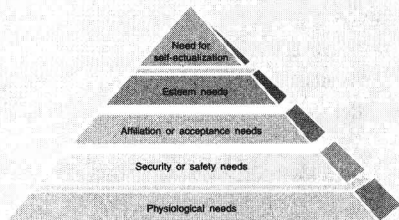
Table 20.1 Examples of operations systems

Inputs	Transformation	Outputs
<ul style="list-style-type: none"> Plant, factory machines, people, materials Students with limited knowledge, skills, and attitudes Client problem 	<ul style="list-style-type: none"> Assembling bicycles Lectures, cases, experiential exercises, term papers Consulting: data collection and analysis, evaluation of alternatives, selection of an alternative, recommendation 	<ul style="list-style-type: none"> Completed bicycles Students with enhanced knowledge, skills, and attitudes Consultant's report recommending course of action

Planning Operations

The objectives, premises, and strategies of an enterprise (discussed in Part 2) determine the search for and the selection of a product or service as its output. In this discussion, the production of physical products is emphasized, but the concepts can also be applied to the provision of services. After an end product has been selected, the specifications are determined and the technological feasibility of producing it is considered. The design of an operations system requires decisions concerning the location of facilities, the process to be used, the quantity to be produced, and the quality of the product.

Figure 14.1 Maslow's hierarchy of needs



Tables and Figures

The tables give details pertaining to the concepts discussed in the chapter, while the figures illustrate these concepts.

Boxed Items

Boxes containing international and entrepreneurial perspectives illustrate the concepts, principles, and theories presented in each chapter.

Still another example of in-house development is the IBM's Peace Corps -Type Training.⁶ IBM is well known for its classroom training of its personnel. But the real world is different from the classroom. Therefore, the HR department initiated a program that is modeled after the US Peace Corps program. The objective of the program is to teach managers how the real world works. In this innovative program, IBMers spend a month in countries such as India, Brazil, Malaysia, South Africa and others to learn about the culture and to become a kind of global citizen. This means living in circumstances different from their home country – not luxury hotels with CNN connections, but guest houses eating local food. Program participants work in teams with local governments, universities, businesses to help them upgrade their technologies and improving the water quality. This one-month program will not make the participants instant global experts, but they learn that the earth is flatter in which people from different cultures work together to achieve common goals.

International Perspective: Thinking about the Future at Singularity University⁷

Located at the NASA Ames Research Center in California, Singularity University is not a traditional university. Instead, the aim is to attract executives who deal with disruptive technologies in the rapidly-changing environment dealing with such topics as robotics. The participants work in small groups to explore new ideas. Applicants from some 60 countries explore, for example, the future of the application of artificial intelligence to assume certain functions of the brain.

Readings, Television, Video Instruction, and Online Education⁸

Another approach to development is planned reading of relevant and current management literature. This is essentially self-development. A manager may be aided by the training department, which often develops a reading list of valuable literature. This learning experience can be enhanced through discussion of articles and books with other managers and the superior.

Increasingly, management and other topics are featured in television instruction programs. For certain programs, college credits can be obtained. Moreover, videotapes on a variety of subjects are available for instruction and learning in the university or company classroom.

- Do we have something to offer that competitors do not?
- Do we wish to take legal steps to discourage competition?
- Do we need, and can we supply, supporting services?
- What are the best pricing strategy and policy for our operation?
- How can we best serve our customers?

Entrepreneurial Perspective: Buying Skype, eBay's Mistake?²⁵

The acquisition of Skype at a very high price, may have been a mistake by the otherwise very successful Margaret Whitman, eBay's CEO. Skype's internet venture was a new phenomenon in 2005. By 2007/2008 Skype was not the success envisioned. The integration with eBay's main business was not done well. Perhaps even more important was Google's entry into the market enabling people to find buyers for their goods. Moreover, Google began providing online payment and telephone service that compete with eBay's Skype and PayPal.

Summary

Leading is the process of influencing people so that they will contribute to organizational and group goals. People assume different roles, and there is no average person. While working toward goals, a manager must take into account the dignity of the whole person.

Motivation is not a simple concept; rather, it pertains to various drives, desires, needs, wishes, and other forces. Managers motivate by providing an environment that induces organization members to contribute.

Key Ideas and Concepts for Review

Leading
Human factors in managing
Individual dignity
Motivation

For Discussion

1. What is motivation? How does effective managing take advantage of, and contribute to, motivation?
2. What are Theory X and Theory Y assumptions? State your reasons for agreeing or disagreeing with these assumptions. What are some misunderstandings of these theories?

Exercises/Action Steps

1. The instructor may take a survey in the class and ask students to respond to two questions: (1) "Can you describe in detail when you felt exceptionally good about your job?" and (2) "Can you describe in detail when you felt exceptionally bad about your job?" Students should write their answers on a

Internet Research

1. Surf the Internet for the term "motivation." You will get many "hits." Select one for class discussion.

References

1. This is also one of the important messages in the *Second Draft—Pastoral Letter on Catholic Social Teaching and the U.S. Economy* (Washington, DC: National Conference of Catholic Bishops, 1996).
2. See also <http://www.management-issues.com/2006/8/24/research/organisations-get-thumbs-down-from-disillusioned-managers.asp>, accessed February 3, 2007 and <http://www.blackwell-synergy.com/doi/pdf/10.1111/j.1365-2014.2005.00612.x?casa=1>, accessed February 3, 2007.
3. Douglas McGregor, *The Human Side of Enterprise* (New York: McGraw-Hill, 1960). For reviews of his works, see www.uow.edu.au/business/dougmccgregor.html, accessed October 2, 2006.

Chapter-end Features

Summary: Each chapter concludes with a summary which gives a gist of the chapter. This will be helpful for the reader to have a quick review of the main points of the chapter.

Key Ideas and Concepts for Review: A list of important terms and concepts has been given at the end of each chapter. This will help readers recapitulate what all has been dealt with in the different topics covered.

For Discussion: These are questions which encourage readers to think about and discuss the topics taught in the chapter.

Exercises/Action Steps: These exercises encourage readers to relate the ideas and concepts given in the chapter to the real world.

Internet Research: This part lists out addresses of some websites which will be useful to readers for further knowledge – both broader and in-depth.

References: A comprehensive list of material for further reading is provided at the end of each chapter, which will help the readers in upgrading their knowledge.

International Case Managing the Hewlett-Packard Way: Will It Continue?²¹

William R. Hewlett and David Packard are two organizational leaders who demonstrated a unique managerial style. They began their operation in a one-car garage in 1939 with \$538 and eventually built a very successful company that now produces more than 10,000 products, such as computers, peripheral equipment, test and measuring instruments, and handheld calculators. Perhaps even better known than its products is the distinct managerial style preached and practiced at Hewlett-Packard (HP). It is known as the HP Way.

What is the HP Way? I feel that in general terms it is the policies and actions that flow from the belief that men and women want to do a good job, a creative job, and that if they are provided the proper environment they will do so.

Bill Hewlett, HP co-founder²²

The values of the founders, who withdrew from active management in 1978, still permeate the organization. The HP Way emphasizes honesty, a strong belief in the value of people, and customer satisfaction. The managerial style also emphasizes an open-door policy, which promotes team effort. Informality in personal relationships is illustrated by the use of first names. Management by objectives is supplemented by what is known as managing by wandering around. By strolling through the organization, top managers keep in touch with what is really going on in the company.

Case

Each chapter ends with a case with questions. This case exemplifies the concepts discussed in the chapter, and its questions help in initiating discussion on the topic.