

FIFTH EDITION

MANAGEMENT



STEPHEN P.
ROBBINS

MARY
COUTER

Management

5th Edition

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*To Dana & Jim Murray and
Jennifer Robbins*
— S.P.R.



*To My Brothers —
Duane, Rich, Ron, Jim, and Mike*
— M.C.

Stephen P. Robbins received his Ph.D. from the University of Arizona. He previously worked for the Shell Oil Company and Reynolds Metals Company. Since completing his graduate studies, Dr. Robbins has taught at the University of Nebraska at Omaha; Concordia University, Montreal; the University of Baltimore; Southern Illinois University at Edwardsville; and San Diego State University.

Dr. Robbins' research interests have focused on conflict, power, and politics in organizations, as well as the development of effective interpersonal skills. His articles on these and other topics have appeared in such journals as *Business Horizons*, the *California Management Review*, *Business and Economic Perspectives*, *International Management*, *Management Review*, *Canadian Personnel and Industrial Relations Journal*, and *The Journal of Management Education*. In recent years, Dr. Robbins has been spending most of his time writing textbooks. His books are currently used in more than 800 U.S. colleges and universities.

In Dr. Robbins' "other life," he participates actively in masters' track and field competition. Since turning 50 in 1993, he has set numerous national and world age-group sprint records. In 1995, he collected four gold medals and set three world records at the 11th World Veteran Games—winning the Men's age 50-54 100m, 200m, 400m, and anchoring the U. S. A. 4 x 100m relay team.

Mary Coulter received her Ph.D. from the University of Arkansas at Fayetteville. Before completing her graduate work in management, she worked as a high school teacher, legal assistant, and as a government program planner. She has taught at Drury College, the University of Arkansas, Trinity University, and Southwest Missouri State University. Dr. Coulter's research interests have focused on competitive strategies, on how not-for-profit arts organizations compete, and on the strategic management processes of performing arts organizations and other not-for-profit organizations. Her articles on these and other topics have appeared in such journals as *Journal of Business Strategies*, *Case Research Journal*, and *Journal of Business Research*. When she's not busy teaching or writing, she enjoys puttering around in her flower gardens, playing the piano, reading all types of books, and enjoying many different activities with daughters Sarah and Katie.

A preface should provide answers to certain key questions. We specifically identified five: (1) What assumptions have guided the development of this book? (2) What important features are continued from the previous edition? (3) What's new in this revision? (4) How does the book facilitate learning for the reader? (5) Who else, besides the people whose names appear on the front cover, helped to create this book? We want to try now to answer each of these questions.

Assumptions

Every author who sits down to write a book starts with a set of assumptions—either explicit or implied—that guide what's included and what's not. We want to let you know ours upfront.

Management is an exciting, dynamic field. The subject matter covered in an introductory management text is inherently exciting! We're talking here about the real world of good and bad business decisions that you find in the news every single day. For instance, we discuss how a company like Kidder, Peabody & Company, Inc., one of Wall Street's oldest investment firms, succumbed to a trading scandal; how Harley-Davidson, the well-known motorcycle manufacturer, developed a set of strategies to reinforce its dominance in the fiercely competitive motorcycle market; how Knowledge Adventure, a relatively new software company that develops multimedia "edutainment" software, is trying to maintain its quirky but effective corporate culture even as it grows; how decision makers at Denver International Airport dealt with the numerous problems associated with opening its new facility; and how Oticon Holding A/S, a Danish hearing-aid manufacturer, changed itself from a traditional, hierarchical, conservative organization to what its CEO refers to as the "ultimate flexible organization."

A good management text should capture this excitement. Nowhere is it written that a college textbook has to be dry and boring! If the subject matter is exciting, the text should reflect that fact. It should include lots of examples, photographs, and other exciting visual tools that make concepts come alive, capture the excitement of the field, and convey this excitement to the reader.

Management should not be studied solely from the perspective of "top management" or "billion dollar corporations." The subject matter in management encompasses everyone from the supervisor at the loading dock or any manager at the lowest level of the organization to the chief executive officer or any manager at the very top of the organization structure. The content of the text should give as much attention to the challenges and opportunities in supervising fifteen clerical workers as those in directing a team of MBA-educated executive vice presidents. Similarly, not everyone wants to work for a Fortune 500 company. Readers who are interested in working in a small business or not-for-profit organizations should find the descriptions of management concepts applicable to their needs as well.

Contents should emphasize relevance. Before authors commit something to paper and include it in the text, it should meet the "so what?" test. Why would someone need to know this fact or that? If the relevance isn't obvious, either the item should be omitted or its relevance should be directly explained.

Content should be timely and up-to-date. We think you'd readily agree that we live in dynamic times. Changes are taking place at an unprecedented rate. A textbook in a dynamic field like management should reflect this fact by including the latest concepts and practices.

Retained From the Previous Edition

The fourth edition contained a number of topics and features that adopters considered unique, useful, or particularly popular with students. We've obviously retained these and they include the following:

"Managers Who Made A Difference" boxes. These boxes present descriptions of managers whose actions have had a significant impact on their organization's performance. All of the managers described are new and include both men and women whose organizations range in size from small to large.

Self-Assessment exercises. When the senior author first introduced self-assessment exercises in the second edition of the text, they were truly novel for a management text. Now most books have them. While the idea is no longer unique, you'll find that we've improved the focus and relevance of these exercises. Thirteen of the self-assessment exercises in this edition are new. The other seven were used in previous editions and are, we feel, still the best assessment tools for the content covered in those particular chapters.

"For Your Immediate Action" assignments. Each chapter in the book ends with a "For Your Immediate Action" assignment written in a memo format. We've retained these exercises from the fourth edition since instructors have found them to be a useful tool for getting students to express themselves concisely in a written form. FYIA provides an opportunity for instructors to assign short, problem-focused writing assignments that apply concepts from a chapter and for students to evaluate a management problem and write up a concise analysis. These exercises also are designed to complement the increasing popularity of writing-across-the curriculum programs in colleges and universities and the emphasis on improving students' critical-thinking skills. We've included fourteen new management scenarios and/or organizations in this edition.

Video Cases. A video case is provided at the end of each chapter. These are based on specific video segments from the ABC News/Prentice Hall Video Library. Videos to accompany each of the 20 new cases are available to show in class either to start or extend class discussion of the cases. The video cases cover a wide variety of managerial situations and organizations ranging, for example, from NASA to Tyco Toys to Ford Motor Company.

Relevant Topics. The fifth edition continues to include relevant management topics that many management texts ignore. For instance, students consistently applaud the presentation of time management skills in Chapter 9. And the subject of interpersonal skills (Chapter 17) is clearly important to managerial effectiveness but is still overlooked by a number of management authors.

Writing Style. This revision continues both authors' commitment to present management concepts in a lively and conversational style. We carefully blend theories and examples. Our goal is to present chapter material in an interesting and relevant manner without oversimplifying the discussion. Of course, because writing style is a subjective interpretation, only you can accurately judge whether we've successfully achieved our goal.

New Content

There are several new features and content topics that have been included in this revision. Some of these new topics include re-engineering, downsizing, the contingent workforce, boundaryless organizations, values-based management, decision-making styles, teams and teamwork, family concerns, employee assistance programs, and numerous others. The research base for this revision has been updated, as well. Additionally, there are several new exciting features you'll find in this revision:

A Manager's Dilemma and Managers Respond. One unique feature in this edition that we're really excited about is the new chapter openings called "A Manager's Dilemma." These dilemmas were written about "real-life" managers and the problems they face. Each dilemma ends with the statement "What Would You Do?" thus providing an opportunity for student participation and active learning. Each chapter then closes with a section entitled "Managers Respond," where two real, practicing managers provide a short discussion of what they'd do if they were faced with the dilemma described in the chapter opening. These managers come from a broad and varied spectrum of types of organizations, levels in organizations, and sizes of organizations. These responses help students link concepts to management practice.

Managing Work Force Diversity. We feel that our management students must be prepared to deal with a diverse work force. To expose them to what's associated with this, we've added a boxed theme throughout this edition called "Managing Work Force Diversity." In these boxes, we highlight current academic and popular business material that should help students begin to recognize the challenges and rewards associated with managing a diverse work force.

Managing Your Career. Another new boxed theme that we've added to this edition is "Managing Your Career." In these boxes, we present very practical material to help our students better "manage" their careers. Topics in these boxes include, for example, developing your creativity, getting the most out of a mentor, and learning to get along with difficult people.

Entrepreneurship. Another new boxed theme in this edition is called "Entrepreneurship." Rather than dealing with the concept of entrepreneurship in a single chapter, as in the previous edition, we've incorporated and integrated it in several different chapters. In these boxes, we look at some of the challenges that entrepreneurs face.

Managers Speak Out. The final new theme box we've added to this edition is called "Managers Speak Out." In this box, we "interview" real managers and ask them a broad range of questions. The information provided by these interviews provides a diverse perspective of different managers and different managerial philosophies.

Ethical Dilemma Exercise. At the end of every chapter, you'll find an Ethical Dilemma Exercise. Some of these exercises were included as boxed items in the fourth edition and others are completely new. This new feature provides material to help stress the dilemmas associated with managing ethically in organizations.

Reorganized chapter on organization structure and design. The chapter on organization structure and design was rewritten into a more focused and tighter discussion of the material. The topic material was reorganized into a discussion of vertical dimensions of organizations and horizontal dimensions of organizations. In addition, new material was added including discussion of purposes of organizing, acceptance theory of authority, factors favoring centralization and decentralization, and boundaryless organizations.

Numerous new examples of different types, sizes, and locations of organizations. Every chapter has been updated with numerous examples from a diverse set of organizations. We've attempted to balance manufacturing and service organizations, large and small organizations, profit and not-for-profit organizations, and to include organizations from a variety of different global locations. We think students should be fascinated and captivated by the richness and excitement of managing organizations in today's dynamic and challenging global environment. By providing numerous examples, we're doing this and reinforcing that managers work in all different kinds of situations.

In-Text Learning Aids

A good textbook should teach as well as present ideas. Toward that end, we've tried to make this book an effective learning tool. We'd like to point out some specific pedagogical features that are designed to help readers better assimilate the material presented.

Chapter objectives. Before you start a trip, it's valuable to know where you're headed. That way, you can minimize possible problems or detours. The same holds true in reading a text. To make your learning more efficient, each chapter opens with a list of learning objectives that describe what you should be able to do after reading the chapter. These objectives are designed to focus your attention on the major issues within each chapter.

Chapter summaries. Just as objectives clarify where you're going, chapter summaries remind you of where you've been. Each chapter concludes with a concise summary organized around the opening learning objectives.

Key terms. Every chapter includes a number of key terms that you'll need to know. These terms are highlighted in bold print when they first appear and are defined at that time in the adjoining margin.

Review questions. Every chapter in this book ends with a set of ten review questions. If you've read and understood the chapter contents, you should be able to answer these questions since they're drawn directly from the material in the chapter.

Discussion questions. In addition to the review questions, each chapter also has five discussion questions that go beyond the content of the chapter. They require you to integrate, synthesize, or apply management concepts. The discussion questions allow you to demonstrate that you not only know the facts in the chapter but also can use those facts to deal with more complex issues.

Case application and questions. Each chapter includes a case application and questions for analysis. A case is simply a description of a real-life managerial situation. By reading and analyzing the case and answering the questions at the end of the case, you can see if you understand and can apply the management concepts discussed in the chapter.

Supplements

Instructor's Manual. Developed by co-author Mary Coulter, it includes a chapter outline and synopsis, answers to discussion questions, teaching guide for in-text exercises, teaching notes for cases, part-ending cases, and video guide.

Computerized Instructor's Manual. The print version is available in a 3.5" IBM format.

Study Guide. This was written by the author of our Test Item File for continuity in style, level, and terminology.

Test Item File. This has over 2,500 test questions including Multiple Choice, True/False, Scenario-based Multiple Choice, and Discussion. The Answer Key includes page references and are annotated according to orientation (factual or applied) and level of difficulty (easy, moderate, or challenging). New to this edition are questions covering the boxed material and video cases.

Prentice Hall Test Manager. The test item file is designed for use with the Prentice Hall Test Manager, a computerized package that allows the user to custom design, save, and generate classroom tests. Available in 3.5" IBM disc, the test manager also permits professors to edit, add, or delete questions from the file and to export files to various word processing programs (including WordPerfect and Microsoft Word).

Overhead Transparencies. 100 four-color acetates are available for classroom illustration. Fifty are not found in the text; the remaining fifty are from the text.

Electronic Transparencies. The overhead transparencies collection is on IBM 3.5" disc, for classroom use. Available through your Prentice Hall sales representative or electronically through America On-Line.

ABC News/Prentice Hall Video Library. Twenty video clips are included that correlate with the end-of-chapter cases found in the text.

The Prentice Hall Management/Organizational Behavior Laser Disc. An additional collection of videos and over 2,000 still images from all of PH's Management and OB texts are available. Free upon adoption.

Introducing Mary Coulter

Users of previous editions will notice that a co-author has been added to this revision. The senior author would like to take this opportunity to introduce Mary Coulter to you.

Mary is currently an associate professor of management at Southwest Missouri State University. She's been teaching at SMSU since 1983. Her teaching and research interests have focused on strategic management. Additionally, she's been regularly teaching the introductory management course for most of her career.

Keeping current with the full range of issues covered in an introductory text in a dynamic field such as management is a demanding job. My background and interests lie in the behavioral side of management. The recent emphasis on strategic management issues in the introductory course led me to begin looking to add a co-author who could bring a more strategic focus to this book. But I was also seeking someone who fully appreciated the importance of capturing the excitement of management practice in an introductory text and who could transmit that excitement in the written word. Mary uniquely blends these talents. She's brought a fresh perspective to this text's content—both in theory and practice. For instance, the ideas for "A Manager's Dilemma," "Managers Respond," "Managers Speak Out," and box themes on careers and entrepreneurship came from Mary. Most importantly, given my obsession with trying to make the writing in this book clear and accessible to students, Mary's conversational writing style is nearly a perfect match to my own.

I'm excited about having a co-author of Mary's talent on board. To previous users: After you've had a chance to look a little more closely at this revision, I think you'll agree that Mary has improved the content and made the book even more practical and student-friendly.

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