

SECOND EDITION

FUNDAMENTALS of

MANAGEMENT

ESSENTIAL
CONCEPTS
AND
APPLICATIONS

Stephen P. Robbins
David A. De Cenzo

Essential Concepts and Applications

Fundamentals of Management

Stephen P. Robbins

San Diego State University

David A. De Cenzo

Towson State University

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To the Instructor

In the first edition of this book, we said we thought there was a market for a “different” kind of management textbook. Not different just for the sake of being different but a book that was truly reflective of the “reengineering” efforts in the world of business. To us, that meant a book that focused on the foundations of management—one that covered the essential concepts in management, provided a sound foundation for understanding the key issues, had a strong practical focus, and yet also covered the latest research studies in the field. It could be completed in a one-term course. Perhaps most important, a book that provided significant value both in relevance and cost to its readers. Our first edition sought to fill that need. The revision you have before you continues this tradition.

We address four critical questions in this preface.

- 1. What assumptions guided the development of this book?
- 2. What important features are continued from the previous edition?
- 3. What’s new in this revision?
- 4. How does the book encourage learning for the reader?

Let’s try to answer each.

What Were Our Assumptions in Writing This Book?

Every author who sits down to write a book has a set of assumptions—either explicit or implicit—that guide what is included and what is excluded. We want to state ours up front.

Management is an exciting field. The subject matter encompassed in an introductory management text is inherently exciting. We’re talking about the real world. We’re talking about why Nucor Steel is revolutionizing the worldwide steel-producing industry; how Autodesk, a relatively new software company, develops multimedia products in its creative and innovative corporate culture; how a company like Apple Computer, once a fairy-tale start-up company, must now struggle to survive; how to redesign an entire company in teams, cut waste, control costs, and increase productivity; and techniques that can make a university more efficient and responsive to its students. A good management text should capture this excitement. How? Through a crisp and conversational writing style, elimination of nonessential details, a focus on issues that are relevant to the reader, and inclusion of lots of examples and visual stimuli to make concepts come alive.

It’s our belief that management shouldn’t be studied solely from the perspective of “top management,” “billion-dollar companies,” or “U.S. corporations.” The subject matter in management encompasses everyone from the lowest supervisor to the chief executive officer. The content should give as much attention to the challenges and opportunities in supervising fifteen clerical workers as those in directing a staff of MBA-

educated vice presidents. Similarly, not everyone wants to work for a Fortune 500 company. Readers who are interested in working in small businesses or not-for-profit organizations should find the descriptions of management concepts applicable to their needs. Finally, organizations operate today in a global village. Readers must understand how to adjust their practices to reflect differing cultures.

Content should emphasize relevance. Before we committed anything to paper and included it in this book, we made sure it met our “so what?” test. Why would someone need to know this fact or that? If the relevance isn’t overtly clear, either the item should be omitted or its relevance should be directly explained. In addition, content must be timely. We live in dynamic times. Changes are taking place at an unprecedented pace. A textbook in a dynamic field such as management must reflect this fact by including the latest concepts and practices. Our does!

This book is organized around the four traditional functions of management—planning, organizing, leading, and controlling. It is supplemented with material that addresses current issues affecting managers. For example, we take the reader through the Changing Face of Management (Chapter 2), Technology and the Design of Work Processes (Chapter 6), and Managing Teams (Chapter 11) and integrate throughout the text such contemporary topics as reengineering, empowerment, diversity, and continuous improvements. The text is divided into five parts: Part 1: Introduction; Part 2: Planning; Part 3: Organizing; Part 4: Leading; and Part 5: Controlling. There are a total of sixteen chapters, plus two appendixes that describe the evolution of management thought and provide some special information to students regarding how to build their management careers.

Bringing an introductory management text in at sixteen chapters required us, for the first edition, to make some difficult decisions regarding the cutting and reshaping of material. After a lot of review and considerable discussion, we felt we identified the essential elements students need in an introductory management course. Of course, the choice of “right topics” was a judgment call. We believe the tremendous success enjoyed by the first edition of this book confirms that the critical issues instructors typically expect in an introductory management text have been included. The same care shown in the first edition has been carried over to this revision.

What Important Features Were Kept from the First Edition?

The first edition contained a number of topics and features that adopters considered unique, useful, and/or particularly popular with students. We have retained those, and they include the following:

Classic research studies. Achieving our goal of writing a reengineered text required some major changes. In addition to cutting material that we considered to be marginally relevant to the introductory students, we concluded that much of the research that is covered in the management text of 700+ pages was not critical for introductory students. In fact, we cut through the theory where possible and emphasized the practical aspects of management. But we respect the fact that there are classic studies that many instructors want their students to know about. Unfortunately, most students aren’t interested in the details behind these classics. In response, we created boxed vignettes called Details on a Management Classic. Although the research implications are

discussed in the body of the text, the background on the research is reserved for the Details boxes.

Management skills. Today's typical student is more likely to someday be an entrepreneur, a senior executive in a small business, a manager in a not-for-profit organization, or a mid-level manager in a large company rather than CEO of a Fortune 500 firm. Success in these jobs will require practical skills. So we've included skill boxes throughout the text that provide step-by-step guidelines for handling specific elements of a manager's job. We call these Developing a Management Skill.

Practical applications. Our experience has led us to conclude that students like to see and read about people who have had a significant influence on their organization's performance. So we have included Managers Who Made a Difference boxes. All the managers are new to this edition; they include men and women from organizations ranging in size from small to large and located throughout the world.

Self-assessment exercises. We also are aware that students like to get feedback about themselves that they can use in their development. Toward this end, we have included a self-assessment in each chapter. These are called Understanding Yourself. Some examples of the questions asked include: What kind of organization design do you want to work for? How do you define life success? How ready are you for managing in a turbulent world? What needs are most important for you? What is your preferred leadership style?

Video case. Each chapter includes a video case. These are based on videos from the ABC News/Prentice Hall Video Library. We've also written these cases so they could be used as stand-alone case applications for those not wanting to show the video.

Writing style. This revision continues our commitment to present material in a lively and conversational style. Our goal continues to be to present material in an interesting and relevant manner—rich with examples to reinforce the point.

Headings designed around questions. When we were designing the layout for the first edition, we wanted something that was "student-friendly." We created headings that read as questions. This format allows readers to identify what important concept they should have gotten from that section or where they can go to get the answers to something they failed to grasp.

What's New for the Second Edition?

Several new features and content topics have been included in this revision.

Expanded coverage. In the second edition, look for more on reengineering, downsizing, contingent workers, work force diversity, boundaryless organizations, training, and management information systems.

Updated research foundation. You will also find a sound and current research base in this edition. We have done an extensive literature review to include many 1995 and 1996 citations from business periodicals and academic journals.

Two new chapters. We added two chapters to this edition: Technology and the Design of Work Processes (Chapter 6) and Managing Teams (Chapter 11). Rather than simply adding two additional chapters, we combined the organizing and organizational design material into one chapter and the chapters on foundations of individual and group behaviors into another.

Several new topics. Highlights include:

- ▶ the information age (Chapter 2)
- ▶ managing chaos (Chapter 2)
- ▶ criticism of planning (Chapter 3)
- ▶ types of strategies (Chapter 3)
- ▶ downside of management by objectives (Chapter 3)
- ▶ heuristics in decision making (Chapter 5)
- ▶ team-based structures (Chapter 7)
- ▶ contemporary career development (Chapter 8)
- ▶ compensation and benefits (Chapter 8)
- ▶ safety and health (Chapter 8)
- ▶ stress and employee assistance programs (Chapter 9)
- ▶ “big-five” personality factors and Myers-Briggs (Chapter 10)
- ▶ pay for performance and employee stock option programs (Chapter 12)
- ▶ trust and credibility in leadership (Chapter 13)
- ▶ men and women leadership styles (Chapter 13)
- ▶ interpersonal skills (Chapter 14)
- ▶ employee monitoring and privacy (Chapter 15)
- ▶ tips for developing a successful managerial career (Appendix B)



At the end of each chapter, we feature our home page address (www.prenhall.com/robbinsfom). Given the information age in which we live, it's important for students—if they aren't already on the Net—to have exposure to using the Internet for educational purposes. At our Web site, you will find chapter-specific Internet exercises, author biographies, and links to PHILIP—Prentice Hall's Learning on the Internet Partnership. PHILIP contains a number of useful professor and student resources. These include a “Management Web Site of the Week” and biweekly current-events articles tied directly to our book.

Inclusion of SCANS material and emphasis on skills, knowledge, and abilities across the curriculum. Several years ago, business schools began taking a hard look at themselves. What they found was that curriculum changes were warranted, business programs needed to be more mission-driven, and more infusion of the liberal arts was required. These changes translated into a need to emphasize skill, knowledge, and abilities across the curriculum. This need was reinforced in another forum when the Secretary of Labor published the *Secretary's Committee on Acquiring Necessary Skills* (SCANS). What did these two have in common? Both highlighted the need for business programs to cover the basic skill areas of communications, critical thinking, computer technology, globalization, diversity, ethics and values, and personal qualities (such as personality traits). Within each of these areas, there also exist several levels of understanding. They can be addressed from the simple to the complex. At the lower end of the spectrum, instructors are concerned with imparting knowledge, assisting comprehension, and encouraging application. Higher-order thinking, on the other hand, requires students to demonstrate that they can analyze, synthesize, and evaluate.¹

This edition of *Fundamentals of Management* has been designed to facilitate increasing levels of thinking from knowledge to comprehension, and finally to applica-

¹See, for example, F. Goodhart, P. Verdi, and S. Kennedy, “Assuring Quality in Health Education,” paper presented at the Mid-Atlantic College Health Association, October 25, 1991.

Exhibit P-1
Critical Skills
Coverage

CRITICAL SKILLS, KNOWLEDGE, ABILITIES	TOPIC AND LOCATION*	INTENDED LEVEL OF REINFORCEMENT
Critical Thinking	Chapter Objectives	Knowledge
	Chapter Summaries	Knowledge
	Review and Discussion Questions	Comprehension, application, analysis
	Case Applications	Application, analysis
	Testing Your Comprehension	Comprehension
Communication Skills	Applying the Concepts	Applications
	Interpersonal Skills (Chapter 14)	Knowledge
	Applying the Concepts	Application
Computer Technology	Technology (Chapter 6)	Knowledge
	At the Net	Knowledge, comprehension, application
Globalization	Global Village (pp. 34)	Knowledge
	ISO 9000 (pp. 101, 107, 108)	Knowledge
	and motivation (pp. 374, 375)	Knowledge
Diversity	and control (pp. 476, 477)	Knowledge
	Cultural diversity (pp. 199)	Knowledge
	in decision-making (pp. 154)	Knowledge
	in recruiting (pp. 237)	Knowledge
	managing diverse individuals	Knowledge
	in teams (pp. 411, 413)	Knowledge
	in motivation	Knowledge
	gender and cultural differences	Knowledge
	in leading (pp. 411, 413)	Knowledge
	in communications (pp. 431, 433)	Knowledge
Ethics/Values	Ethics and Social Responsibility (pp. 40, 42, 56, 57)	Knowledge
	Value judgment	Applications, analysis, evaluation
Personal Qualities	Foundations of Individual Behavior (pp. 391-397)	Knowledge
	Understanding Yourself	Applications, analysis, synthesis, evaluation

*A location not referenced by specific page numbers indicates a major section included in each chapter.

tion. We convey relevant management knowledge to students, give them an opportunity to reinforce their comprehension, and demonstrate that they can apply the concepts. For example, at the end of each chapter we have included multiple choice questions that have been specifically written to reinforce all the chapter objectives. These classroom-tested questions have been used previously to assess students' knowledge and comprehension of management topics. Exhibit P-1 summarizes how this book covers critical skills.

How Have We Encouraged Understanding with In-Text Learning Aids?

Just what do students need to facilitate their learning? We began to answer that question by pondering some fundamental issues: Could we make this book both “fun” to read and pedagogically sound? Could it motivate students to read on and facilitate learning? Our conclusion was that an effective textbook should teach as well as present ideas. Toward that end, we designed this book to be a quality learning tool. Let us specifically point out some pedagogical features—in addition to what we’ve mentioned previously—that we included to help students better assimilate the material.

Learning objectives. Before you start a trip, it’s valuable to know where you’re headed. That way, you can minimize detours. The same holds true in reading a text. To make learning more efficient, we open each chapter of this book with a list of objectives that describe what the student should be able to do after reading the chapter. These objectives are designed to focus students’ attention on the major issues within each chapter.

Chapter summaries. Just as objectives clarify where one is going, chapter summaries remind you where you have been. Each chapter of this book concludes with a concise summary organized around the opening learning objectives.

Review and discussion questions. Every chapter in this book ends with a set of ten review and discussion questions. If students have read and understood the contents of a chapter, they should be able to answer the review questions. These review questions are drawn directly from the material in the chapter.

The discussion questions go beyond comprehending chapter content. They’re designed to foster higher-order thinking skills. That is, they require the reader to apply, integrate, synthesize, or evaluate management concepts. The discussion questions will allow students to demonstrate that they not only know the facts in the chapter but also can use those facts to deal with more-complex issues.

Class exercises. Today’s students are tomorrow’s employees, and they will undoubtedly be working at times in teams. To help facilitate being part of a team, we’ve included a number of in-class group exercises. These class exercises, which we have called Applying the Concepts, are also tied to content in their respective chapters.

Case applications. Each chapter contains three case applications. The first application involves an ethical dilemma. The case is designed to get students to apply their values to an actual business situation. The second case is an actual case of an organization. This case gives students an opportunity to use one or more concepts discussed in the chapter and apply them to actual problems faced by managers. Also, as previously mentioned, each chapter contains a video case that can be used as a stand-alone case application or with the video provided.

Supplements package. This book is accompanied by the full complement of support material that you expect. Adopters of this text can obtain the following classroom aids: an Instructor’s Manual with video guide available in hard copy or on disk; a comprehensive Test Item File, also available on disk in both Macintosh and Windows versions; color transparencies with teaching notes; an electronic version of the transparencies in PowerPoint; and an ABC News Video Library to complement cases within

the text. Additionally, adopters will have access to a web site of activities and information specifically designed for *Fundamentals of Management 2/e* at:

(www.prenhall.com/robbinsfom).

Acknowledgments

Writing a textbook is often the work of a number of people whose names generally never appear on the cover. Yet, without their help and assistance, a project like this would never come to fruition. We'd like to recognize some special people who gave so unselfishly to making this book a reality.

First are our friends at Prentice Hall. Granted, there are so many people who should be recognized here that the list is almost unending. Nevertheless, a few deserve special recognition—our acquisition and production editors. Our acquisition editor, Natalie Anderson, continues to support our ideas for projects like this—even though at times we must come close to driving her crazy. Natalie, thank you and know we appreciate the hard work and effort you give to us. Judy Leale, our production editor had the challenge of pulling all the pieces together. She worked diligently in bringing the final product to completion. Thanks, Judy, for being a vital part of our team.

In addition to Natalie and Judy, there are several others we'd like to recognize. We are grateful to the following for their efforts on our behalf (in alphabetical order): Jim Boyd, Lisamarie Brassini, Mary Helen Fitzgerald, Stephanie Johnson, Bill Oldsey, Margo Quinto, Crissy Statuto, Sandy Steiner, and Teri Stratford. We apologize to anyone we may have inadvertently omitted.

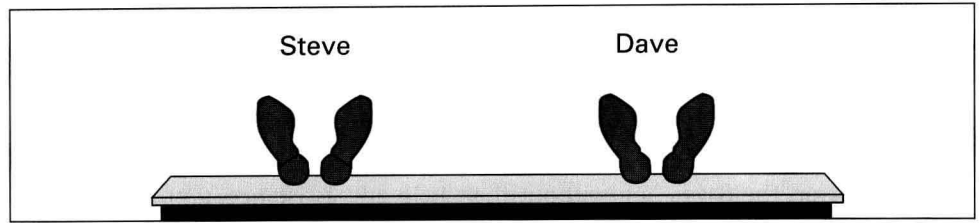
We thank all our reviewers who gave us their constructive comments and suggestions on how we could improve the book.

Finally, we'd like to add a personal note. Each of us has some special people we'd like to recognize.

From Steve's corner: I thank my new bride, Laura. You are making great strides in helping me balance my life. Every day is better because you're in it.

From Dave's: I'd like to recognize my family. Through thick and thin, they're always there. To Teri, my lovely wife, here's hoping that all our dreams are fulfilled. To Mark, Meredith, Gabriella, Natalie—and the dog and the cat—thanks. You've always been my inspiration and ever so special to me. Always remember that I am there—even if it is in my office “playing” on my computer.

To the Student



Now that our writing chores are over, we can put our feet up on the table and offer a few brief comments to those of you who will be reading and studying this book. First, this text provides you exposure to the fundamentals of management. As you'll see in our first chapter, *fundamentals* implies coverage of the basic functions of management. We've made every effort to give you the essential information a student will need to solidly build a knowledge foundation about this dynamic, exciting, and often chaotic field. A knowledge base, however, is not easily attained unless you have a text that is straightforward, timely, and interesting to read. We have made every effort to achieve those goals with a writing style that tries to capture the conversational tone that you would get if you were personally attending one of our lectures. That means logical reasoning, clear explanations, and lots of examples to illustrate concepts.

A book, in addition to being enjoyable to read and understand, should help you learn. Reading for reading's sake, without comprehension or understanding of what you've just read, is a waste of your time and effort. So, we've done a couple of things in this book to assist your learning. We've introduced major topic headings in each chapter. These you'll find as headings in the purple boxes. Those number one heads, as they are called, provide exposure to a broad management concept. Most of those number one heads are followed by questions. Each "question" head was carefully chosen to reinforce understanding of very specific information. Accordingly, as you read each of these sections, material presented will address the question posed. Thus, after reading a chapter (or a section for that matter), you should be able to return to those headings and respond to the question. If you can't answer a question or are unsure of your response, you'll know exactly what sections need to be reread or reviewed or where more of your effort needs to be placed. All in all, this format provides a self-check on your reading comprehension.

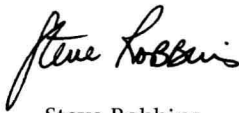
We've added other check points that you should find useful. Our review and discussion questions are designed to reinforce the chapter objectives from two perspectives. First, review questions focus on material covered in the chapter. These are another way to reinforce the important concepts in the chapter. The discussion questions require you to go one step further. Rather than requiring that you recite facts, discussion questions require you to integrate, synthesize, or apply a management concept. True understanding of the material is revealed when you can deal with these more complex issues.

Often, even after going through review and discussion questions, our students have told us that they have found something missing. Why can't the book have multiple choice questions like the questions on exams? We thought the students were on to something. So we added a section called Testing Your Comprehension. Each chapter contains multiple choice questions that test the chapter's material. In the back of the book, we've provided the answers. These are questions that we've used previously with

our students. If you can correctly answer these multiple choice questions, then you're one step closer to demonstrating your understanding of that material. Recognize, of course, that these questions are designed to be only a learning aid. They don't, nor are they intended to, replace careful reading or intensive studying. And don't assume that getting a question right means you fully understand the concept covered. Why? Any set of multiple choice questions can test only a limited range of information. So don't let correct answers lull you into a false sense of security. However, if you miss a question or don't fully understand why you got the correct response, go back to the corresponding pages in the chapter and reread the material. To help in this, we've provided in the answer section a cross-reference to the page in the text related to the question.

There is another element of this text that we hope you'll share our excitement about. These are our Developing a Management Skill boxes. Practicing management today requires sound competencies—competencies that can be translated into specific skills. In this book, we've taken a major concept and developed a series of specific steps (skills) that, if practiced and mastered, can make you more effective as a manager. This includes such skills as building a power base, interviewing candidates, building trust, and providing performance feedback. We hope that you carefully review each of these, focus on the central behaviors we are explaining, and keep these handy for later reference in your career.

Now that we've given our ideas behind the text, we'd also like to extend an open invitation to you. That is, if you'd like to give us some feedback, we encourage you to write. Send all correspondence to Dave De Cenzo at the Department of Management, Towson State University, Towson, Maryland 21204-7097. Dave is also available on e-mail. His address is <decenzo@towson.edu>. Good luck this semester, and we hope you enjoy reading this book as much as we did preparing it for you.



Steve Robbins



Dave De Cenzo
decenzo@towson.edu

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