

# Management

Ricky W. Griffin

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# MANAGEMENT

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CPCU EDITION



American Institute for Chartered  
Property Casualty Underwriters  
Malvern, PA

Houghton Mifflin Company  
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***For Glenda . . .  
It just keeps getting better and better.***

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# PREFACE

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The first edition of *Management* was published in 1984. Since that time, almost a quarter of a million students have used the first or second edition to learn basic management skills, concepts, and practices. Hundreds of colleges and universities around the world continue to use the book. The easy thing to do, then, would have been to prepare a light revision and continue with a “proven” approach to teaching introductory management.

But the world has changed since 1984. The people of the world have created a veritable global village where products, services, people, technology, information, and money flow almost at will across national boundaries that once locked them out. Other changes have centered on controversies of ownership, ethics and social responsibility, employee rights and privileges, technological innovation, and numerous other forces. No manager today can afford to ignore the increased complexity brought about by these changes. During the 1980s, many American firms went through the process of remaking themselves—in partial response to these forces and in partial response to the recognition that they had grown too sluggish. Such firms have emerged as leaner, more efficient, and more responsive companies.

In similar fashion, Houghton Mifflin and I decided to remake this book. We wanted to make it better than it had been in the past and to set new standards of excellence for management textbooks. We left no stone unturned and defined nothing as sacred in our quest for improvement. The challenges were easy to identify: there is so much to management that one could fill several books on the subject; the business world changes so rapidly that what was true yesterday may not be true today; and fitting all the pieces together in an integrated and coherent fashion is more complicated than assembling any jigsaw puzzle.

How did we address the challenges? By carefully analyzing the importance and contribution of every page, paragraph, and sentence, we achieved an effective balance of breadth and depth to provide the introductory student with a general overview of management. We solved the timing problem by using up-to-the-minute examples and references throughout the book. Indeed, most of the examples and citations are taken from the late 1980s, and some were added even as the text went to press. The organizational challenge was addressed by adopting a quasi-modular format. Although written to tell an integrated story, the

text retains sufficient flexibility to allow some personalization by the instructor who wants to cover topics in a different sequence.

## ORGANIZATION OF THE BOOK

### Topical Coverage

*Management* is organized around the traditional management functions of planning, organizing, leading, and controlling. This framework is generally accepted as the most effective way to describe the management process. Part 1 introduces readers to the basic context in which managers work. The next four parts provide in-depth treatments of each of the four basic functions. Finally, Part 6 describes special challenges of management.

### Changes in the Third Edition

The third edition of *Management* is a significant revision of the earlier work. Indeed, there are so many changes that I will only note the most significant ones here. In Part 1, I now cover organizational effectiveness in concert with organizational environments in Chapter 3. Part 2 has been totally revamped by moving the discussion of decision making to Chapter 4. Goals and planning are now discussed in Chapter 5, strategic planning in Chapter 6, and tactical and operational planning in Chapter 7.

In Part 3, components of organization structure have been condensed into a single chapter—Chapter 8. Chapter 9 covers organization design and culture. Staffing, previously covered at the end of the book, has been moved to Chapter 10. Chapter 11 concludes Part 3 with coverage of organization change and related topics.

Part 4 received the least revision and continues to include four chapters devoted to motivation, leadership, groups, and communication. Part 5, in contrast, was substantially revised. Chapter 16 introduces the reader to organizational control. Chapter 17 covers operations management, productivity, and quality. Information systems are covered in Chapter 18. Chapter 19 describes several important control techniques. Part 6 concludes the book by highlighting entrepreneurship and small-business management (Chapter 20), international management (Chapter 21), and ethics and social responsibility (Chapter 22).

Chapters 18 and 22 are completely new. Chapters 8, 14, 17, 20, and 21 have been completely revised. Chapters 3, 4, 5, 6, 7, 9, and 11 received significant revision. The remaining chapters retain their basic outlines from previous editions but have been updated and refined. In addition, all the cases in the third edition are new. The first case at the end of each chapter focuses on a problem or challenge faced by an American organization. The second case at the end of each chapter deals either with a foreign company or with an American company doing



business in another country. Each chapter also includes two interesting boxed inserts. “Management in Practice” provides an extended example to amplify a point from the text, and “The Global View” does the same from an international perspective.

In addition, every piece of line art and each table were carefully scrutinized during the revision. Some were retained; some were modified; and many new illustrations were developed. Careful and selective use of photographs also helps bring the material to life. An Integrative Case was added at the end of each part. So, too, were the Enhancement Modules.

### **Enhancement Modules**

One of the most innovative features of the third edition of *Management* is the inclusion of ten Enhancement Modules. These modules enhance the other material by providing focused coverage of special areas of interest such as participative management, stress, and automation. They are distributed throughout the text at the end of each part. However, each was written to stand alone. Thus, an instructor may use them at different points in the text, save them until the end, or not cover them at all.

## **FEATURES OF THE BOOK**

### **Basic Themes**

As in any book, several themes pervade *Management*. One, as noted already, is the international character of the field of management. Examples and cases throughout the book underscore this dimension. Another theme is the need to balance theory and practice. Managers need to have a sound basis for their decisions, but theories that provide that basis must be grounded in reality. Thus, throughout the book I explain the theoretical frameworks that guide managerial activities, and then I provide illustrations and examples of how and when those theories do and do not work. A third theme is that management is a generic activity not necessarily confined to large businesses. Thus, I use examples and discuss management in both small and large businesses as well as in not-for-profit organizations.

### **Pedagogy**

The ultimate purpose of any textbook is to provide students with a resource for learning. The third edition of *Management* was prepared with the student in mind. Each chapter opens with a statement of the learning objectives that the chapter will help students achieve and an outline of the major topics to be covered. Next comes an opening

incident—an extended example that sets the tone and draws readers into the material. Each chapter is organized around five to seven major headings, one related to each of the learning objectives. Marginal notes throughout each chapter highlight key terms and definitions. Those that relate to the learning objectives are highlighted with a colored bullet.

The tables and figures were carefully constructed to amplify major points in the text, as were the two boxed features in each chapter. The photographs were chosen to bring the material to life, and I wrote extended captions for each to explain what it illustrates. At the end of the chapter are a summary and a set of three types of discussion questions. The review questions ask students to recall specific information. The analysis questions ask students to integrate and synthesize material. The application questions ask students to take textual material into the real world and use it. The cases also provide additional amplification and application of the material in the text.

## **Applications**

To fully appreciate the role and scope of management in contemporary society, it is important to see examples and illustrations of how concepts apply in the real world. The opening incident, cases, boxed inserts, and photographs all offer applications. In addition to these, I have incorporated literally hundreds of examples directly into the text. Some of them are quite brief; others are detailed. Regardless of length, however, each was used for a purpose—to show how a concept or idea from the text was learned by or used in a real organization.

## **SUPPLEMENTAL MATERIALS**

In addition to this textbook, there are several ancillary items that may be used to promote learning. The *Study Guide*, prepared by Joe G. Thomas, includes a pretest, a list of learning objectives, a posttest, a list of key terms, a completion summary for each chapter, and other learning tools. *Readings in Management*, developed by David Rubinstein, provides other perspectives and views of the field of management. The *Cases in Management*, prepared by Kenneth Thompson and Nick Mathys, may be used for courses with a heavy case orientation. The *Experiential Exercise Book*, developed by Gene Burton, can be used to promote learning through a series of experiential exercises. *Manager: A Simulation* is a computer simulation that gives students practice in managing a business and competing against other businesses.

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As any author can attest, far more people are involved in the creation of a book than the person whose name appears on the cover. This book is certainly no exception. I owe an enormous debt to many different people for helping me create this work.

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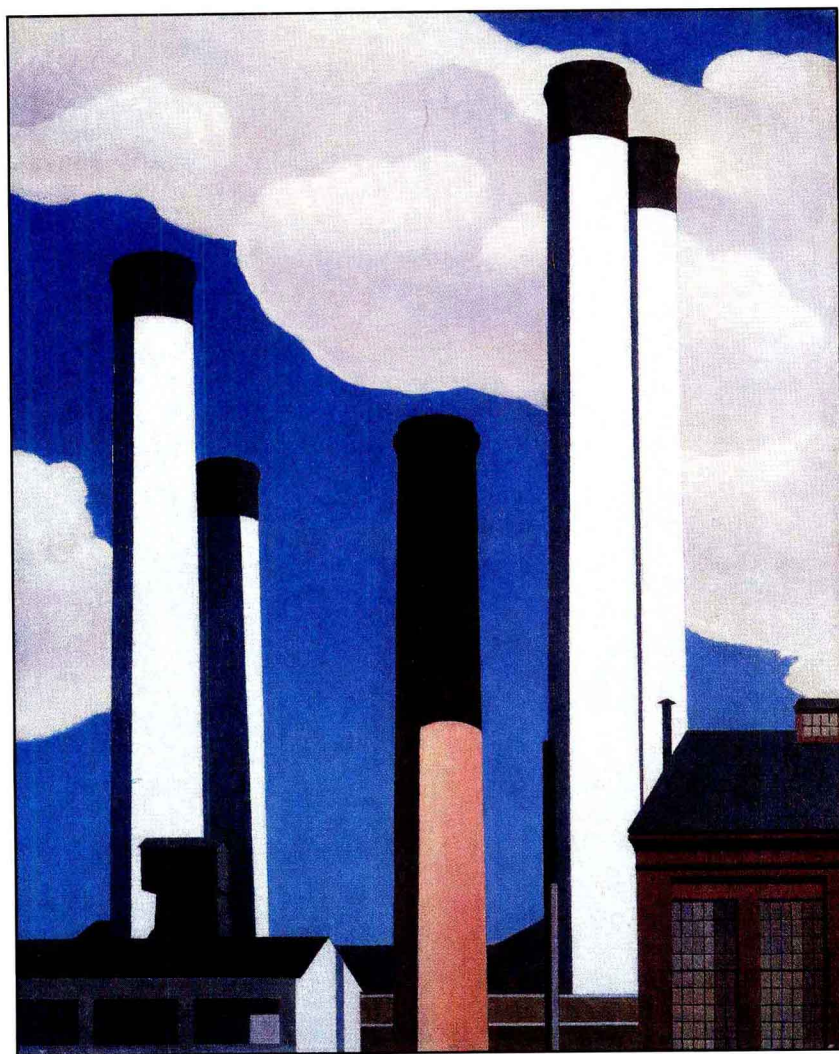
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