



# Fundamentals of **Management**

Sixth Edition

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Fundamentals of

# Management

to  
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Anne and Mike Ivancevich

# Preface

## Recognition of Fundamentals of Management

Recently the *Academy of Management Review* published a review of the 10 leading management textbooks.\* The results of the study established *Fundamentals of Management* as among the best of the books studied. In addition, the supplementary resources that accompany the text received very high ratings.

This gratifying recognition of our efforts has provided us with additional incentive to continue to improve our book. The rationale for this edition remains the same as for previous editions. Management, we believe, is practiced best by individuals who have had some access to high-quality, challenging textbooks.

## Objectives For This Edition

Every textbook must serve two constituencies well in order to be effective: (1) *academicians* who teach the course and (2) *students* who take the course. With this in mind, we established specific objectives for each of these groups.

***Objective for our colleagues.*** It is our belief that a high-quality textbook never compromises the integrity of the field it explores. Therefore, in this edition, our objective has been *to establish our text in every respect as a quality work of management scholarship that we as academicians could be proud of.*

***Objective for student readers.*** We believe that a high-quality textbook never loses sight of its ultimate purpose—to help students learn. In this edition our objective has been *to continue striving to make our textbook the most contemporary, comprehensive, challenging, readable, and exciting management textbook available in America today.*

## Key Characteristics

A high-quality textbook possesses several key characteristics. It is comprehensive, systematic, scientific, practical—and exciting.

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\* Allen C. Bluedorn, "Resources for the Introductory Management Course," *Academy of Management Review*, July 1986, pp. 684–91.

**Comprehensive.** This text is comprehensive because it covers the major management topics affecting students, teachers, and practitioners. The study cited above found that our book is being used to cover American Assembly of Collegiate Schools of Business (AACSB) common body of knowledge requirements for both Organizational Behavior/Organization Theory and Production/Operations Management. The materials selected for this book reflect our extensive contacts with teaching colleagues, students, practicing managers, accrediting agencies such as AACSB, and professional societies such as the Academy of Management and the American Management Association.

**Systematic.** In studying management, a beginning student can easily be overwhelmed by the vast number of concepts, theories, and topics. The systematic approach of *Fundamentals of Management* helps overcome this tendency. In each chapter's subject matter, readers are able to see where they have been, where they are, and where they will be going.

This book is divided into five parts. And each part is structured around three fundamental managerial tasks common to all organizations: managing work and organizations, managing people, and managing production and operations.

Part I, Management and the Managerial Environment, introduces the reader to the job of management, the study of management, the environment in which a manager must perform, and the important national concern for productivity.

Part II, Managing Work and Organizations, examines the classical foundations of the field and the three primary management functions of planning, organizing, and controlling. It includes a new chapter on human resource management.

Part III, Managing People, focuses on the behavioral contributions to such important management issues as motivation, group behavior, leadership, communications, and organizational development.

Part IV, Managing Production and Operations, explains management science's contributions to production and operations management, decision-support systems, and techniques for routine and nonroutine production and operations decisions.

Part V, Emerging Management Issues, examines management's social and ethical responsibilities, multinational management, the changing world of management, and management as a career.

**Scientific.** *Fundamentals of Management* presents concepts and theories that have been subjected to extensive research. However, our textbook does not attempt to teach social or behavioral science, or operations management. It provides bases for applying to management many relevant contributions from numerous scientific disciplines. In this edition, every chapter has been revised to include the most up-to-date thinking and research.

**Practical.** To become an effective manager, the student must learn to analyze management problems and solve them by applying relevant management theory. *Fundamentals of Management* stresses a practical approach to learning these vital skills. Subject matter is reinforced with descriptions of how actual managers in real organizations have applied the concepts to solve problems. In addition, there are 65 case applications and experiential exercises to bring the chapter material to life in real-world situations.

**Exciting.** The practice of management is exciting, and a management textbook should be too. We try to convey this excitement to our readers. Every chapter, except for the opening one, begins with an account of an organization or individual manager facing a particular management problem or real-life situation that will be discussed in the following pages. In addition, each chapter contains at least three contemporary examples of real-world applications of concepts discussed in the chapter. Important points are illustrated and summarized in each chapter.

## **A LEARNING-ORIENTED TEXTBOOK**

In addition to the features retained and updated from previous editions, several new features that encourage learning have been recently added.

**Learning objectives.** Clear, attainable goals are spelled out at the start of each chapter. In each chapter, the student learns to *define, describe, discuss, compare, and identify* essential issues affecting modern management.

**Management in action.** To arouse reader interest, we have added all new and more exciting chapter-opening vignettes taken from real-life situations to orient students to concepts and problems discussed in the text.

**Figures and tables.** Important points are illustrated with well-crafted visuals, including key concepts to reiterate essential material.

**Management FOCUS.** A series of all new, timely, real-life examples is drawn from over 60 of America's leading companies. These examples illustrate problems modern managers confront daily, and they appear at exact points in the discussion where the concept or theory is being discussed.

**Cases.** Throughout the text, cases have either been added and/or updated:

**End of chapter.** There are now a total of 42 cases. New ones have been added to this edition, and old ones have been updated and revised. These cases feature familiar organizations and current issues to show practical applications of concepts in the chapters.



**End of part.** Three “Comprehensive” real-world cases appear at the end of Part II, Managing Work and Organizations, Part III, Managing People, and Part IV, Managing Production and Operations. Analysis of these cases requires comprehension of relevant aspects of the entire part.

**End of text.** This book concludes with two issue-oriented “Integrative” cases. The cases tie together all relevant aspects of all chapters.

**Summary of key points.** Every chapter concludes with a concise, point-by-point summary of key topics.

**Discussion and review questions.** Every chapter concludes with relevant questions addressing the major issues explored.

**Additional references.** Every chapter concludes with 15 to 20 additional references to give students initial sources for writing projects. Except for classic works, these references have been totally updated for all chapters and include the latest available work.

**Glossary.** Every key term in the book is included in an extensive glossary.

**Indexes.** To help students locate information, the book contains three indexes: a comprehensive author index, a detailed subject index, and a new company index that is used to relate concepts to actual firms discussed in the chapters.

**Experiential exercises.** Twelve “Experiential Exercises” are included where appropriate. We included these learning methods in the previous edition, and several new ones have been added here. We have received positive reactions to these exercises. They move the material from “seeing” and “listening” to “doing.” The understanding of management concepts is greatly enhanced when students can actively join in the learning process. More and more contemporary students seek out courses that include opportunities to learn from experience.

## **THE FUNDAMENTALS OF MANAGEMENT INSTRUCTIONAL SUPPORT SYSTEM**

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With this edition we introduce our Instructional Support System, a coordinated and integrated complete system of instructional support for both teacher and student. As mentioned earlier, the supplementary materials available with our text have been rated the best available. The goal for our new Instructional Support System is to make them even better for the present edition.

## Instructional Support for Instructors

**Teaching resource guide.** We believe that even the most experienced and dedicated teacher will find useful hints and insightful ideas in this unique guide. From a pedagogical perspective, we believe this is the real strength of the *Fundamentals of Management* Instructional Support System. We encourage those interested in *teaching* management to examine this element of the system because we believe there is nothing available that approaches its quality and innovativeness. Over 250 sources were used to develop the material. A special feature of the guide provides four series on topics that are particularly relevant to management today: American Entrepreneurship, The Japanese Challenge, Group Think, and Career Issues.

**Instructor's manual.** Far more than the traditional instructor's manual, ours is organized to follow each chapter in the text and includes: chapter objectives, chapter synopsis, chapter outline with tips and ideas, suggested films to supplement class discussion, 10 additional end-of-chapter questions along with answers per chapter, exciting "mindbenders" that can be used for class discussion, suggested transparencies, term paper topics, end-of-chapter practical exercises, additional experiential exercises, transparency masters, suggested class projects and speakers, and suggested readings. It is a complete manual in every respect.

**Transparencies.** A complete set of quality four-color transparencies has been developed specifically for our Instructional Support System. These transparencies are a separate element in addition to the over 100 transparency masters of text illustrations included in the Instructor's Manual, and the additional ones included in the Teaching Resource Guide.

**Test bank.** This examination resource contains a wide variety of materials such as true/false, multiple choice, and essay questions. Items are categorized by type of question.

**Automated test service.** A complete, high-quality testing service is provided.

**A management experience.** This PC-compatible management game is both exciting and challenging. It was designed specifically as an element for our Instructional Support System to provide management students with a truly interactive learning experience.

## Instructional Support for Students

**Study guide.** This innovative supplement is far more than a review for students. It includes articles from *The Wall Street Journal* and *Barron's*

related to each chapter, experiential exercises, and a reference guide showing how to write to key people in corporations and other organizations. It is truly instructional support for students. Also included is standard fare for such supplements: chapter previews; key terms; chapter outlines; study questions, including true/false, multiple choice, short answer, and discussion questions. We have found that because of the innovative content of the guide, many instructors use it as an active part of the class rather than as something students use alone to help them prepare for examinations. In fact, many instructors have commented that it is as much a workbook or “practice set” as it is a study guide.

***Perspectives on management.*** This supplement contains over 30 articles from a cross-section of current management literature. They are all timely and less theoretical than in previous editions. The articles are those that are currently influencing the practicing manager. The articles do not have to be read in sequence; however, they follow the same organization as the text and are carefully balanced so that each subject area receives the same amount of emphasis.

In conclusion, the *Fundamentals of Management* Instructional Support System has been developed to provide instructors and students with a complete set of integrated support elements to make possible a challenging and rewarding management course. Suggestions for improvement from instructors and students are encouraged.

## **ACKNOWLEDGMENTS**

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**James H. Donnelly, Jr.**  
**James L. Gibson**  
**John M. Ivancevich**

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## **PART I**

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