

UNDERSTANDING

MANAGEMENT

USED

RICHARD L. DAFT DOROTHY MARCIC

USED
BOOK
UNDERSTANDING

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SECOND
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Professor Daft has authored or co-authored six books including *Organization Theory and Design* (West Publishing, 1995) and *What to Study: Generating and Developing Research Questions* (Sage, 1982). He is currently finishing *The Fourth Way: Harnessing the Forces of Fusion Leadership* (with Robert Lengel). He has also authored dozens of scholarly articles, papers, and chapters. His work has been published in *Administrative Science Quarterly*, *Academy of Management Journal*, *Academy of Management Review*, *Strategic Management Journal*, *Journal of Management*, *Accounting Organizations and Society*, *Management Science*, *MIS Quarterly*, *California Management Review*, and *Organizational Behavior Teaching Review*. Professor Daft has been awarded several government research grants to pursue studies of organizational design, organizational innovation and change, strategy implementation, and organizational information processing.

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PREFACE

Revealing the Nature of Management

Our vision for the second edition of *Understanding Management* is to create the best and most relevant textbook available for students and teachers who are interested in small and medium-sized organizations. Unlike traditional management textbooks, this book does not rely on abstract theories and company examples applicable only to top managers of billion-dollar corporations. To achieve the vision of appealing to students who “work for a living in typical companies,” this textbook contains two distinctive qualities:

- Management concepts are absolutely current and up-to-date, and they are selected for relevance to the large student audience interested in real management problems in local companies. The management concepts are also applicable to readers with interests in small business and entrepreneurship. The concepts have been enhanced with an easy-to-understand writing style, and many practical examples are woven into the text.
- Case applications, boxed items, photo captions, and end-of-chapter materials are heavily oriented toward middle management and supervisory issues in smaller companies and away from the “top management of Fortune 500 companies” perspective applicable to M.B.A. students in select schools. Vivid illustrations of real organizational issues appeal to people at all levels in companies of all sizes. Not only are these teaching aids current and practical, they reinforce the vision of the book by illustrating companies and management situations with which students can identify.

A revolution is occurring in the field of management. The traditional view of management’s purpose as that of controlling people, seeking stability and efficiency, and using rules and regulations to create a top-

down hierarchy no longer works to create healthy and thriving organizations in the present fast-paced global environment. More current thinking sees management’s purpose as harnessing employees’ enthusiasm and creativity; finding shared vision, norms, and values; sharing information and power; and encouraging teamwork and participation. Both paradigms are guiding management actions in the world today.

Our vision for the second edition of *Understanding Management* is to introduce the new paradigm in a way that is interesting and valuable to students, while retaining the best of traditional management ideas. To achieve this vision, we have included the most recent management thinking and research as well as the contemporary application of management ideas in organizations. We have worked together with the Dryden Press to provide a textbook better than any other for capturing the excitement and adventure of organizational management.

Any textbook is limited as a medium for teaching management. A textbook about management is like a music video of the Boston Pops Orchestra—the listener isn’t really there, and much of the music’s impact is lost. We revised *Understanding Management* to provide a visual recording of utmost quality that will create in students both respect for the changing field of management and confidence that they can understand and master it.

The “audio,” or textual, portion of this book has been enhanced through the easy-to-understand writing style and the many in-text examples and boxed items that make the concepts realistic and relevant to students. The “visual,” or graphical, component has been enhanced with a new set of photo essays that illustrate specific management concepts. The well-chosen photographs provide vivid illustrations and intimate glimpses of management scenes, events, and people. The photos are combined with brief written essays that explain how a specific management concept looks and feels. Both the textual and graphical portions of the textbook help students grasp the often abstract and distant world of management.

In this second edition of *Understanding Management*, we have purposely chosen examples of companies (both in in-text and boxed items) that tend to embody this new paradigm of management, demonstrating with ample empirical evidence the groundswell developing toward this new way of organizing and managing companies. Therefore, this second edition is especially focused on the future of management education by identifying and describing elements and examples of the new management paradigm. New materials in the book include the following:

- Chapters 1 and 2 introduce the management revolution and learning organizations and explain how the management paradigm shift contributes to the concept of a learning organization.
- Each chapter contains a boxed item called "Leading the Management Revolution" that describes real people and companies who are leading the change toward the new management paradigm. Examples of leadership are drawn from companies that include Hewlett-Packard, Eastman Kodak, Rykodisc, Taco Bell, Globe Metallurgical, General Electric, Yahoo!, J. Peterman, Amazon Books, Rebel Shoes, Starbucks, Gateway 2000, Relax the Back, Yakima, Blue Bird Buses, Granite Rock, Harbor Sweets, Knowaste, Nucor Steel, Texas Instruments, Nu Skin International, and Jostens.
- Each chapter contains a boxed item called "Technology for Today" that illustrates how technological innovations and products are reshaping the workplace.
- New material on creativity has been added to Chapter 8 on decision making, and a discussion of interactive leadership and servant leadership has been added to Chapter 13 on leadership.
- New concepts such as chaos theory have been added to explain the need for the management revolution toward the learning organization.
- The content of the chapters on teamwork, communication, and organization

structure has been updated to reflect the trend toward empowerment and participation in organizations.

- Additional material on total quality management has been added to Chapter 2 on management history as well as Chapter 17 on quality control.
- End-of-chapter discussion materials have been enriched with the addition of an ethical dilemma, two experiential exercises, and an Internet assignment.
- Chapter 6 on small business has been moved to the second section of the book about the environment of organizations.
- Updated material on NAFTA, the EU, and GATT has been added to Chapter 4 on the global environment.
- The appendix on organizational behavior has been retained to increase the coverage of OB and show students how OB concepts apply to them.

In addition, Dryden has provided the resources necessary to bring together a team of experts to create and coordinate color photographs, video cases, beautiful artwork, and supplementary materials for the best management textbook and package on the market.

Organization

The chapter sequence in *Understanding Management* is organized around the management functions of planning, organizing, leading, and controlling. These four functions effectively encompass both management research and characteristics of the manager's job.

Part I introduces the world of management, including the nature of the manager's job, the revolution in management, the new paradigm, learning organizations, and historical perspectives on management.

Part II examines the environments of management and organizations. This section includes material on the business environment and corporate culture, the global environment, ethics and social responsibility, the natural environment, and the

environment of small business and entrepreneurship.

Part III presents two chapters on planning, which include organizational goal setting and planning, strategy formulation and implementation, and the decision-making process, as well as information technology.

Part IV focuses on organizing processes. These chapters describe the dimensions of structural design, the design alternatives managers can use to achieve strategic objectives, structural designs for promoting innovation and change, the design and use of the human resource function, and the impact diverse employees have on the organizing function.

Part V is devoted to leadership. This section begins with a description of leadership and paves the way for the subsequent topics of employee motivation, communication, and management of teams.

Part VI describes the controlling function of management, including basic principles of total quality management, the design of control systems, management information systems, and techniques for control of operations management.

The appendixes include supplementary material on organizational behavior and management science aids for decision making. Appendix A, "Insights into Individual Behavior," provides material for instructors who like to expand the amount of OB concepts used in the management course. Moreover, Appendix A shows students how concepts apply specifically to them, giving them a more intimate feeling for the concepts. Appendix B, "Management Science Aids for Planning and Decision Making," contains the quantitative material that many instructors use to expand on the more qualitative decision approaches described in Chapter 8. The quantitative approaches of linear programming, breakeven analyses, forecasting, PERT charting, and decision tree analysis are all covered in Appendix B.

Special Features

One major goal of this book is to offer better ways of using the textbook medium to con-

vey management knowledge to the reader. To this end, the book includes several special features.

Chapter Outline and Learning Objectives.

Each chapter begins with a clear statement of its learning objectives and an outline of its contents. These devices provide an overview of what is to come and can also be used by students to see whether they understand and have retained important points.

Management Problem/Solution.

The text portion of each chapter begins with a real-life problem faced by organization managers. The problem pertains to the topic of the chapter and will heighten students' interest in chapter concepts. The questions posed in the Management Problem are resolved in the Summary and Management Solution at the end of the chapter, where chapter concepts guiding the management's actions are highlighted.

Photo Essays. Another feature of the book is the use of photographs accompanied by detailed captions that describe management events and the ways they relate to the chapter material. While the photos are beautiful to look at, they also convey the vividness, immediacy, and concreteness of management events in today's business world.

Contemporary Examples. Every chapter of the text contains a large number of written examples of management incidents. These are placed at strategic points in the chapter and are designed to demonstrate the application of concepts to specific companies. These in-text examples—indicated by an icon in the margin—include well-known companies such as J. Peterman, Beech-Nut, Southwest Airlines, Blue Bird Buses, Prudential Insurance, Compaq, and Hewlett-Packard, as well as less well-known companies and not-for-profit organizations such as Marmot Mountain Works, Raymond Corp., Retrieva Fabrics, Urgences Santé, ServiceMaster, and Blackberry.

Stores. These examples put students in immediate touch with the real world of organizations so that they can appreciate the value of management concepts.

Leading the Management Revolution Boxes. These boxes illustrate a major theme of the second edition: the learning organization in practice. This feature explores how companies, when faced with chaotic environments, use new paradigm ideas to compete successfully in both the domestic and global marketplace.

Technology for Today Boxes. These boxes show the speed and unpredictability of technological changes and how managers are harnessing these innovations, causing tremendous changes in the workplace. These boxed items contain issues of special interest to management students. They may describe a contemporary topic or problem that is relevant to chapter content, or they may contain a diagnostic questionnaire or a special example of how managers handle a problem. These boxes will heighten student interest in the subject matter and provide an auxiliary view of management issues not typically available in textbooks.

Focus on. . . Boxes. These boxed items highlight topics such as ethics, change, management, quality, diversity, and teamwork. Their purpose is to help students integrate these topics with other concepts in the book. Too often such topics are presented in discrete chapters that have no connection with other materials. Yet concepts in almost every chapter have implications for these topics. The Focus boxes are referenced in the chapter to help students understand the relevance of the chapter material for these important management concepts.

Video Cases. The parts of the text conclude with video cases that illustrate the concepts presented in that part. The sixteen videos enhance class discussion because students can see the company and more directly apply the management theories they

have learned. A detailed description of each video, classroom activities, and discussion questions and answers are provided in the *Instructor's Manual*.

Exhibits. Many aspects of management are research based, and some concepts tend to be abstract and theoretical. To enhance students' awareness and understanding of these concepts, many exhibits have been included throughout the book. These exhibits consolidate key points, indicate relationships among variables, and visually illustrate concepts. They also make effective use of color to enhance their imagery and appeal.

Glossaries. Learning the management vocabulary is essential to understanding contemporary management. This process is facilitated in three ways. First, key concepts are boldfaced and completely defined where they first appear in the text. Second, brief definitions are set out in the margin for easy review and follow-up. Third, a Glossary summarizing all key terms and definitions appears at the end of the book for handy reference.

Summary and Management Solution and Discussion Questions. Each chapter closes with a summary of key points that students should retain. In addition, the questions raised in the Management Problem are answered. The discussion questions are a complementary learning tool that will enable students to check their understanding of key issues, to think beyond basic concepts, and to determine areas that require further study. The summary and discussion questions help students discriminate between main and supporting points and provide mechanisms for self-teaching.

Management Exercises. End-of-chapter exercises called "Manager's Workbook," "Manager's Workshop," and "Surf the 'Net'" provide self-tests for students, group exercises, and an opportunity to experience management issues in a personal way. Also, the "Ethical Dilemma" exercises place stu-

dents in real-life situations in which they must take action. All of these exercises take the form of questionnaires, scenarios, and activities, and many also provide an opportunity for students to work in teams.

Case for Critical Analysis. Also appearing at the end of each chapter is a brief but substantive case that provides an opportunity for student analysis and class discussion. Many of these cases are about companies whose names students will recognize; others are based on real management events but the identities of companies and managers have been disguised. These cases allow students to sharpen their diagnostic skills for management problem solving.

Supplementary Materials

Dryden has once again spared no expense to make *Understanding Management* the premier textbook in the market today. Many instructors face large classes with limited resources, and supplementary materials provide a way to expand and improve the students' learning experience. The learning package provided with *Understanding Management* was specifically designed to meet the needs of instructors facing a variety of teaching conditions and to enhance management students' experience of the subject.

Instructor's Manual/Video Teaching Notes. The *Instructor's Manual* has been prepared to provide fundamental support to new professors teaching the course and innovative new materials for experienced professors. Prepared by Thomas Lloyd of Westmoreland County Community College, the manual features Chapter Outlines, Annotated Learning Objectives, and detailed "Lecture Outlines." A section called Company Examples poses questions and provides answers to the in-text examples that are highlighted in each chapter. These additional questions and answers provide instructors new material for class discussion or assignments. The manual also contains answers to chapter discussion

questions, teaching notes for the end-of-chapter Ethical Dilemmas, and answers to the case questions.

Prepared by Carol Cirulli, the Video Teaching Notes provide a video outline, references to concepts within the chapter that are discussed in the video, answers to video case discussion questions, individual and group exercises, and a multiple-choice quiz about the video.

Computerized Instructor's Manual.

A disk is available to instructors that contains most elements of the *Instructor's Manual*. Teachers can electronically cut and paste together the parts of the manual they desire for customized lecture outlines.

Test Bank. Another important part of the teaching package is the *Test Bank*. This ancillary was given special attention during the preparation of the second edition because instructors desire test questions that accurately and fairly assess student competence in the subject material. The *Test Bank* provides over 1,700 true/false, multiple-choice, short answer, essay, and scenario questions. Each question has been rated for level of difficulty and is designated either as factual or application so that instructors can provide a balanced set of questions for student exams. Also, page numbers where answers may be found are provided for objective questions. The *Test Bank* was prepared by Amit Shah, Frostburg State University.

Computerized Test Bank. The *Computerized Test Bank* is available for Windows- and DOS-based and Macintosh computers and is free to adopters. This item allows instructors to select and edit test items from the printed *Test Bank* as well as add an unlimited number of their own questions. Up to 99 versions of each test can be custom printed.

Study Guide. This guide is invaluable for helping students master management concepts. Prepared by Harold Babson of Columbus State Community College and

Murray Brunton of Central Ohio Technical College, the *Study Guide* provides a chapter outline with a list of corresponding learning objectives, discussion of key chapter concepts, matching questions for key terms, and multiple-choice questions tied to real-life situations. In addition, the Study Guide includes Skill Practice Exercises that are based on "Just Suppose" scenarios. Each chapter also contains Personal Learning Experience exercises that can be assigned as homework or used in class. Students are also encouraged to keep journal entries throughout the course. An Integrated Case with questions completes the chapters.

Transparency Acetates and Masters.

Seventy-five full-color acetates are available to adopters. The acetates are bound and three-hole punched for easy removal and organization in a binder. The 100 Transparency Masters comprise selected art from the textbook for effective display and discussion. Detailed teaching notes accompany the acetates and masters and include summaries of key concepts and discussion questions for in-class use. The transparen-

cies and notes were developed by Charles Beem of Bucks County Community College.

Laser Disc. The laser disc from the first edition of *Understanding Management* is still available to adopters. The disc includes graphic and textual elements from the textbook and support materials integrated with video and animation sequences to provide a dynamic, easy-to-use multimedia presentation of the principles of management.

The Dryden Press will provide complimentary supplements or supplement packages to those adopters qualified under our adoption policy. Please contact your sales representative to learn how you may qualify. If as an adopter or potential user, you receive supplements you do not need, please return them to your sales representative or send them to:

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