

210 1291
VOERTMAN'S
\$41.95

SECOND EDITION

MANAGEMENT

Principles and Practices

David H. Holt



Management

Principles and Practices

Second Edition

DAVID H. HOLT

James Madison University



Prentice Hall, Englewood Cliffs, New Jersey 07632

Library of Congress Cataloging-in-Publication Data

Holt, David H.

Management, principles and practices / David H. Holt.—2nd ed.

p. cm.

Includes bibliographical references.

ISBN 0-13-555822-0

1. Management. 2. Industrial management. I. Title.

HD31.H6225 1990

658.4—dc20

89-25556

CIP

Editorial/production supervision: Eleanor Perz

Cover design and interior design: Christine Gehring-Wolf

Cover art: Christine Gehring-Wolf

Photo research: Christine Pullo and Teri Stratford

Manufacturing buyer: Peter Havens



© 1990, 1987 by Prentice-Hall, Inc.

A Division of Simon & Schuster

Englewood Cliffs, New Jersey 07632

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

ISBN 0-13-555822-0

Prentice-Hall International (UK) Limited, *London*

Prentice-Hall of Australia Pty. Limited, *Sydney*

Prentice-Hall Canada Inc., *Toronto*

Prentice-Hall Hispanoamericana, S.A., *Mexico*

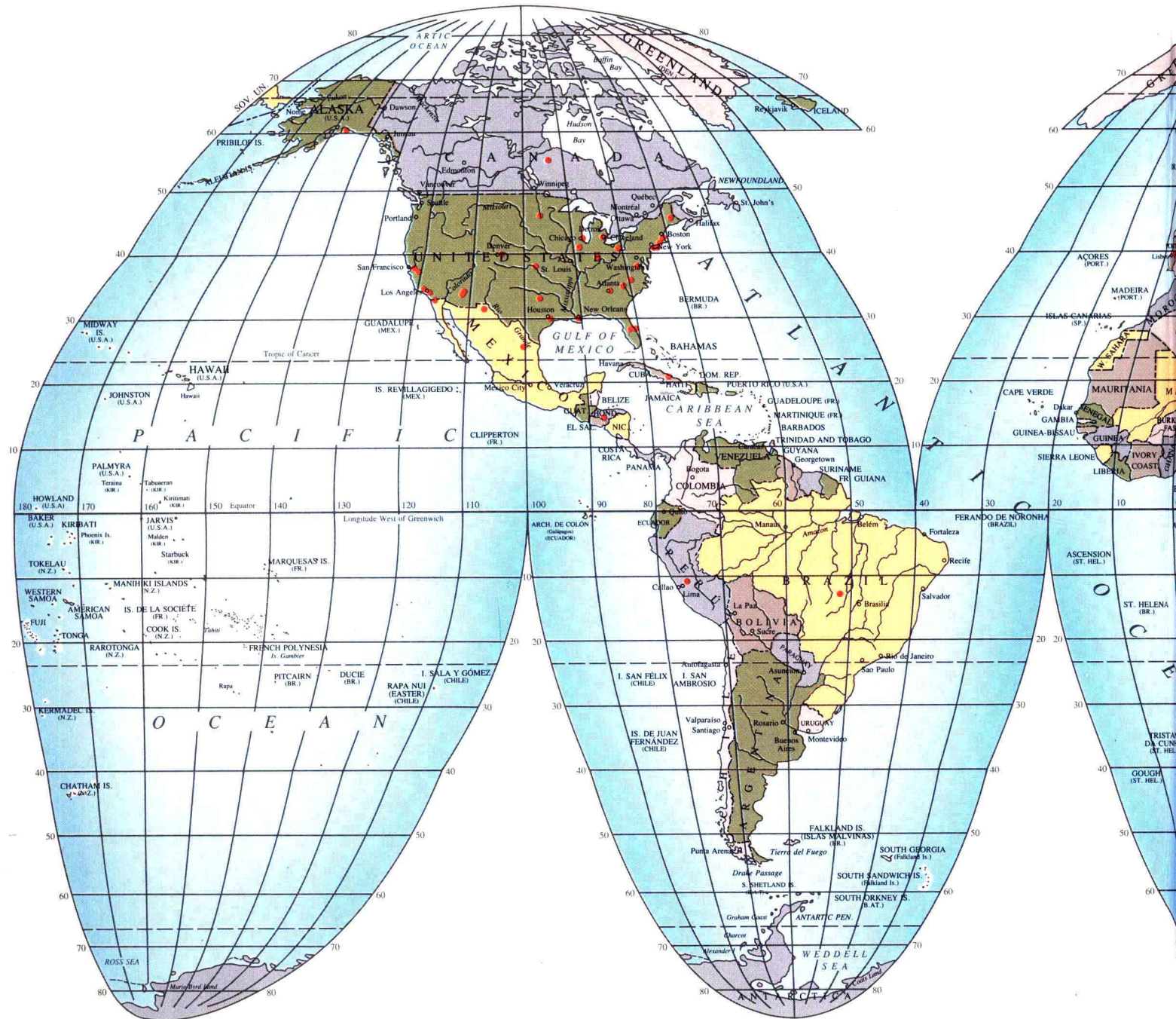
Prentice-Hall of India Private Limited, *New Delhi*

Prentice-Hall of Japan, Inc., *Tokyo*

Prentice-Hall of Southeast Asia Pte. Ltd., *Singapore*

Editora Prentice-Hall do Brasil, Ltda., *Rio de Janeiro*

GLOBAL MANAGEMENT



- Indicates countries about which the text provides international management applications in cases and/or boxes.

APPLICATIONS



710 BOOK STORE
 Top CASH For BOOKS Anytime

"YOURS — FOR LOWER COSTS
 OF HIGHER EDUCATION "

Management

Preface

As a result of global changes, managers are rapidly adjusting to a *global mentality*, recognizing that changes in Europe will realign our major trading partners in 1992, changes in China will create new opportunities and competitors in the Pacific Rim, and changes in the Soviet Union may lead to an era of economic cooperation with Eastern bloc countries. We are beyond the age of insular nations vying for a few select export markets, and a major objective of this text is to alert students to global affairs. Western industries must improve productivity to remain competitive, and managers must be prepared to do business globally.

Having spent several years in Europe and Japan, I am sensitive to America's tremendous national resource of innovative managers. We have an extraordinary technological basis and the educated professionals capable of meeting any challenge. I am also sensitive, however, to our impertinence as a nation caught resting on our past success as other nations outpace us.

I was recently "escorted" out of the People's Republic of China, only a few days after student demonstrators had been shot in Tiananmen Square. Arriving in Hong Kong, I took a quiet evening cruise on Victoria Harbor, sailing past tall buildings with glaring neon signs that sent brilliant multicolored reflections across the harbor water. I was chatting with a Chinese colleague from Hong Kong about international competition, and both of us were speculating on economic changes in China, Hong Kong, and the United States. He pointed to the commercial district of Hong Kong and asked me to pick out an American sign. I scanned the harbor lights, finding Panasonic, Honda, Nissan, Fuji Film, Cannon, and several dozen more signs for Japanese companies, but not one name of a United States business appeared in lights. Then he asked rhetorically why in Hong Kong he had to make a special request for an American beer or search catalogs for United States products. Why, too, he wondered, were the leading Japanese department stores in Hong Kong, yet American merchandisers were conspicuously absent?

The only logical answer seemed to be that Americans were not in Hong Kong because we chose not to be there. Certainly we have the capability to expand into any market almost anywhere in the world, but we have a rather low profile in comparison to the Japanese and other nations aggressive in business. I also visited a half dozen other Pacific Rim countries in 1989, and my senses were aroused to watch for American products. When I saw two Cadillac limousines outside a large building in Bangkok, I beamed with pride: Hey! We're here! But then I realized that the Cadillacs belonged to the United States embassy, and they were the last American cars I saw.

When I returned to the United States to continue work on this edition, I wanted to stress even more the important trends in global business management. In addition to the international management chapter (Chapter 20), examples drawn from international business enrich discussion throughout the text. Each chapter features a *Global Trends* box, which takes a closer look at world-wide businesses. The text highlights companies in Japan, Korea, Finland, the United Kingdom, France, West Germany, Canada, Mexico, Hong Kong, the People's Republic of China, Malaysia, Singapore, Sweden, India, Ireland, and the Middle East. Commentary on United States firms operating overseas has been integrated into discussion throughout the text.

I have not lost sight of America's strengths. In the first edition, I suggested that with Theory X, Theory Y, and Theory Z, we need a *Theory A* to capture the spirit and creativity of American enterprise. Theory A would encompass our pervasive spirit of individualism, our ability to adapt and to take entrepreneurial

risks, and our resolution to foster democratic institutions. I am now more convinced than before that there is a basis for Theory A. When Theory A is written, it will have as a foundation the American resurgence of productivity management and the renaissance of free enterprise. We have the innovative technology, inventive minds, the exceptional scientific foundations, and the aggressive entrepreneurial spirit to continue to lead the industrial world into the twenty-first century. Readers will find that this edition addresses the issues of innovation throughout the text and its ancillary material. We focus on entrepreneurship in a special chapter (Chapter 21).

With our ability to adapt to change, the United States should enter the coming age of information technology as a global competitor. Although we hear much about our shift from an industrial-based to a service-oriented economy, it may be more accurate to say that our manufacturing sector is adapting to information sciences, away from consumer goods and commodity products that are more efficiently produced elsewhere. The text addresses these changes in chapters on planning, organizing, decision making, and leading. We also look at how future managers will be challenged in a high-tech information age, including in this edition *a new chapter (Chapter 18) on Information Systems Management*.

Along with global competition, productivity is an important theme for managers as they look to the future of the United States. During the closing years of the 1980s, managers have not only embraced productivity but have predicated future strategies on productivity enhancements. This second edition is guided by the importance of productivity today and what its increasing importance will be as the 1990s unfold. This edition emphasizes the role that productivity plays today and the role that it will play in the 1990s.

CHANGES IN THE SECOND EDITION

As mentioned above, I have included in this edition a new chapter on Information Systems Management. Another new chapter on *Social Responsibility and Ethics in Management (Chapter 3)* provides an important foundation for studying management. Many of the changes in the second edition arose from my effort to create a truly student-oriented text. The many new features will promote students' interest and keep their attention. Examples, cases, and skill practice exercises reinforce learning by showing students how the material they are studying is put into actual practice in the real world of management.

Cases. The second edition has over 45 more cases than the previous edition. Each chapter begins with a case drawn from the world of management to introduce the chapter's central theme. At the end of the chapter, a return to the case reinforces the chapter's relevance. The cases, listed below, look at management as practiced in well-known organizations or by well-known individuals.

- Shearson Lehman Hutton
- General Motors Corporation
- The Sherman Antitrust Act
- Walt Disney/GE Storyboarding
- Hyundai Excel
- Brunswick Corporation
- PepsiCo
- AT&T
- Liz Claiborne
- Scott Paper Company
- Young American's Bank of Denver

- Pinehurst Hotel and Country Club
- Delta Airlines
- George Steinbrenner
- Ted Koppel
- Metalloy Corporation
- Control Data Corporation
- Staples—The Office Superstore
- General Motors' Bay City Program
- ATT's Joint Ventures
- Worlds of Wonder

At the end of each chapter are two *Skill Analysis cases* with which students can analyze management skills in practice. As the following list shows, the range of cases in the chapter-ending selection is quite broad. The cases, based on both large and small organizations, are drawn from private service, the manufacturing sector, and the public sector. These cases are all real.

- Characteristics of Top Managers in U.S. Firms
- What It Takes to Be Number One: Lessons from Wal-Mart's Sam Walton
- Adapting Theory Z: Can It Be Done?
- Nissan Sets Up Shop in Tennessee
- Environmental Concerns at Rencor Engineering
- Social Responsibility of Business: The Exxon Valdez Fiasco
- The NASA Space Shuttle Disaster
- Changing the Shuttle Launch Decision Process
- Dynascan's Hot Phones
- James J. Hill and the Great Northern Railway
- Exxon's \$2 Billion Strategic Fiasco
- Lincoln Memorial Hospital
- Computers in Education Gather Dust
- Cow-Milking Technology Attracts Genetic Engineers
- Organizational Response to High-Tech Changes: Monsanto Corporation
- Crisis at Wrangler Corral Western Wear
- Matrix Assignments Prompt Career Changes for Aerospace Engineers
- From Taller to Flatter Structures
- Signetics Revamps Culture to Enhance Quality
- L. L. Bean, Inc.
- Job Redesign Goes Haywire at Flextone
- Teamwork at General Motors: Progress and Problems
- Staffing—Selecting Employees the Japanese Way
- Nine-to-Five
- Individual Motives—Corporate Women on Their Way to the Top
- The Turnaround at Remington Products
- "Who's on First" at Ranstar Corporation?
- Dogfight at Texas Air: Leadership the Lorenzo Way
- Confusion at Heritage Furniture
- The Need to Listen
- Broadcast News

- Andrew Carnegie—"Watch the Costs and the Profits Will Take Care of Themselves"
- Controls in Computer Manufacturing Plague Managers
- First Chicago Corp. Explores MBO For Bank Quality Control
- U.S. Treasury's Newly Minted Executive Information System
- Blake Realty—Leveraging Information
- Managing Stress and Conflict—A Study in Role Conflict and Crisis
- Kirk-Stieff Company—Changing with the Times
- Multinational Enterprises Find New Markets in China
- Going International Is as Close as Mexico
- ACE Students Go for Broke
- Hold That Tiger! Hold That Tucker!

Also new to this edition are the *Integrative Part Cases*, which ask students to pull information from several chapters in analyzing a case. Longer than the skill analysis cases, the following cases broaden the instructor's options for classroom discussion and outside assignments. As with the chapter opening/closing cases, these are based on companies the students will easily recognize:

- Bhopal: The Worst Industrial Accident in History
- Xerox Redefines Its Purpose: New Plans for the 1990s
- Tucker: The Car of the Future Today
- Post-mortem on Leadership at Redgate Communications
- Becoming a Just-in-Time Vendor
- Multinational Start-ups



Global trends. These boxed features enrich each chapter's commentary by offering students a closer look at the nature of international management. They focus on both U.S. companies abroad and foreign companies engaged in global business operations. These boxes are identified with a *globe icon* as a way of visually reinforcing the significance of this coverage. Here's a complete list of the *Global Trends* boxes:

- Texas Instruments—A Global Team
- Hong Kong 1997—New Management Challenges
- Supporting a Global Policy for Industrial Strength
- Decision Making at Denmark's PRIVATbanken
- Offshore Manufacturing—Planned Globalization
- Watch Out Europe (America), the Americans (Europeans) Are Coming!
- Equal Partners: GE's Factory Automation Joint Venture with FANUC of Japan
- Mitchell Cotts Chemicals
- Management of Korean Chaebols
- A Japanese View of Global Acculturation
- Current State of Japanese Management Overseas
- Quality Training at Caterpillar Corporation
- Employees Are Cautious about Incentive Plans at Du Pont
- Local Leadership Is the Key to Global Success at Analog Devices, Inc.
- Going Beyond Berlitz
- Exxon: How to Prevent Another Valdez Disaster

- IMPACT (Integrated Materials-handling Production And Control Technology)
- IBM: Positioned for Global Competition in the 1990s
- Du Pont Transforms an International Division
- Managers in the Year 2000 Will Need Global Experience
- Mexican Entrepreneur Seeks to Solve Food Problem

Management applications. Each chapter presents a *Management Application* box, which supplements chapter discussions and enhances student understanding of how management concepts are practiced in modern organizations.

- Innovation: Taking Chances at Johnson & Johnson
- United Parcel Service
- Success Is Color-Blind—Barry Rand of Xerox
- Women in Business Make Decisions Differently than Men
- Stew Leonard—The Great American Milkman
- Marriott: Delegate and Hold Accountable for Results
- Spokes Bicycles: College Grad Applies Textbook for Success
- Forever Young: Ben & Jerry's
- An Office Is Where You Access Information
- Herman Miller's Secrets of Corporate Creativity
- Home Offices Transcend Space and Time
- An Innovative Approach to Medical Benefits—Allied Signal
- Brett Kingstone—Reaching Out to Motivate Others
- Leadership Commitment at Westinghouse
- Making Informal Communication a Positive Force
- Management Control at Garvey Industries
- Quality Performance Means Productivity at R. R. Donnelley
- Electronic Shopping Changes Perspectives on Packaging
- Group Lotus Car Companies
- Mitsubishi Diversifies
- I Can't Believe It's Yogurt!

Photograph and art programs. Approximately 130 full-color photographs appear in this edition. Each photo has been carefully selected to emphasize an example and to attract student attention to important concepts. Captions not only tie the photos to the text but are rich in content themselves. The text also presents more than 170 drawings, diagrams, and exhibits. Colorful and entertaining, each piece clarifies and reinforces crucial management issues.

Margin glossary. Each key term and its definition are positioned in the margin next to where the text introduces the term. The margin placement of key terms allows students to review the vocabulary of management quickly. Also, students have immediate access to the fuller discussion of the term that the text presents when they need more information.

Checkpoint. At the end of each major division within a chapter, a *Checkpoint* section poses review questions. Between twenty and thirty Checkpoint questions are positioned throughout the chapter to prompt instant review and to reinforce learning immediately. The Checkpoint questions are identified by a *checkmark icon*.



In-text real-world examples. In addition to the Management Application features and the Global Trends features, the text narrative itself offers a wealth of examples from the business world to illustrate and reinforce concepts. Examples are drawn from well-known companies and their management; from industrial, service, and manufacturing firms; and from entrepreneurial ventures and not-for-profit enterprises. In most instances, these examples are contemporary illustrations that use the most recent information available—the information available just prior to printing. Up-to-date examples of important incidents in organizations alert students to management problems. The text discusses the Exxon Valdez oil spill, the crisis at Eastern Airlines, and the buyout of RJR Nabisco. Successful managers provide students with useful insights. This edition looks at corporate leaders Lee Iacocca, Sam Walton, and Ross Perot and entrepreneurs Steven Jobs, Liz Claiborne, and Victor Kiam. Students benefit from the study of such well-managed organizations as Merck & Co., IBM, Hewlett-Packard, 3M, Wal-Mart, Xerox, General Electric, and Marriott Corporation. These are a few of the hundreds of companies and personalities woven into the text.

Synopsis for learning. Learning objectives open each chapter, outlining for students what they should learn from the chapter. The *Synopsis for Learning* chapter summary is organized around the learning objectives, focusing student attention on the chapter's central issues and working as a valuable student review tool.



Skill practice. Because learning how to put knowledge into practice has become so important, one of the following experiential exercises now concludes each chapter. These exercises, identified by a hand icon for “hands-on learning,” give students the opportunity to practice and apply management principles covered in the text. (The *Instructor's Guide* provides thorough Teaching Notes for the *Skill Practice* exercises.)

- Exercise in Self Perception
- Creating a Psychological Contract
- Work Values
- Reaching Beyond Today for Tomorrow's Solutions
- Career Planning: Strengths and Weaknesses
- Leadership Styles in a Changing Environment
- Developing a Time Plan
- Building a Better Castle
- The Restless Engineer
- Merck & Co. Negotiates a Joint Venture
- Recall of Work “Ups” and “Downs”
- OSHA Training Guidelines: Developing Learning Activities
- Women as Managers: The Women As Managers Scale (WAMS)
- Pizza Division Problem
- Effective Communication
- Control: Correcting Performance
- The Quality Circle Meeting
- Too Many Pages
- Stress: Down or Up?
- A Role Exercise in a LDC Enterprise
- Mindscaping: An Exercise in Innovative Thought

THE DEVELOPMENT PROCESS

This text is the result of three years of intense development. To help me with this edition, Prentice Hall assembled a team made up of market researchers, marketing managers, an acquisitions editor, photo researchers, designers, production editors, and development editors.

We actually took the first step of this second edition when we were developing the first edition and gathering feedback from potential users in the spring of 1987. Their input entered a market research questionnaire that Prentice Hall annually revises and mails to more than 1,600 management professors. Through the results of this survey, the publisher and I garnered information on content, pedagogy, and supplements in the principles of management market. To expand on this data base, in the spring of 1988 Prentice Hall had fifteen users of the first edition provide feedback and revision suggestions. Using this wealth of information, the publisher and I formed a plan for the second edition's content, design, and package.

Each chapter of the first draft of the second edition received between four and seven reviews from principles of management professors. As I created the second draft, development editors worked with me word by word to ensure that I was presenting the principles of management to the student in the clearest possible way. Prentice Hall then had each second draft reviewed by a combination of expert reviewers in each functional area of management and principles of management instructors. Their fine-tuning led to a third and final draft that was technically accurate and pedagogically sound.

Development editors continued to work with me as I researched photos and wrote captions for them. This effort has resulted in a photo program that is fully coordinated with the text and that serves as an important part of the entire learning package.

I believe that the long process of development and the many resources that the publisher made available to me have led to an edition that is the most student-oriented principles of management text available.

THE SUPPLEMENTS PACKAGE

The supplements package is designed to enhance teaching and learning. Because teaching methodologies vary widely, Prentice Hall has provided a broad range of supplements, planned and coordinated so that each instructor may easily decide which ones are appropriate for his or her use. Considerable attention has been paid to the quality of all the supplements in their design, content, and text compatibility.

A description of each of the student supplements in the package follows. A list of instructor supplements is also provided. For complete information on instructor supplements, please consult the preface to the *Annotated Instructor's Edition* and the *Supplements Guide*.

STUDENT SUPPLEMENTS

Student Guide for Note-taking, Review, and Skills Practice. This innovative study guide provides (1) space for students to take notes in class, (2) review/study material, and (3) skills practice exercises. This organization gives students a single resource for reviewing class lecture material, studying text concepts, and putting knowledge to use in skills practice.

Management, Second Edition—ACUMEN Special Edition. Students can get *ACUMEN: Educational Version*, a managerial assessment and development tool, shrinkwrapped to the text at a special price. Designed for use on the IBM-

PC, ACUMEN has students respond to 120 statements and then provides a personalized profile comparing individuals to a composite group of managers. A 15- to 20-page report, which can be printed or read on screen, describes student managerial strengths and weaknesses and provides suggestions for improving skills.

Computerized Cases. Ten of the cases in the text have accompanying Lotus-based spreadsheet exercises for those problems and activities for which spreadsheets are most commonly used. A site license to copy the disk of exercises and an instructor's manual is available free upon adoption of *Management*, Second Edition.

Micromanaging. One copy of this book by George T. Geis and Robert L. Kuhn and a site license to copy the accompanying Lotus-based software are available free upon adoption of *Management*, Second Edition. The exercises cover general topics like time management rather than cases in the text.

Hypercard Simulations for Management. For those schools using Macintosh computers, we provide a site license to copy this multimedia simulation called Desktop Order. The simulation takes full advantage of Hypercard software, which comes automatically installed on Macintosh computers.

Modern Business Decisions. This microcomputer simulation by Richard V. Cotter and David J. Fritzsche has students form teams representing companies competing with each other. The player's manual is a for-sale item; the instructor's manual, instructor's disk, and site license to copy the student disk are available free.

Managing an Organization: A Workbook Simulation. Gary Oddou has developed this noncomputerized simulation that reinforces the practice of the functions of management. The player's manual is a for-sale item, and the instructor's manual is free.

Management Applications: Exercises, Cases, and Readings. This for-sale supplement provides an exercise, a case, and a reading for each chapter in a typical management text. Application activities allow students to learn more about a concept, analyze its use in a case, and practice it through an exercise.

Readings in Management. By Philip DuBose, this for-sale reader presents alternate viewpoints on topics discussed in the text, thereby increasing student critical-thinking abilities.

Special Topic Supplements. Available free in quantity upon adoption of the text, this supplement covers topics touched on in the text that some professors may want to cover in more depth. The topics are:

- A Closer Look at Systems Concepts
- Japanese Management: What We Can Learn
- Management by Objectives
- Forecasting in Management
- Legal Forms of Organization
- Divergent Views of Work Design
- Perspective on Labor Relations
- Getting Things Done: How to Make a Team Work
- Cost-Volume-Profit Analysis (Break-Even Analysis)

- Application of Linear Programming Model
- A Career Perspective in Management

INSTRUCTOR SUPPLEMENTS

The supplements available for instructors are the Prentice Hall Video Library for *Principles of Management*—Series B, a Video Guide, the *Annotated Instructor's Edition* (in either a bound or 3-ring-binder format) that includes an Instructor's Manual, a separate Instructor's Guide, a book of Lecture Extras, a Test Item File (in hardcopy, computerized, and telephone-testing versions), Prentice Hall Color Transparencies for *Principles of Management*—Series B, Transparency Masters, a Supplements Guide, and a canvas satchel for carrying teaching materials. These supplements are described in more detail in the introduction to the *Annotated Instructor's Edition*.

ACKNOWLEDGMENTS

A tremendous amount of help has been provided by friends, colleagues, and executives who have contributed their time and talents to create this instructional system for management. To thank them all individually would be a pleasant task but an endeavor that would fall short of its mark even with the best intentions. I would like to acknowledge those who took an active role in preparing cases, writing ancillary materials, reviewing, and making editorial contributions.

I am particularly grateful to those talented colleagues who have an "equity interest in" the text. Fiona Crofton of Simon Fraser University with the assistance of Bob Marx at the University of Massachusetts, Amherst, and Adrienne Kols developed the innovative and challenging video case studies. Don White, University of Arkansas, prepared several critical end-of-chapter cases. Richard E. Dutton, University of South Florida, provided the end-of-chapter Skill Practice experiential exercises.

The supplements authors deserve a great deal of thanks for their assistance and their dedication to providing a high-quality package. Dennis Patzig, James Madison University, wrote the annotations and instructor's guide for the *Annotated Instructor's Edition* and also the *Instructor's Manual*. Many thanks go to Karen Wiggington, also of James Madison University, and Adrienne Kols for the expansive *Lecture Extras* book. Harold E. Babson and Lawrence E. Peterson of Columbus State Community College prepared the handy *Student Guide for Note-Taking, Review, and Skills Practice*. John Bowdidge and John Swales of Southwest Missouri State University did an impeccable job with the *Test Item File*. Adrienne Kols helped us out once again with the *Video Guide* and with helping to select clips for the *Video Library*. Jack Hill of the University of Nebraska at Omaha brought his now considerable experience to developing the *Supplements Guide* as well as to working with the other supplements authors to ensure consistency in format and quality. George Geis of UCLA, along with Stephen O'Toole, developed the Apple Software, *Hypercard Simulations for Management*. The *Computerized Cases Spreadsheets* were developed by Dennis Pitta of the University of Baltimore.

I am equally grateful to several other authors who wrote the following special supplements for Prentice Hall, which add flexibility to this already complete package: *Readings in Management* by Philip Dubose of James Madison University; *Modern Business Decisions* by Richard V. Cotter of the University of Nevada at Reno and David J. Fritzsche of Portland State University; *Management Applications: Exercises, Cases and Readings* by John Samaras of Central State University; *Managing an Organization: A Workbook Simulation* by Gary

Oddou of San Jose State University; and *Micromanaging* by George Geis of UCLA and Robert Kuhn of NYU.

The following reviewers were kind enough to provide invaluable feedback on the first edition as well as the second edition drafts: Nate Himelstein, Essex County College; Steve Huntley, Florida Community College—Jacksonville; John Fleming, University of Southern California; Doug Jones, Jacksonville University; C. S. “Pete” Everett, Des Moines Area Community College; Nicki Paahana, Devry Business Schools; William Sandberg, University of South Carolina; Stephen Branz, Triton College; Charles Kuehl, University of Missouri; Gary Powell, University of Connecticut; Don Baynham, Eastfield College; Robert S. Bulls, J. Sargeant Reynolds College; Bruce Johnson, Gustavus Adolphus College; Linda Wicander, Central Missouri University; Roy A. Cook, Wayne State College; James Gatz, American Institute for Property and Liability; William Kime, University of La Verne; James Horsford, Northeastern Junior College, of Colorado; Barry L. Van Hook, Arizona State University; Donna Bleck Leonowich, Middlesex Community College; John Hornaday, Daniel Webster College; Stephen R. Hiatt, Catawba College; Herb Frue, University of Notre Dame; Robert Sands, SUNY College of Technology; T. W. Lawler, Jr., Sam Houston State University; Margaret A. Bair, Florida Southern College; Don Sandlin, East Los Angeles College; Gerald L. DeMoss; Susan L. Goyal; Eugene Owens, Western Washington University; John P. Loveland, New Mexico State University; David W. Park, Oklahoma State University; Jack Maroun, Herkimer City Community College; Dennis Stevenson, Pensacola Junior College; Benita Moore, Clayton Junior College; Donald Latham, Cameron University; James Genseal, Joliet Junior College; Ida C. DeCastro, College of St. Rose; and Constance Cooke.

Considerable insights and immense support were provided by friends and international scholars. My thanks to the following: David J. C. Forsyth, University of Strathclyde, Glasgow, Scotland; Mee Kau Nyaw, The Chinese University of Hong Kong; Dennis Ray, University of Calgary, Canada; Irene K. H. Chew, National University of Singapore; Masami Hirata, Bunka Women’s University, Tokyo, Japan; Daniel Morales Ramos, ITESM, Monterrey, Mexico; and Sotos D. Boukis, Deree College, Athens, Greece.

Those who contributed to my understanding and presentation of management and entrepreneurship include: John Hornaday, Daniel Webster College; Jeffrey Lenn, George Washington University; Harry G. Harris, California State University—Fresno; Masaji Yoneyama, The Entrepreneurship College of Japan; Bruce D. Phillips, SBA Office of Advocacy; Randolph A. Pohlman, Kansas State University; Fran Jabara, Wichita State University; Robert D. Hisrich, University of Tulsa; Raymond Smilor, University of Texas at Austin; Donald L. Sexton, Ohio State University; Carol Ann Meares, U.S. Department of Commerce Productivity Center; Verne Harnish, University of Maryland; John T. Loveland, New Mexico State University; and Rick Lundquist, State University of New York, Fredonia.

Corporate executives who provided personal assistance and advice include: Brett Kingstone, president, FiberView Corporation; Charles O. Conrad, president, PolyChem Associates, Inc.; James B. Strang, president, Spokes Etc.; John D. Hunt and Wayne Hall, co-directors, Foress Systems; Jimmy Calano, CEO, CareerTrack; Donald D. Boroian, chairman, FranCorp; Sam Black, director of quality, Caterpillar Inc.; Richard E. Turner, president, Falconer Glass Industries, Inc.; Paul Bush, CEO, Bush Industries, Inc.; John Huges, CEO, Fannie May Candy Shops, Inc.; Stew Leonard, chairman, Stew Leonard’s, Inc.; and James F. Gibney, vice president—sales, Marriott Corporation. In addition, my thanks to: Waver Campbell, Teledyne Ryan; John Robertson, Robertson Marketing Group; Jackie Hayter, Pinehurst Hotel and Country Club; Arthur Lipper, *Venture Magazine*; Jeffrey I. Scheinrock, Arthur Young; Richard E. Marriott, Marriott Corporation; Warren Avis, Avis Corporation; Robert Kaiser, ExIm-Bank; Alan Larson, U.S. State Department; Victor Kiam, Remington Corporation; and John Holt, Price Waterhouse.

The book's content is entirely my doing, and although I owe a great deal to reviewers and close colleagues who opened my mind to better ideas and changes in content, the text is my endeavor. I say this with a sense of pride and also to alert readers that I have total responsibility for errors and omissions.

Prentice Hall editors have provided exceptional support. They are among the friendliest individuals with whom I have had the pleasure to work. Alison Reeves, Executive Editor, has spearheaded this revision and provided insight, leadership, and energy to bring our instructional-text team together. Stephen Deitmer, Managing Editor, College Book Editorial Development, and Eleanor Perz, Production Editor, have provided the foresight and dedication to assemble the text, editing my errors and challenging my resolution. Marilyn Miller, Development Editor, was tireless in her efforts to improve the flow, grammar, and cadence of this edition.

Many others at Prentice Hall I would like to thank for working diligently on the text and its package are: Jeanne Hoeting, Senior Managing Editor; Jenny Kletzin, Supplements Editor; John Nestor, Renata Slauter, and Mark MacDonald, Supplements Production Editors; Sophie Papanikolaou, Supplements Production Manager; Debbie Kesar and Marie Holly, Scheduling; Christine Wolf and Janet Schmid, Design; Lori Morris-Nantz and Page Poore, Photo Research; Ed O'Dougherty and Peter Havens, College Manufacturing; Caroline Ruddell, College Marketing; Lori Drazien, College Advertising; Deborah Garvin and Seth Reichlin, Market Research; and Fran Falk and Lioux Brun, Editorial Assistants.

Following my own advice to students, I became adept at word processing, making it possible for me to write this text without professional clerical staff. On reflection, that may not have been entirely sane. I did have exceptional research support and assistance at James Madison University from Karen Wigginton, Marsha Shenk, Bernidine A. Click, Gerald Gill, and Linda Ulanski. Through the generous support of the Mary Moody Northern Foundation, my position as the W. L. Moody Professor of Entrepreneurship also allowed adequate research time, travel, and incentive to pursue this revision, and I am particularly grateful to have had the support of Charles D. Pringle, Chair of Management, and Robert E. Holmes, Dean of the College of Business. My thanks to each of these individuals for their understanding and inspiration.

The most enjoyable acknowledgment is for my family. My wife, Judith, has endured my frustration and sacrificed her time and energy to nourish me, motivate me at the worst of times, and reprimand me when my ego got in the way of common sense. She has also endured my often distressful behavior and the isolation that comes from my long, late-night hours of writing. The text was written for my sons. They provided the inspiration needed to complete the task. Kevin, the oldest, was entering his early teens when I finished the first edition, and as this edition goes to press, he is an entering freshman and honor student at James Madison University, pursuing a degree in international business. The choice was his, but perhaps he was influenced by traveling around the world with his father. Bryan is nearing the end of his high school years and prefers music and sports to watching TV; as a result, he has a richer life than most of us. Sean is about to enter high school, but his first experience will be in Hong Kong with Bryan, as both will spend this year with me at The Chinese University of Hong Kong. Perhaps they will learn something of the Far East and gain an appreciation of other cultures. I will urge them to become students of the world, to broaden their knowledge of other peoples and cultures, and in return, to become richer for their efforts. I, too, will learn from their growth and our adventures and be able to share with my management students a better sense of the world in which we live.

David H. Holt

W. L. Moody Professor of Entrepreneurship
and Management

*James Madison University
and Chinese University of Hong Kong*