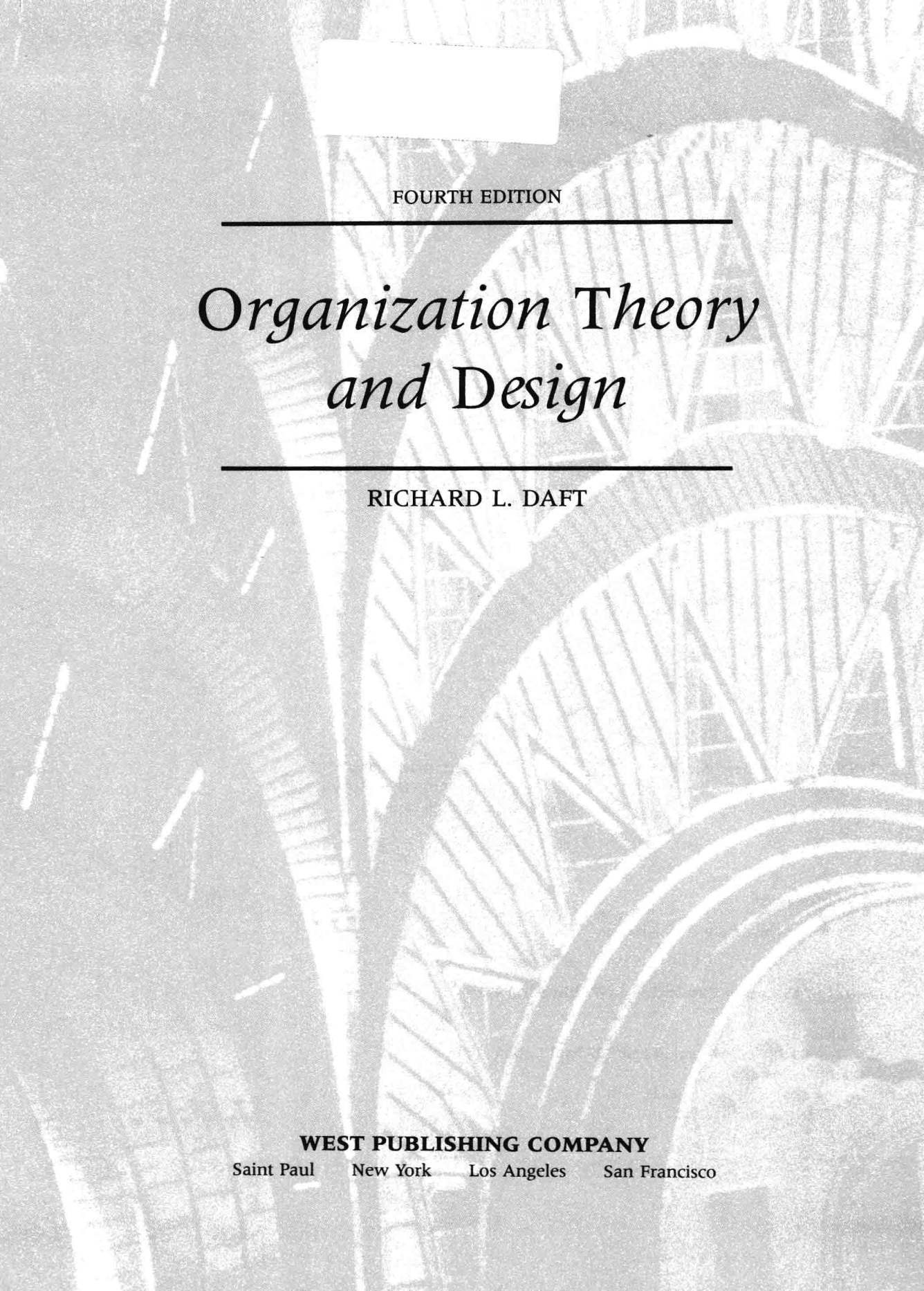




FOURTH EDITION

Organization Theory and Design

RICHARD L. DAFT



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WEST PUBLISHING COMPANY

Saint Paul New York Los Angeles San Francisco

- ▶ *Interior design by Roslyn Stendahl, Dapper Design*
- ▶ *Copyediting by Cindi Gerber*
- ▶ *Composition by Carlisle Communications, Ltd.*
- ▶ *Art by Printing Arts, Inc.*
- ▶ *Cover image: Photo of the Chrysler Building by Steve Weinberg*

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50 W. Kellogg Boulevard
P. O. Box 64526
St. Paul, MN 55164-0526

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Printed in the United States of America

99 98 97 96 95 94 93 92 8 7 6 5 4 3 2 1 0

Library of Congress Cataloging-in-Publication Data

Daft, Richard L.

Organization theory and design / Richard L. Daft.—4th ed.


p. cm.

ISBN 0-314-93365-4 (hard)

1. Organization. I. Title.

HD31.D135 1992

658.4—dc20

91-31207
 CIP

▶▶▶▶▶▶▶ **TO B. J. AND KAITLYN**

For bringing so much joy into my life.

Preface



The vision for this fourth edition is the same as for the three previous editions: to present the most recent thinking about organizations in a way that is interesting and enjoyable for students. My continuing mission is to integrate new concepts and models from organization theory with changing events in the real world of organizations to provide the most up-to-date view of organizations available. Organization theory is intriguing, rich, and helpful. Organization theory frameworks have been developed from research on real organizations. The concepts in this book help students and managers explain their organizational world and solve pressing, real-life problems.

FEATURES NEW TO THE FOURTH EDITION

Many students do not have organizational experience, especially at the middle and upper organizational levels where organization theory is most applicable. To engage students in today's world of organizations, this new edition incorporates significant new features: new chapters, new concepts, book reviews, new case examples, and new integrative cases for analysis. The total set of new features substantially improves and expands the book's content and accessibility.

1. *New Chapters.* Two new chapters have been added. The first is chapter 7, "Contemporary Designs for Global Competition," which includes a description of designs organizations use to be competitive both nationally and internationally. Important concepts in this chapter are *self-managed teams*, *network structures*, and *geographical, product, matrix, and heterarchy designs* for international operations. The other new chapter is chapter 10, "Organizational Culture and Ethical Values." This chapter expands the discussion of culture from previous editions and adds material on *managerial ethics* as part of the cultural values of organizations often shaped by top leaders.
2. *New concepts.* In addition to chapters about global competition and managerial ethics, several other new concepts have been added or expanded in this edition. These concepts include the *design impact of advanced information technology (AIT)*, *strategic uses of AIT*, the importance of *top management teams*, the impact of *transformational leadership* and *charismatic leadership* on organizations, new concerns about organizational size, such as designing a *big-company/small-company hybrid*, and new approaches to *employee empowerment*. Other new concepts include *decision making in high-velocity environments*, and alternative perspectives to organizational analysis, such as the *transaction-cost* and *radical-Marxism perspectives*. Also, more emphasis has been given to *top management strategy and direction* early in the book to

show how organization design reflects this direction, and new models and ideas have been introduced on *organizational decline and turnaround*.

3. *Book Marks*. Perhaps the unique feature of this edition is the book reviews that are included in thirteen chapters. These book reviews reflect issues of current concern to scholars and managers. These books define issues today that managers are wrestling with and that scholars are researching. The book reviews provide new insight into the issues creating turbulence in the world of organizations. Book Marks added to this edition include *Reframing Organizations: Artistry, Choice, and Leadership*, *Leadership is an Art*, *The Machine that Changed the World*, *The Age of Unreason*, *The Icarus Paradox*, *The Moral Manager*, *The Competitive Advantage of Nations*, and *In the Age of the Smart Machine*.
4. *New Case Examples*. This edition has been loaded with new examples of organizations to illustrate theoretical concepts. Many examples are international and all are about real organizations. Eleven of the chapter opening cases are new, including IBM Europe, Semco S/A (Brazil), Caterpillar Inc., Lee Company, United Electric Controls Company, Illinois Tool Works, and Quaker Oats. In addition, many new cases are used within each chapter to illustrate specific concepts. These cases include Blockbuster Entertainment Company, Asea Brown Boveri (Switzerland), Mitsubishi (Japan), British Petroleum, Federal Bureau of Investigation, National Broadcasting Company, Walgreen Company, Cypress Semiconductor, Marriott, Dow Chemical, and Security Pacific National Bank. These cases provide the real world flavor that makes organization theory both relevant and exciting.
5. *New Integrative Cases*. New integrative cases have been added at the end of the book to provide challenging organizational problems for analysis that integrate material from more than one chapter. These cases provide teaching materials for instructors in addition to the end-of-chapter cases, several of which are old favorites. The new integrative cases are "Corning Glass Works International," "Elizabeth Best A, B, C, D," "Chemical Bank: Branch Closing," and "Norman Manufacturing Company." In addition, three integrative cases are retained from the previous edition, which are "Shoe Corporation of Illinois," "National Bank of San Francisco," and "Pennsylvania Movie Theaters, Inc."

OTHER FEATURES

Many of the features from previous editions have been so well received that the general approach has been retained.

1. Multiple pedagogical devices are used to enhance student involvement in text material. "A Look Inside . . ." introduces each chapter with a relevant and interesting organizational example. "In Practice" cases illustrate theoretical concepts in organizational settings. Exhibits are used frequently to help students visualize material and relationships, and the artwork has been completely redone to communicate concepts even more clearly. "Summary and Interpretation" tells students which points are important, and what the points mean in the context of organization theory. "Guides

to Action” tell students how to use material to analyze cases and manage organizations.

2. Each chapter is organized into a logical framework. Many organization theory books treat material in sequential fashion, such as, “Here’s View A, Here’s View B, Here’s View C,” and so on. This book integrates the views and shows how they apply to organizations. Several chapters provide a single contingency framework that organizes the major ideas into an overall scheme.
3. Each chapter sticks to the essential point. Students are not introduced to the confusing theoretical and methodological squabbles that occur among organizational researchers. Most research areas point to a major trend, which is reported here. The essential point is discussed and then applied to real organization situations.
4. The book has been extensively tested on students. Feedback from students and faculty members has been used in the revision. The combination of organization theory concepts, case examples, and other teaching devices is designed to meet student learning needs, and students have responded very favorably.

ACKNOWLEDGMENTS

Textbook writing is a team enterprise. The fourth edition has integrated ideas and hard work from many people to whom I am very grateful. The participants in a focus group and the reviewers of the text made an especially important contribution. They praised many features of the third edition, and were critical and blunt about things that didn’t work well. They offered many suggestions that were included in each chapter. I thank all of the following individuals for their significant contribution to this text.

Peggy Anderson University of Wisconsin–Whitewater	Lawrence Gales University of Cincinnati
Douglas G. Arnold City University of Bellevue	Robert P. Gephart University of Alberta
Allen Bluedorn University of Missouri	Royston Greenwood University of Alberta
Marta Calas University of Massachusetts	Geoffrey Hoare University of Washington
Bruce H. Drake Lewis and Clark College	Mohammed Jamal Concordia University
Lorraine Dyke Carleton University	Ronald A. Klocke Mankato State University
James E. Estes University of South Carolina	Arie Y. Lewin Duke University

Stephen J. Markell
University of Houston—Clear Lake

John G. Maurer
Wayne State University

Edward F. McDonough, III
Northeastern University

Diana D. Mrotek
Sacred Heart University

Theodore H. Rosen
University of Maryland

Borje O. Saxberg
University of Washington

Sheldon C. Snow
Pepperdine University

Mike Stebbins
California State Polytechnic—San
Luis Obispo

Mary S. Thibodeaux
University of North Texas

David L. Torres
University of Arizona

Harold Welsch
DePaul University

I especially thank and acknowledge Stephen Hiatt, Catawba College, for his significant contribution to the *Instructor's Manual* that accompanies *Organization Theory and Design*. Steve did a great job developing new questions for the test bank and creating new teaching transparencies and auxiliary lectures that instructors can use in class to expand on chapter material.

Among my professional colleagues, I owe a special debt to Arie Lewin, who over the last few years has been both friend and collaborator. His suggestions for new material about international structures, advanced information technology, and top management direction had major impact on this revision. I also want to acknowledge my continuing debt to Don Hellriegel and John Slocum. They were original champions for this book, helped guide it toward my vision, and helped me acquire basic skills for textbook writing. This book is much better than it would have been without the contributions of these three colleagues.

I want to extend special thanks to Rita Carswell. This revision was undertaken under nearly impossible conditions. The amount of typing was great, and the deadlines were short. Rita plowed through the chapters on time, every time, and was cheerful and helpful during the entire project. Rita also worked on a variety of other things and helped keep my life in order to give me time to write. Thanks, Rita!

Other people also contributed to this book. Hayley Wallace, an MBA student at Vanderbilt, did a wonderful job integrating and drafting materials for the Book Marks, and pumped new life into my filing system. Anna Stein helped out on a full time basis for two months, doing library work, drawing exhibits, and handling a thousand other details in superb fashion that kept my head above water. I also appreciate the intellectual stimulation and emotional support from friends and colleagues here at the Owen School—Vickie Buenger, Diana Deadrick, Tom Mahoney, Marty Nord, and Rich Oliver. The administrators here at Owen also played a part in this project. Marty Geisel, Dean, and Joe Blackburn, Associate Dean, maintained a positive scholarly atmosphere here at the Owen School, and provided me with the time and resources needed to complete the book.

The editors at West also deserve special mention. Richard Fenton believed in the dream for the original project, and Esther Craig has kept it moving, providing significant ideas and input for recent editions. Their helpfulness and support has been critical to the continued success of this book. In addition, Deb Aspengren, production editor for this edition, brought creativity and organizational ability to the project that improved the quality of the book and facilitated its completion.

Finally, I want to acknowledge the love and support of my daughters and their families. We have grown close over the period of this revision, and I especially appreciate the good times I've spent with Danielle, Brian, Amy, and Gary. I also appreciate the infusion of joy and surprise into my life by B. J. and Kaitlyn, which is why I dedicate this book to them.

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