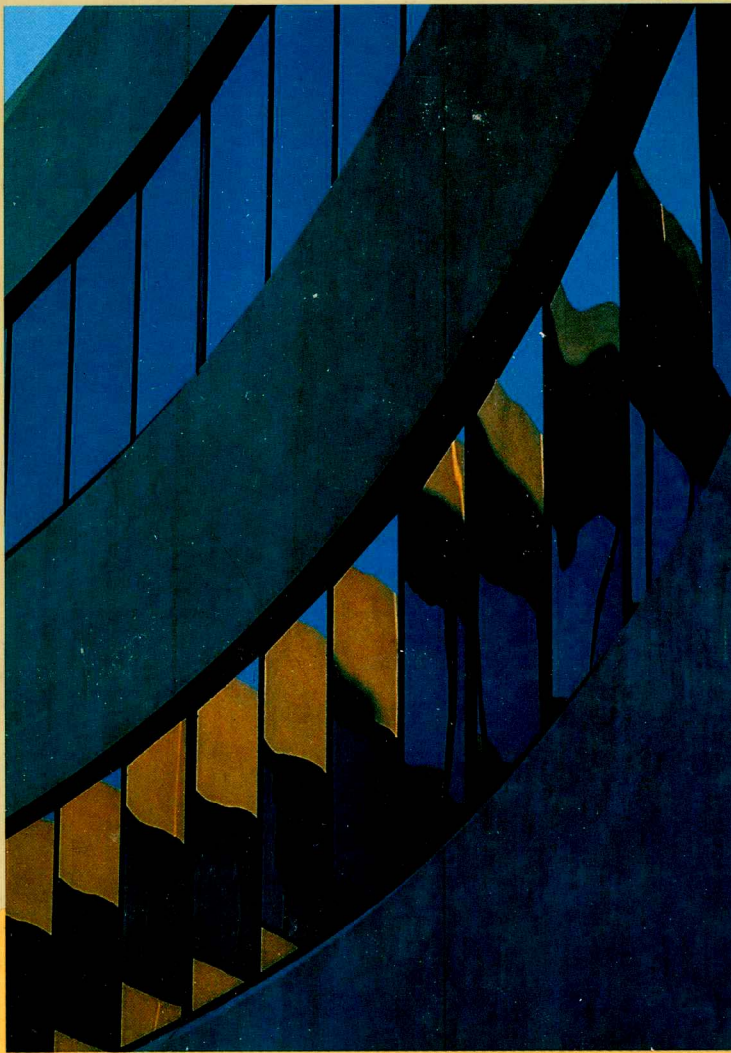


Fourth Edition

# M a n a g e m e n t f o r P r o d u c t i v i t y

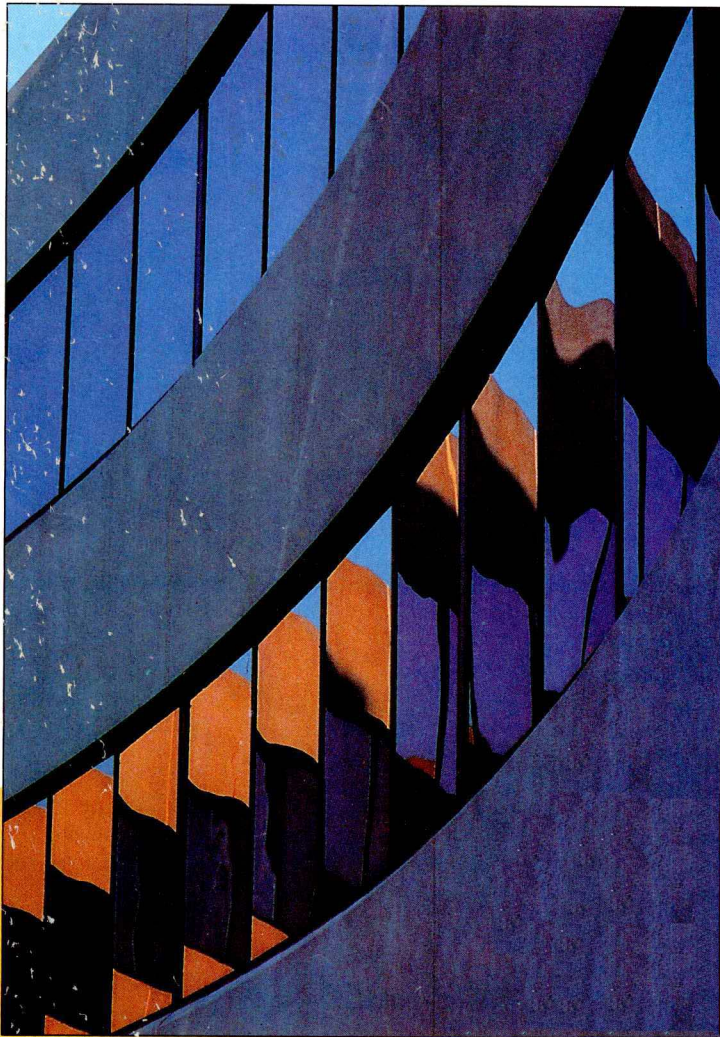
*John R. Schermerhorn, Jr.*



Fourth Edition

# M a n a g e m e n t f o r P r o d u c t i v i t y

*John R. Schermerhorn, Jr.*



## Case Editors

*William Naumes*

*Margaret J. Naumes*

*University of New Hampshire  
Whittemore School of Business*



John Wiley & Sons, Inc.

New York Chichester Brisbane

Toronto Singapore

Acquisitions Editor	<i>Timothy Kent</i>
Developmental Editor	<i>Sylvia Weber/Rachel Nelson</i>
Marketing Manager	<i>Carolyn Henderson</i>
Production Supervised by	<i>Sandra Russell/Lorraine Burke at Hudson River Studio</i>
Text Design	<i>Edward A. Butler</i>
Cover Design	<i>Steve Jenkins</i>
Manufacturing Manager	<i>Lorraine Fumoso</i>
Copy Editing Supervisor	<i>Marjorie Shustak</i>
Photo Researcher	<i>Hilary Newman</i>
Photo Editor	<i>Jennifer Atkins</i>
Photo Research Director	<i>Stella Kupferberg</i>
Illustration	<i>Edward Starr/York Graphic Services</i>
Editorial Assistance	<i>Ellen Ford</i>

This book was set in 10/12 Baskerville by York Graphic Services and printed and bound by Von Hoffmann Press. The cover was printed by Lehigh Press.

Recognizing the importance of preserving what has been written, it is a policy of John Wiley & Sons, Inc. to have books of enduring value published in the United States printed on acid-free paper, and we exert our best efforts to that end.

Copyright © 1984, 1986, 1989, 1993 by John Wiley & Sons, Inc.

All rights reserved. Published simultaneously in Canada.

Reproduction or translation of any part of this work beyond that permitted by Sections 107 and 108 of the 1976 United States Copyright Act without the permission of the copyright owner is unlawful. Requests for permission or further information should be addressed to the Permissions Department, John Wiley & Sons.

***Library of Congress Cataloging in Publication Data:***

Schermerhorn, John R.

Management for productivity / John R. Schermerhorn, Jr.,—4th ed.

Includes bibliographical references and indexes.

ISBN 0-471-52497-2

1. Management. I. Title.

HD31.S3326 1993

658—dc20

92-4676

CIP

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

To my sons John Christian and Charles Porter

*While you played  
I wrote.  
But always,  
I was listening  
and loving  
you.*

1984

*It's later now.  
Don't worry.  
Time  
means love shared,  
by you  
and me.*

1986

*Think  
of all the fun  
we have.  
Here, there, everywhere,  
doing things  
together.*

1989

*Home,  
now and forever,  
will always be  
wherever  
I can be  
with you.*

1992

# A b o u t t h e A u t h o r



John R. Schermerhorn, Jr. is the Charles G. O'Brien Professor of Management in the College of Business Administration at Ohio University, where he teaches graduate and undergraduate courses in management. Dr. Schermerhorn earned a Ph.D. in organizational behavior from Northwestern University, an M.B.A. (with distinction) in management and international business from New York University, and a B.S. in business administration from the State University of New York at Buffalo. He has taught at Tulane University, the University of Vermont, and Southern Illinois University at Carbondale, where he also served as Head of the Department of Management and Associate Dean of the College of Business Administration.

Highly dedicated to serving the needs of practicing managers in all types of organizations, Dr. Schermerhorn has written *Management for Productivity 4/E* to help others bridge the gaps between theory and practice of management. He has had prior work experience in business and hospital administration, and serves actively as a consultant and management trainer. His extensive international experience includes work in China, Egypt, Indonesia, Thailand, Malaysia, the Philippines, Poland, Hungary, Venezuela, and Tanzania. He has also served as a Visiting Professor of Management at the Chinese University of Hong Kong.

Dr. Schermerhorn is committed to instructional excellence and curriculum innovation. He serves as a guest speaker at colleges and universities, lecturing on developments in higher education for business and management, and on academic administration. A member of the Academy of Management, where he served as chairperson of the Management Education and Development Division, he is known to educators and students alike as senior coauthor of *Managing Organizational Behavior 4/E* (Wiley, 1991). He has also published numerous articles in the *Academy of Management Journal*, *Academy of Management Review*, *Academy of Management Executive*, *Organizational Dynamics*, and the *Journal of Management Development*, among other scholarly journals.

# P r e f a c e

A lot has happened in the world since the last edition of *Management for Productivity* went to press. We have witnessed dramatic political events, complex changes in the global economy, and major advances in information and technology. It is very likely that such developments will continue in the days and years ahead. Yet, even as we step toward the future, important social issues of human rights, consumer awareness, environmental protection, health, and education remain of pressing concern.

The strains of growth and change are present in the workplace as well. Past economic pressures have taken their toll. A wave of corporate downsizings, restructurings, and layoffs has helped erode employee loyalty at the very time that employers are reawakening to the true value of “human resources” as the building blocks of organizational performance. Today, the quest for productivity remains a major focus of any enterprise. But consumers now demand more: They want a commitment to total quality of goods produced and services delivered, and they will settle for nothing less.

As students reading *Management for Productivity 4/E*, you have little room for error as you prepare for a career in turbulent and difficult times. You must use all the advantages of a college education to build the foundations for continued life-long learning and professional development. This book has been completely rewritten in its fourth edition to help set the stage for you to participate fully and successfully in Workplace 2000—the managerial forum of the twenty-first century and beyond.

*Management for Productivity 4/E* has its own character. It remains my personal and professional contribution to today’s students and tomorrow’s managers. It contains my feel for the issues of the day and the challenges of the future. It also contains my appeal to you, as a student, to apply your greatest energies and intellect to the study of management and to use this knowledge to make a real difference in the workplace.

John R. Schermerhorn, Jr.  
Charles G. O’Bleness Professor of  
Management  
College of Business Administration  
Ohio University

## BOOK AT A GLANCE

Like its predecessors, the fourth edition of *Management for Productivity* introduces the essentials of management as they apply within the contemporary work environment. Its first goal is to cover the right topics in sufficient depth for the introductory student. Its second goal is to do so in an interesting and applied way—one that holds the students’ attention and stimulates them to relate actively to the material at hand.

Positive feedback from faculty and students alike has attested to the success of past editions. Yet, *Management for Productivity 4/E*, in keeping with the dra-

matic changes of the decade, has been rewritten for the student of the 1990s and beyond. This is not yesterday's management book—it is tomorrow's. The book focuses on achieving productivity through good management. The essentials of management are presented in a systematic and thorough way; the discussion emphasizes substance, combined with application; examples are numerous and are integrated into the text presentation; and the text has been written in an interesting style similar to that of the professional literature.

Three important topics—cultural diversity, the global economy, and ethics and social responsibility—have been given special attention in this edition. These topics are integrated throughout the book, but they are introduced right where they need to be—as the first three text chapters. No one should study management without these major topics as his or her frame of reference. Businesses in the twenty-first century will be different than they are today. Organizations and their managers are already facing the challenges of a new workplace—one that emphasizes diversity, ethics, and economic and political globalization. These are the signatures of business and management in a changing world. And as the managers of the future, students of today must be well prepared for the great demand of tomorrow. After all, today's students will be the first managers of the twenty-first century—the first managers of Workplace 2000.

Too many employers have yet to learn these important lessons, whereas progressive managers empower, involve, and support people in the workplace. They try to tap the rich potential of diversity by allowing and helping others to work together in self-managing groups, task forces, and teams. They also understand both the wonders and limits of technology. *Management for Productivity 4/E* is written to meet the needs of the introductory student. At the same time, it shows a healthy respect for the needs of practicing managers. Core theories, research insights, and key concepts are balanced with current trends and practical developments.

### **Pedagogical Design**

The design of *Management for Productivity 4/E* has been created specifically to benefit the student and to support the pedagogical goals of the author. With a clean and open look in a four-color format, the design is our attempt to provide introductory management students with a book that is consistent in style with the professional literature they can and should begin reading. The design incorporates several text features that have been carefully chosen to communicate the subject matter and to do so in a way that facilitates learning. Each chapter of *Management for Productivity 4/E* contains the following pedagogical features:

- *Planning Ahead*—the chapter introduction—provides a broad overview that helps orient the reader, as well as a set of basic study questions that both establishes learning objectives and creates a framework for later chapter review.
- *Workplace 2000* is a thought-provoking chapter-opening vignette in which progressive managers and organizations deal with timely issues relevant to the new workplace of the twenty-first century, such as environmental awareness and affirmative action. The organizations featured here range from large, well-known companies, such as Kodak and Levi Strauss, to smaller local organizations, such as the Center for Creative Leadership in Greensboro, North Carolina. These organizations are also used as in-chapter examples and serve as the basis for the first end-of-chapter case, *In the Workplace*, which refers back to the opening vignette and expands on it in a managerial situation.
- *Margin Notes* are provided to highlight key terms and to identify key lists in the text presentation. By using the margin terms as a study guide, the student has

a convenient outline for studying chapter content and for reviewing the material for examinations.

- “At” *Examples* are used frequently as part of ongoing text discussion to show clearly how key concepts and theories are being applied in day-to-day managerial practices in a wide selection of organizations—small or large, domestic or global. For instance, to see how managers make extra investments to insure communication effectiveness, see the “at General Electric” example in Chapter 14. There you’ll learn how CEO Jack Welch encourages the flow of accurate information among his GE employees.
- Colorful *Embedded Boxes* provide in-depth examples of how managers in progressive organizations deal with important issues. The boxes focus on three primary topics—workforce diversity (the participative management program at AT&T’s Reading Works plant), the global economy (a Ford plant in Hermosillo, Mexico), and ethics and social responsibility (Subway Sandwiches’ use of recyclable containers)—and are embedded, by both content and design, in the general text discussion to facilitate their use.
- *Manager’s Notepads* are boxed lists of useful hints to help managers perform their functions or accomplish their goals. These lists offer advice on the “do’s” and “don’t’s” of managerial behavior. For example, as a manager, *do* focus on positive work when conducting a performance appraisal, but *don’t* generalize problem behavior.
- The *Chapter Review* is an all-new section at the end of each chapter, that is specifically designed to help students review chapter content and prepare for examinations. The section includes a *chapter summary* tied specifically to the study questions presented in the opening Planning Ahead section; a list of *key terms*; and *essay questions* on each major chapter topic.
- The *Critical Thinking* section at the end of each chapter asks the student to apply critical thinking to management issues discussed in the chapter. Two cases—*In the Workplace* and *Global Perspective* require an analysis of real-life managerial behavior and decisions. The *Research Project* requires additional library work.
- *In the Workplace Cases* chronicle the same companies that are depicted in the chapter-opening Workplace 2000 vignettes. The questions included at the end of the case ask students to apply the concepts discussed in the chapter to the circumstances presented in the detailed case study.
- A *Global Perspective Case* appears at the end of every chapter, in addition to the workplace case that is based on the chapter-opening Workplace 2000 vignette. These cases bring to life the dynamic decisions global companies must make, such as Honda’s decision to change its Japanese headquarters operations to the more rapid decision-making style of American corporations, and the restructuring of McDonnell Douglas Corporation (an aerospace manufacturer) as a result of improved relations with the former Soviet Union.
- A *Research Project* concludes every chapter by addressing a timely management topic that can be used as the basis for a wide variety of course assignments, including individual and group work. Students are advised of outside research references that may help them solve the managerial dilemmas, which include how to give and take criticism and how to manage your boss.
- Part-ending *Management Development Portfolios* include selections of *personal assessments and exercises* and are presented in a professional format representative of formal management-development activities in actual work settings. These portfolios ask students to evaluate their managerial capacities and decision-making skills; they are suitable for either in-class or out-of-class assignments and are available for either individual or group use.

## SUPPORT PACKAGE

*Management for Productivity 4/E* is supported by a comprehensive learning package that assists the instructor in creating a motivating and enthusiastic environment and provides the student with additional instruments for understanding and reviewing management concepts and with the opportunity to see these concepts in practice.

- New to this edition is the *Annotated Instructor's Edition*, which includes nearly 900 marginal notations covering four categories of information—teaching tips, questions for class discussion, examples, and quotables—along with transparency acetate and teaching transparency notations near the appropriate figures.
- The *Instructor's Resource Guide* is a unique, comprehensive guide to building a system of customized instruction. The manual offers helpful teaching ideas, advice on course development, sample assignments, and chapter-by-chapter text highlights, learning objectives, lecture outlines, class exercises, and lecture notes. The Instructor's Resource Guide is also available on disk.
- The *Active Learning Guide* is a study guide that has been designed to get students more actively involved in their learning by helping them learn, understand, and apply course concepts, not just memorize them. Each text chapter is broken down into learning objectives, an overview, an outline, key terms, active learning questions, and self-tests.
- The *Test Bank* consists of approximately 3,000 multiple choice, true-false, and essay questions categorized by pedagogical element, page number, and type of question. The Test Bank is also available in a computerized version, called MICROTEST.
- One hundred full-color *Transparency Acetates* visually highlight the key figures found in the text. An additional 100 *Teaching Transparencies* highlight the margin notes found throughout the text.
- A comprehensive *Video Package* offers audiovisual supplements that tie directly to the theme of Workplace 2000 and bring to life many of the cases found in the text as well as from other outside sources. A *Video Guide* is also available.

## ACKNOWLEDGEMENTS

*Management for Productivity 4/E* was made possible through the extraordinary efforts of many people. The project was initiated with the support of my former editor, Cheryl Mehalik, and I am forever indebted to her as a source of insight and great encouragement. It was completed under the guidance of Tim Kent, who contributed unique strength as we strove together to create the best possible textbook for today's management students.

At John Wiley & Sons, a unique team worked together to build and complete the many facets of this book. Special thanks go to the following superb group of Wiley personnel who worked tirelessly on the project: William Oldsey (publisher), Whitney Blake (executive editor), Karin Gerdes Kincheloe (design director), Edward A. Butler (text design), Jennifer Atkins (photo research), Sylvia Weber and Rachel Nelson (development), Katherine Rubin and Sandra Russell (production), Marjorie Shustak (copyediting), Andrea Bryant (supplements), Ellen Ford (editorial assistance), and Carolyn Henderson (marketing and promotion). I also wish to thank Ed Starr for his beautiful illustration program, and Elsa Peterson for her work compiling the permissions.

In this edition, we wanted to offer the best possible selection of cases, both end of chapter and end of part. To do that, we turned to William Naumes and

Margaret J. Naumes of the University of New Hampshire. They responded with just what we'd hoped for, and their "mark" is now indelibly inscribed in the book's learning value. We also wanted unique and appropriate applications, and Frances Minters provided the lively embedded boxes that appear throughout the text.

We also wanted a truly useful annotated instructor's edition. For that, we turned to William Gardner of the University of Mississippi and to Karen McKenzie. Together, they provided a valuable collection of marginal teaching tips, class discussion questions, examples, and insightful quotes to aid in the instruction of management concepts. William Gardner—along with the coauthorship of his wife Marilyn Gardner—also provided top-quality products in the instructor's resource guide and study guide. We wanted a substantial test bank. To do that we relied on the skills of Marcia J. Kurzynski of Cleveland State University. Finally, we wanted a stimulating and relevant video package. For that, we turned to Aaron King of the New Technology Group of John Wiley & Sons.

As always, writing and revising a book takes a great toll on one's personal life. My wife, Ann, and my sons, Christian and Porter, have made their own special contributions and sacrifices in behalf of this project. I now publicly thank them for making it possible for me to write—and endlessly revise—the pages that eventually became this book. I sincerely hope that the results of my efforts meet their expectations.

I offer this final word of thanks to the following colleagues whose willingness to review and critique parts of this book in various stages of its life, including previous editions, added immensely to my understanding. Always, I tried to listen and deal constructively with your suggestions. Every point was considered and appreciated. I hope that you, too, feel the final product justifies your fine efforts.

Jack Abraham, Clemson University  
 Royce Abrahamson, Southwest Texas  
 State University  
 Sonny S. Ariss, University of Toledo  
 Barry Armandi, State University of  
 New York at Old Westbury  
 Larry G. Bailey, Delta State University  
 Bonnie Baker, Siena College  
 Robert M. Ballinger, Siena College  
 William Blackerby, Siena Heights  
 College  
 Robert Boothe, Southwest Missouri  
 State University  
 Gunther S. Boroschek, University of  
 Massachusetts-Boston  
 Steve Brenner, Portland State  
 University  
 Gil Brookins, Siena College  
 Russell V. Brown, Jr., Grand Valley  
 State University  
 Gene E. Burton, California State  
 University-Fresno  
 John P. Callahan, Florida Institute of  
 Technology

R. Camehorn, Ohio University  
 Joseph Cantrell, DeAnza College  
 Kent Carter, University of Maine  
 Lawrence Carter, Jamestown  
 Community College  
 James F. Cashman, University of  
 Alabama  
 S. Clark, Lebanon Valley College  
 Jack Cochran, U.S. Military Academy  
 Refik Culpan, Pennsylvania State  
 University-Harrisburg  
 Dave Day, Columbia College  
 James W. Dean, Pennsylvania State  
 University  
 Sylvia De Leon, San Antonio College  
 Gregory G. Dell'Omo, Canisius  
 College  
 John K. Evans, New Hampshire  
 College  
 C.S. Everett, Des Moines Area  
 Community College  
 J. Fahrenwald, Rockford College  
 Ellen Frank, Southern Connecticut  
 State University

- Mary Giovannese, Northeast Ohio State  
Barbara Gray, Pennsylvania State  
University  
Mark Green, Simpson College  
Ronald Greenwood, GMI-EMI  
Susan Halfhill, California State  
University-Fresno  
John Hall, University of Florida-  
Gainesville  
Joseph Harder, Pennsylvania State  
University  
Timothy Harper, Bowling Green  
State University  
D.E. Harris, Oakton Community  
College  
Nell Hartley, Robert Morris College  
Paul Hegele, Elgin Community  
College  
Robert C. Henry, Los Angeles Trade-  
Technical College  
Susan Herman, Keene State College  
John A. Hornaday, Daniel Webster  
College  
George S. Huber, University of Texas  
at Austin  
Neil J. Humphreys, Louisiana  
Technical University  
E. Harvey Jewell, Augustana College  
George P. Johnston III, North Dakota  
State University  
Kathleen P. Jones, University of  
North Dakota  
Marcia Kassner, University of North  
Dakota  
Dave Ketchen, Pennsylvania State  
University  
Scott King, Sinclair Community  
College  
William L. King, Ft. Hayes State  
University  
Gus L. Kotoulas, Morton College  
Charles J. Kovarik, Johns Hopkins  
University  
Carl J. Kovelowski, Mercer  
Community College  
Tom Kraven, York College of  
Pennsylvania  
Patrick Kroll, University of Minnesota  
Marsha J. Kurzynski, Cleveland State  
University  
Stanley Lau, University of West Indies  
Jerre G. Lewis, Kirtland Community  
College  
Robert Lindamood, University of  
Massachusetts-Boston  
Robert C. Maddox, University of  
Tennessee  
David Mandeville, Oklahoma State  
University  
Mzamo P. Mangaliso, University of  
Massachusetts-Amherst  
Ronald J. Marshall, Montgomery  
College  
William Mathews, Jackson  
Community College  
Connie Mayfield, Georgia Southern  
University  
Harriette McCaul, North Dakota  
State University  
Peggy Miller, Ohio University  
Stanley Mitchell, McLennan  
Community College  
Edward J. Morrison, University of  
Colorado at Boulder  
Abbas Nadim, University of New  
Haven  
Wayne E. Nelson, Central Missouri  
State University  
Harvey Nussbaum, Wayne State  
University  
Clyde A. Painter, Ohio Northern  
University  
Dennis D. Pappas, Columbus State  
Community College  
John H. Parker, Manchester  
Community College  
P. Peterson, Elon College  
Jane Pettinger, North Dakota State  
University  
Michael A. Raphael, Central  
Connecticut State University  
Margaret A. Rechter, University of  
Pittsburgh at Greensburg  
Paul R. Reed, Sam Houston State  
University  
Gerald R. Rosenfelder, Canisius  
College  
Nick Sarantakes, Austin Community  
College  
Richard C. Scamehorn, Ohio  
University  
Allen Shub, Northeastern Illinois  
University  
William R. Smith, University of Texas  
M. Sprence, Dyke College  
James M. Stack, Valparaiso University

Paul L. Starkey, Delta State University  
Bob Stock, New England College  
Lee Wm. Sutherland, Suffolk  
University  
Johnny Thomas, LaSierra University  
Linda K. Travino, Pennsylvania State  
University  
Ann Van Gigch, California State  
University-Sacramento  
John J. Vilton, University of North  
Dakota  
J. Wallace, Marshall University

Fred A. Ware, Jr., Valdosta State  
College  
Warren C. Weber, California  
Polytechnic University-Pomona  
Nathan Weiner, St. John's University  
James Welch, Kentucky Wesleyan  
College  
Robert R. Wiggins, Liberty University  
Robert Wright, Pepperdine University  
Richard Zahn, Catonsville  
Community College  
Alan Zeiber, Portland State University

# C o n t e n t s

---

## Chapter 1 Managers, Diversity, and a Changing Environment

### *Planning Ahead*

*Workplace 2000: Management Alert — The Future is Now!*

### Managers and Organizations

*What Is a Manager?* 4     *What Do Managers Do?* 5

*What Is an Organization?* 5     *What Do Organizations Do?* 6

### Productivity and Managerial Performance

*The Concept of Productivity* 8     *Performance Effectiveness and Efficiency* 8

*Product Quality and Customer Service* 9     *Productivity and Quality of Work Life* 9

### Managers in Organizations

*Organizations as Employers* 10     *Levels and Types of Managers* 11

*Managers, Organizations, and the Challenges of Change* 13

### Managers and Workforce Diversity

*What is Workforce Diversity?* 14     *Trends in Workforce Demographics* 14

*Managers, Diversity, and Performance* 15

### The Manager's Changing Environment

*Competition and the Global Economy* 17     *Ethics and Social Responsibility* 17

*Information and Technological Change* 19

*Employment Values and Individual Rights* 20

*Importance of the Nonprofit Sector* 20

### The Management Process

*Four Functions of Management* 21     *Managerial Activities and Roles* 23

*Managerial Agendas and Networks* 24

### Managerial Skills and Competencies

*Essential Managerial Skills* 25     *Directions in Managerial Competencies* 26

*Life-Long Learning and the Study of Management* 26

### Chapter Review

*Summary* 28     *Key Terms* 29     *Essay Questions* 30

### Critical Thinking

*Case 1.1: In the Workplace—Johnson & Johnson* 32

*Case 1.2: Global Perspective—Zenith Looks for a Bright Picture* 33

*Research Project: Diversity Lessons from Progressive Employers* 34

### Manager's Notepads

*Eight Responsibilities of a Typical Supervisor* 12

*Competencies that Make a Difference in Managerial Success* 26

## 2 P A R T 1 2 INTRODUCTION TO 3 MANAGEMENT 4

7

10

14

17

21

25

28

32

**The New Workplace 11**

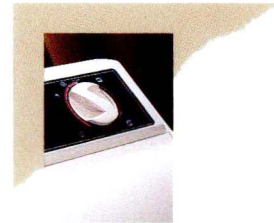
Herman Miller

**International Management 18**

Whirlpool

**Ethics and Social Responsibility 15**

Goodyear

**Chapter 2 International Management and the Global Economy 36***Planning Ahead* 36*Workplace 2000: Reawakening! Market Economies Bloom in Central Europe* 37

International Management and the Global Economy 38

*The "New" European Community* 39    *North America and Latin America* 41*Asia and the Pacific Rim* 43

Opportunities of International Business 44

*Reasons for Going International* 44    *Forms of International Business* 45

Multinational Corporations 47

*Types of Multinational Corporations* 48*Management Issues for Multinational Corporations* 48*Ethical Concerns in Multinational Corporations* 50

Environmental Influences on Global Operations 51

*Porter's Global Competitiveness Model* 51*Economic, Legal-Political, and Educational Differences* 52*Socio-Cultural Differences* 54    *Understanding National Cultures* 56

Applying the Management Functions Across Cultures 57

*Planning and Controlling for Global Operations* 57*Organizing and Leading for International Operations* 58

Comparative Management Practices 61

*Do American Management Theories Apply Abroad?* 61*What Can be Learned from the Japanese?* 62*Management Lessons from Around the World* 64

Chapter Review 65

*Summary* 65    *Key Terms* 66    *Essay Questions* 67

Critical Thinking 68

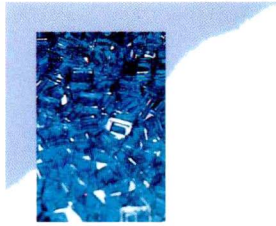
*Case 2.1: In the Workplace-General Electric Goes to Hungary* 68*Case 2.2: Global Perspective—Federal Express Delivers Growth Through Global Expansion* 69*Research Project: Japanese Investment in America* 71

Manager's Notepads

*Checklist for Choosing a Foreign Joint Venture Partner in International Business* 47*Stages of Entry and Adjustment in a New Culture* 55

**The New Workplace 51**

H.J. Heinz



**International Management 59**

General Motors



**Ethics and Social Responsibility 42**

Maquiladoras in Mexico



**Chapter 3 Managing with Ethics and Social Responsibility 72**

*Planning Ahead* 72

*Workplace 2000: New Job Title, Vice President of the Environment* 73

*What Is Ethical Behavior?* 74

*Ethics—In Concept and in Practice* 75      *Ways of Thinking About Ethical Behavior* 76

*Managerial Ethics* 77

*Ethical Dilemmas Faced by Managers* 77      *Rationalizations for Unethical Behavior* 78

*Factors Affecting Managerial Ethics* 79

*Maintaining High Ethical Standards* 81

*Ethics Training* 81      *Whistleblower Protection* 82      *Top Management Support* 83

*Formal Codes of Ethics* 84      *Positive Ethical Climates* 84

*Corporate Social Responsibility* 85

*Contrasting Views on Social Responsibility* 86

*Evaluating Corporate Social Performance* 87

*A Continuum of Social Responsibility Strategies* 89

*Government Regulation of Business* 90

*Government Agencies as Regulators* 90      *The Complex Legal Environment* 91

*International Dimensions of Government Regulation* 93

*Political Action by Businesses* 93

*Ethics, Social Responsibility, and Managerial Performance* 94

*Chapter Review* 96

*Summary* 96      *Key Terms* 97      *Essay Questions* 98

*Critical Thinking* 99

*Case 3.1: In the Workplace—Bath Iron Works Comes Clean* 99

*Case 3.2: Global Perspective—The Body Shop International, A Natural Winner* 101

*Research Project: Corporate Social Responsibility Status Report* 102

*Manager's Notepads*

*A Six-Step Checklist for Making Ethical Decisions* 82

*"Do" and "Don't" Tips for Whistleblowers* 83

*Management Development Portfolio—Part 1* 104

*Assessment: Diversity Awareness* 104

*Exercise: My "Best" Manager* 105

*Assessment: Cultural Attitudes Inventory* 105

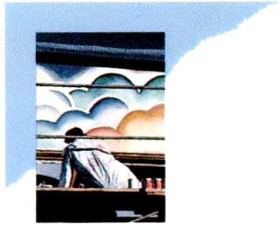
*Exercise: What Do We Value in Work?* 106

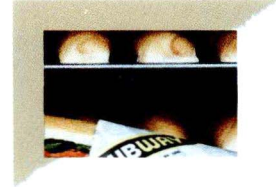
*Assessment: International Business IQ Test* 107

*Exercise: Confronting Ethical Dilemmas* 108

*Integrating Case—Part 1* 109

*Burroughs Wellcome and the AZT Controversy* 109

**The New Workplace 85**  
 General Electric

**International Management 88**  
 Alcoa

**Ethics and Social Responsibility 92**  
 Subway Sandwich

**PART 2**  
**FOUNDATIONS OF**  
**MANAGEMENT**
**Chapter 4 Historical Views on Management 116**
*Planning Ahead* 116

*Workplace 2000: Drucker Looks Back—"The Best Book on Management Ever"* 117

*Perspectives on Management* 118

*Management as an Art* 119     *Management as a Science* 119

*Management as a Profession* 119     *The Evolution of Management Thought* 120

*Classical Approaches to Management* 120

*Scientific Management* 121     *Administrative Principles* 122

*Bureaucratic Organization* 124

*Behavioral Approaches to Management* 125

*The Hawthorne Studies* 125     *Abraham Maslow: A Theory of Human Needs* 127

*Douglas McGregor: Theory X and Theory Y* 128

*Chris Argyris: Personality and Organization* 129

*Quantitative Approaches to Management* 131

*Management Science Foundations* 131     *Quantitative Analysis Today* 131

*Modern Approaches to Management* 132

*A Systems View of Organizations* 133     *Contingency Thinking* 134

*Globalization and Competitive Advantage* 135

*Chapter Review* 137

*Summary* 137     *Key Terms* 138     *Essay Questions* 139

*Critical Thinking* 140

*Case 4.1: In the Workplace—General Motors-The Saturn Project* 140

*Case 4.2: Global Perspective—The Wizard of Oz* 142

*Research Project: The Future of General Motors* 145

*Manager's Notepads*
*Practical Lessons from the Scientific Management Approach* 123

*Eight Attributes of Performance Excellence in Organizations* 136

**The New Workplace 122**  
 UPS

**International Management 130**  
 Japanese Firms in the United States

**Ethics and Social Responsibility 132**  
 Digital

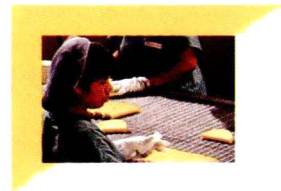

<b>Chapter 5 Managerial Decision Making and Problem Solving</b>	<b>146</b>
<i>Planning Ahead</i>	146
<i>Workplace 2000: General Electric CEO Seeks a Better Idea</i>	147
Managers as Decision Makers and Problem Solvers	148
<i>Problem Solving and the Management Functions</i>	149
<i>How Managers Deal with Problems</i> 150 <i>The Problem-Solving Process</i> 152	
Finding and Defining Problems	154
<i>The Role of Information</i> 155 <i>Types of Managerial Problems</i> 155	
<i>Common Mistakes in Problem Definition</i> 157	
Generating and Evaluating Alternative Solutions	159
<i>Creativity in Problem Solving</i> 160 <i>Problem Conditions or Environments</i> 162	
<i>Criteria for Analyzing Alternatives</i> 164	
Choosing Among Alternatives: Making the Decision	164
<i>Deciding to Decide</i> 164 <i>Deciding How to Decide</i> 165	
<i>Deciding Who Should Decide</i> 167 <i>Conducting the Ethics Double-Check</i> 168	
Implementing the Solution and Evaluating Results	169
Improving Managerial Problem Solving	170
<i>The Role of Intuition</i> 170 <i>Computer-Based Decision Support</i> 170	
<i>Multidimensional Thinking</i> 171	
Chapter Review	171
<i>Summary</i> 171 <i>Key Terms</i> 173 <i>Essay Questions</i> 173	
Critical Thinking	175
<i>Case 5.1: In the Workplace—Less Is More at General Electric</i> 175	
<i>Case 5.2: Global Perspective—John Akers, IBM's Reorganization Man</i> 177	
<i>Research Project: Tough Decision: How to Handle Plant Closings</i> 178	
Manager's Notepads	
<i>Ten Ways to Enhance Creative Thinking</i> 160	
<i>How to Avoid the Escalation Trap in Decision Making</i> 165	
Management Development Portfolio—Part 2	180
<b>Assessment:</b> <i>Managerial Assumptions</i>	180
Exercise: <i>What Would the Classics Say?</i>	180
<b>Assessment:</b> <i>Your Intuitive Ability</i>	181
Exercise: <i>Finding Creative Solutions</i>	182
<b>Assessment:</b> <i>Decision Making Biases</i>	183
Exercise: <i>Lost at Sea</i>	184
Integrating Case—Part 2	185
<i>Tucson Mining Company</i>	185

**The New Workplace 154**

Aetna

**International Management 159**

PepsiCo

**Ethics and Social Responsibility 162**

GTE

