

€93 5579

Andrew Sikula, Sr.

California State University 1992

# Management in America Crisis in Ethics





© Daniel Spencer Publishers, 1992

#### **Book Team**

Acquisition Editor: William Knowles

Text Layout & Design: Natalie Herse, Bend, Oregon

Cover Design: Natalie Herse, Bend, Oregon

Manuscript Typist: Judith R. Sikula

This book was set in Garamond

Printed by Gilliland Printing, Inc., Arkansas City, Kansas Cover printed by Gilliland Printing, Inc., Arkansas City, Kansas

Copyright © 1992 by Andrew Sikula, Sr. Printed in the United States of America

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage and retrieval system, without permission in writing from the publisher.

Daniel Spencer Publishers 2264 NW Seventh, Bend, Oregon 97701 503/385-1001 800/733-9210

Library of Congress Cataloging in Publication Data No. 91-068065

Sikula, Andrew Sr.

Management in America — Crisis in Ethics / Andrew Sikula, Sr. Includes bibliographical references.
ISBN 0-936496-21-5

Printing: 1 2 3 4 5 6 7 8 Year: 0 1 2 3 4 5 6 7 8 9

To the members of my immediate family:

Judith Roe Sikula Andrew Casey Sikula Ana Celeste Sikula Andrew Robert Sikula Alissa Andrea Sikula Andrew John Scott Sikula Andrew Arik Sikula

# Dedication

ANDREW SIKULA, SR. has spent over 30 years in higher education. Dr. Sikula has been a professor for 25 years and has a Ph.D. in Management from Michigan State University. He is the author of over 20 books and monographs and more than 50 journal articles and conference paper publications. In addition, he has had over a decade of deaning experience having been Dean of the College of Business and Administration at Chicago State University, Dean of the College of Business at California State University, Chico, and Dean of the School of Business Administration and Economics at California State University, Northridge. Professor Sikula is a past president of the Academy of Management, Midwest Division.

## **About The Author**

We find comfort among those who agree with us — growth among those who don't.

FRANK A. CLARK

his management textbook is unlike any other in the field today. It is different in terms of how it starts and where it ends. Unlike other management texts currently on the market, it begins with the basic premise that American management and society is in bad rather than good shape. America may still be the home of the brave and the land of the free, but it is no longer number one neither in productivity of commerce nor quality of life. For the first time in the history of this country, future generations are pragmatically faced with the reality that they economically will probably be worse off than their forefathers. There are many reasons why this grim forecast of America's future prevails. This book centers around the question of what is wrong with American business and society today, and what needs to be done to correct the situation.

Change starts when someone sees the next steb.

WILLIAM DRAYTON

## **Preface**

Over the last several decades, more and more students have been getting baccalaureate and masters degrees in business and management. But American productivity during this period of time has continually declined. Much of the relationship between these events can be explained in terms of inadequate training and inappropriate education being given to business graduates. Business education in this country needs a radical transformation. This book is one step in a new direction. The basic change discussed in this volume is a shift in thinking away from profit maximization. Management concepts in this book are presented from an ethical rather than an economic perspective.

Professor — Are you ready for a better way to teach management concepts to future generations? Students — Do you want to learn how to manage the world in a much better fashion than your forefathers? Well if so, then you should delight in this textbook because it reveals both an inspiring and refreshing general philosophy of life along with specific suggestions on how to be a better manager than your administrative predecessor and/or your present supervisor.

There is a very serious moral crisis existing throughout America and the world today. This book discusses the crisis, explains why it exists, and mentions what needs to be done to rectify the condiDiscoveries are often made by not following instructions, by going off the main road, by trying the untried.

FRANK TYGER

tion. Business schools in America and around the world today are doing an inadequate job in preparing today's and tomorrow's generation of managers. The key missing ingredient is a concern for business ethics and moral management. This book is a pioneering work which is the first well-developed text which integrates business ethics and moral management into all of the traditional and behavioral management processes. Not only management "methods," but also management "morals" are discussed in all management-process chapters including planning, organizing, controlling, leading, staffing, motivating, decision making, and communicating. Moral management is also presented in an integrated manner with text materials in the "introduction" and "environment" chapters as well.

This book has five very unique qualities. First and foremost, it integrates business ethics and moral management concerns throughout the textbook including all chapters dealing with the "introduction," the management "processes," and the "environment." Second, only management essentials, not management extras, are covered and contained in this work. The fifteen chapters are ideal for a semester course at one chapter per week. Peripheral and advanced management topics are not presented so as to keep the size and cost of the book in line with what is appropriate for a fundamental or principles of management introductory course. Third, this work introduces two new, fresh, and exciting concepts into the business literature. "Moral management" and "moral maximization" are defined and explained, plus they are offered as needed substitutes for traditional and dated parallel concepts of "business ethics" and "profit maximization." Fourth, human resources rather than material, financial, and/or informational resources are stressed as being the key element of management. The behavioral management processes of leading, staffing, and motivating are explained to be especially crucial since they involve the most critical asset of organizations-human resources. Other management textbooks and authors only stress four major management functions - namely: planning, organizing, controlling, and leading. This book gives behavioral management processes equal weight and space with these four traditional management processes. In this text, the traditional management processes of planning, organizing, and controlling plus the integrative management processes of decision making and communicating are presented especially in regard to how they impact human resources (staffing, leading, and motivating) within organizations. Fifth, famous moral and ethical quotations from world personalities are presented throughout the pages of all the chapters. In keeping with the theme of the book, these famous quotations are ethical principles which pertain specifically to the management topic being presented in each chapter.

Support materials are available for instructors adopting this textbook for classroom usage. A conventional Professor Resource Guide with test questions and syllabuses, plus overhead transparencies are supplemental and support materials available for instructors upon request to the publisher.

This book has only one basic purpose: to teach basic management concepts and moral principles in an integrative manner. In so doing, the book suggests that each reader should endeavor to respond affirmatively to "The Manager's Challenge" which is to act morally and ethically in all aspects of one's personal-private and professional-public lives. The goal of this book is to help readers to achieve moral management and ethical excellence.

Thank you for the opportunity of sharing my ideas and work with you.

Andrew Sikula, Sr.

What some people mistake for the high cost of living is really the cost of living high.

**DOUG LARSON** 

Democracy is the recurrent suspicion that more than half of the people are right more than half of the time.

E.B. WHITE

The author has made efforts to trace the ownership and origination of the many quotations used in this book. In the event of any question arising as to the use of any materials, the author and publisher, while expressing regret for inadvertent error, will be pleased to make the necessary corrections in future printings and editions if notified as to original sources.

## **Quotation Acknowledgments**

This book contains hundreds of quotations from original sources. These old sayings use language appropriate in their times. Many of these adages use only the masculine pronoun "he" in their construction. The author and publisher are aware that modern convention and wisdom is to eliminate sexist words from manuscripts, and to replace them either with non-gender specific or bisexual phrases. We have chosen not to follow this modern day practice in order that famous and not-so-famous sayings appear in their original forms, and so that intended meanings don't get lost in excess verbage. If this decision or practice irritates our female audience, the author and the publisher herewith offer our sincere and respectful apology.

## **An Apology To The Ladies**

A people that values its privileges above its principles soon loses both.

DWIGHT D. EISENHOWER

#### I. Introduction

1.	What is Management? What is Moral Management? 3
	The History and Evolution of Management31
3.	Management Terminology and Concepts59
4.	Moral Management and Business Ethics 107

## **Table of Contents**

#### II. Traditional Management Processes

5.	Planning: Methods and Morals	139
6.	Organizing: Methods and Morals	177
7.	Controlling: Methods and Morals	213

#### III. Behavioral Management Processes

8.	Leading: Methods and Morals2	249
9.	Staffing: Methods and Morals2	291
10.	Motivating: Methods and Morals3	339

#### IV. Integrative Management Processes

11.	Decision Making:	Methods and Morals	389
12	Communicating:	Methods and Morals	429

### V. The Management Environment

13.	Labor-Management Relations	481
14.	International and Comparative Management	541
15.	Management Careers	597

- What is
   Management?
   What is Moral
   Management?
- 2. The History and Evolution of Management
- 3. Management Terminology and Concepts
- 4. Moral
  Management
  and Business
  Ethics

## I. Introduction

Everything starts as somebody's daydream.

**LARRY NIVEN** 



# What is Management? What is Moral Management?

Experience is what you get when you don't get what you want.

**DAN STANFORD**