

Richard L. Daft

MANAGEMENT

FIFTH EDITION



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Richard L. Daft

Vanderbilt University

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Preface

Taking the Lead

The field of management is undergoing a revolution. Demands on today's managers go well beyond the techniques and ideas traditionally taught in management courses. The traditional management paradigm assumes the purpose of management is to control and limit people, enforce rules and regulations, seek stability and efficiency, design a top-down hierarchy to direct people, and achieve bottom-line results. The emerging paradigm recognizes that today's managers need different skills to engage workers' hearts and minds as well as take advantage of their physical labor. The emerging management paradigm focuses on *leadership*, on harnessing people's creativity and enthusiasm, finding shared vision and values, and sharing information and power. Teamwork, collaboration, participation, and learning are guiding principles that help managers and employees maneuver the difficult terrain of today's complex business environment. Managers focus on developing, not controlling, people to adapt to extraordinary environmental shifts and achieve total corporate effectiveness.

Both the new and the traditional paradigm are guiding management actions in the world today. My vision for the fifth edition of *Management* is to explore the new paradigm in a way that is interesting and valuable to students, while retaining the best of traditional management ideas. To achieve this vision, I have included the most recent management thinking and research, as well as the contemporary application of management ideas in organizations. The combination of established scholarship, new ideas, and real-life applications gives students a taste of the energy, challenge, and adventure inherent in the dynamic field of management. The Dryden Press and I have worked together to provide a textbook better than any other at capturing the excitement of organizational management.

I revised *Management* to provide a book of utmost quality that will create in students both respect for the changing field of management and confidence that they can understand and master it. The textual portion of this book has been enhanced through the engaging, easy-to-understand writing style and the many in-text examples and boxed items that make concepts come alive for students. The graphic component has been enhanced with several new exhibits and a new set of photo essays that illustrate specific management concepts. The well-chosen photographs provide vivid illustrations and intimate glimpses of management scenes, events, and people. The photos are combined with brief essays that explain how a specific management concept looks and feels. Both the textual and the graphic portions of the textbook help students grasp the often abstract and distant world of management.

Focus on the Future

The fifth edition of *Management* is especially focused on the future of management education by identifying and describing emerging elements and examples of the new management paradigm. New materials in the book include the following:

- Chapter 1 introduces the emerging management paradigm, including the growing importance of leadership and new management competencies needed to thrive in today's business world. The chapter also explores the forces affecting today's organizations and managers.
- Chapter 2 has been significantly revised to describe the *learning organization* and examine it as an extension of the historical development of management and organizations.
- The foundations of organizational behavior have been expanded into a new Chapter 15, with topics including personality types, job satisfaction and organizational commitment, the effects of stress, and person-job fit.
- Chapter 21, "Information Systems and Technology," has been completely revised to keep pace with the rapid changes in this area. The chapter includes new or expanded material on such topics as intranets and extranets, geographic information systems, data mining, enterprise resource planning, and knowledge management.
- In recognition of the role of technology in today's world, each chapter of the text integrates coverage of the Internet and emerging technology into the various topics covered in the chapter. In addition, most chapters contain a *Leading the Revolution: Technology* box that features a technologically savvy company or highlights a trend that is impacting today's organizations. Topics include online shopping, push technology that delivers data to desktop PCs, paperless office systems, Internet recruiting, and cross-cultural traps to avoid when building a Web page. The book's technology emphasis is also reflected in new *Surf the Net* exercises at the end of each chapter.
- Each chapter includes a *Leading the Revolution* box that focuses on either *Leadership* or the emerging *Learning Organization*. These examples include leaders at companies such as Interface, Inc., British Petroleum, Hewlett-Packard, Nissan Design International, Monorail, the Girl Scouts, NEXC, Lucent Technologies, Cisco Systems, and the U.S. Army.
- Information on recent trends toward empowerment and participation in organizations has been strengthened in the content of chapters on planning and goal setting, leadership, teamwork, communication, decision making, and motivation, among others.
- The chapters on structure have been updated to include more information on innovations such as network and virtual organizations and to compare and contrast characteristics of traditional organizations with those of the emerging learning organization.
- Chapter 8, "Strategy Formulation and Implementation," includes a new discussion of cooperative strategies, reflecting the trend toward collaboration among organizations rather than competition.
- Chapters from the previous edition on "Quality Control" and "Management Control Systems" have been combined to reflect the integration of these topics, resulting in more concise, streamlined coverage highlighting important topics.
- Chapter 22, "Operations and Service Management," has been revised to provide information on supply chain management and the growing importance of logistics.

- A section has been added to the chapter on “Human Resource Management” to examine the changing social contract between people and organizations and the ways it is affecting the nature of careers.
- The chapter, “Managing Diverse Employees,” places greater emphasis on the challenges faced by minorities and also includes a discussion of the potential benefits and difficulties of emotional connections in the workplace.
- A brief discussion of personal decision style has been added to the chapter on “Managerial Decision Making” to give students a better understanding of how an individual’s style interacts with other factors when managers make decisions.
- Because leadership plays a significant role in the emerging management paradigm, there is a strong emphasis on leadership throughout the entire text. Specific topics include leading the learning organization, changing culture through symbolic leadership, leading change, and using persuasion and influence.

In addition, Dryden has brought together a team of experts to create and coordinate color photographs, video cases, beautiful artwork, and supplementary materials for the best management textbook and package on the market.

Organization

The chapter sequence in *Management* is organized around the management functions of planning, organizing, leading, and controlling. These four functions effectively encompass both management research and real-life characteristics of the manager’s job.

Part One introduces the world of management, including the nature of management, the emerging management paradigm, the learning organization, and historical perspectives on management.

Part Two examines the environments of management and organizations. This section includes material on the business environment and corporate culture, the global environment, ethics and social responsibility, the natural environment, and the environment of entrepreneurship and small business management.

Part Three presents three chapters on planning, including organizational goal setting and planning, strategy formulation and implementation, and the decision-making process.

Part Four focuses on organizing processes. These chapters describe dimensions of structural design, the design alternatives managers can use to achieve strategic objectives, structural designs for promoting innovation and change, the design and use of the human resource function, and the ways managing diverse employees are significant to the organizing function.

Part Five is devoted to leadership. This section begins with a chapter on organizational behavior, providing a grounding in understanding people in organizations. This foundation paves the way for subsequent discussions of leadership, motivating employees, communication, and team management.

Part Six describes the controlling function of management, including basic principles of total quality management, the design of control systems, information technology, and techniques for control of operations management.

Special Features

One major goal of this book is to offer better ways of using the textbook medium to convey management knowledge to the reader. To this end, the book includes several special features.

Chapter Outline and Objectives. Each chapter begins with a clear statement of its learning objectives and an outline of its contents. These devices provide an overview of what is to come and can also be used by students to see whether they understand and have retained important points.

Management Problem/Solution. The text portion of each chapter begins with a real-life problem faced by organization managers. The problem pertains to the topic of the chapter and will heighten students' interest in chapter concepts. The questions posed in the Management Problem are resolved in the Chapter Summary at the end of the chapter, where chapter concepts guiding management's actions are highlighted.

Photo Essays. Another feature of the book is the use of photographs accompanied by detailed captions that describe management events and how they relate to chapter material. While the photos are beautiful to look at, they also convey the vividness, immediacy, and concreteness of management events in today's business world.

Contemporary Examples. Every chapter contains a number of written examples of management incidents. They are placed at strategic points in the chapter and are designed to demonstrate the application of concepts to specific companies. These in-text examples—indicated by an icon and shading in the margin—include well-known companies such as McDonald's, General Electric, Hewlett-Packard, and Motorola, as well as less-well-known companies and not-for-profit organizations such as Plastic Lumber Company, Katzinger's Delicatessen, General Stair Corp., and Northwestern Memorial Hospital. These examples put students in touch with the real world of organizations so they can appreciate the value of management concepts.

Leading the Revolution Boxes. These boxes, two in each chapter, illustrate three major themes of the fifth edition: Leadership, Technology, and the Learning Organization. The Technology boxes explore topics of current interest or companies on the cutting edge of today's fast-paced technological business world. Learning Organization boxes examine companies that are using new paradigm ideas to cope with the turbulent environment. The Leadership boxes focus on real-life managers who exemplify the qualities of effective leadership for the 21st century. The book also includes occasional boxes highlighting diversity issues.

Manager's Shoptalk Boxes. These boxes address topics straight from the field of management that are of special interest to students. They may describe a contemporary topic or problem that is relevant to chapter content or they may contain a diagnostic questionnaire or a special example of how managers handle a problem. These boxes will heighten student interest in the subject matter and provide an auxiliary view of management issues not typically available in textbooks.

Video Cases. The six parts of the text conclude with video cases that illustrate the concepts presented in that part. The 22 videos enhance class discussion because students can see the company and more directly apply the management theories they have learned. A detailed description of each video, classroom activities, and discussion questions and answers are provided in the *Instructor's Manual*.

Exhibits. Many aspects of management are research based, and some concepts tend to be abstract and theoretical. To enhance students' awareness and understanding of these concepts, many exhibits have been included throughout the book. These exhibits consolidate key points, indicate relationships among variables, and visually illustrate concepts. They also make effective use of color to enhance their imagery and appeal.

Glossaries. Learning the management vocabulary is essential to understanding contemporary management. This process is facilitated in three ways. First, key concepts are boldfaced and completely defined where they first appear in the text. Second, brief definitions are set out in the margin for easy review and follow-up. Third, a glossary summarizing all key terms and definitions appears at the end of the book for handy reference.

Chapter Summary and Discussion Questions. Each chapter closes with a summary of key points that students should retain. The discussion questions are a complementary learning tool that will enable students to check their understanding of key issues, to think beyond basic concepts, and to determine areas that require further study. The summary and discussion questions help students discriminate between main and supporting points and provide mechanisms for self-teaching.

Management in Practice Exercises. End-of-chapter exercises called "Management in Practice: Experiential Exercise" and "Management in Practice: Ethical Dilemma" provide a self-test for students and an opportunity to experience management issues in a personal way. These exercises take the form of questionnaires, scenarios, and activities, and many also provide an opportunity for students to work in teams.

Surf the Net. Each chapter contains three Internet exercises to involve students in the high-tech world of cyberspace. Students are asked to explore the Web for research into topics related to each chapter. This hands-on experience helps them develop both Internet and management skills.

Case for Critical Analysis. Also appearing at the end of each chapter is a brief but substantive case that provides an opportunity for student analysis and class discussion. Many of these cases are about companies whose names students will recognize; others are based on real management events, but the identities of companies and managers have been disguised. These cases allow students to sharpen their diagnostic skills for management problem solving.

Supplementary Materials—Leading by Example

Another market innovation from Daft, the fifth edition's ancillary package is loaded with powerful resources for students and instructors alike.

Combining the latest technology with proven teaching tools, the package enables students to put chapter concepts into action and gain valuable insight into real-world practices. In addition, an expansive collection of supplemental teaching material offers support to instructors—from the novice to the most seasoned professor.

Completely integrated with the text, this comprehensive package continues to lead the market with its innovation and real-world management application. Many new cutting-edge features have been added to create an unrivaled support system.

- **NEW! Daft Home Page:** *Management*, fifth edition, has crossed the line to online. Students and professors can tap into countless business and education resources with this leading-edge tool.

Completely integrated with the fifth edition, this interactive Web site gives students hands-on experience using the Internet as a business tool. Through online exercises, students can review chapter material and explore the vast resources available online. A time management section features strategies for avoiding procrastination, getting organized, and setting goals and priorities. A reading room section links users to business journals, daily newspapers, and magazines across the country and around the world.

An online case library includes an extra collection of cases of varying lengths and levels. In addition, the site links instructors to teaching resources, bibliographies of articles related to text material, ideas on incorporating the Internet into the classroom, and Dryden staff members. Dryden's Teaching Tips Module is also available online, offering insights from instructors nationwide, including teaching tips, cases, exercises, supplemental lecture topics, and more. Most of the resources and Internet-based interactive exercises are organized by chapter.

This site is a reservoir of management information. In fact, the Daft Web site includes so many resources for each chapter that it could be used as the foundation for a distance-learning course.

- **NEW! Web Instructor's Manual:** Created to help instructors integrate the Daft Web site into the course with ease. Includes detailed outlines of the Daft Web site, instructor's teaching notes for company profiles and exercises, and detailed notes on how the instructor can integrate the Web site into the course.
- **Instructor's Manual:** Designed to provide support for instructors new to the course, as well as innovative materials for more experienced professors, the *Instructor's Manual* (IM) includes detailed "Lecture Outlines" that offer information and examples not in the text, "Class Starter" suggestions, and a "Lecture Illustration File" with real-world examples of management concepts in practice. Annotated learning objectives, changes to the fifth edition, answers to chapter discussion questions, and teaching notes for the end-of-chapter cases and exercises offer additional support to instructors.

In addition, the video notes are available to help instructors integrate video segments directly with classroom discussion. Support materials

include a video outline, references to concepts within the chapter that are discussed in the video, answers to video case discussion questions, individual and group exercises, and a multiple-choice quiz about the video.

- **Computerized Instructor's Manual:** Most elements of the IM are available on disk in a Windows format, enabling instructors to electronically cut and paste custom lecture outlines with ease.
- **Test Bank:** The newest edition—ExaMaster99—is a cross-platform version available on CD-ROM that works with the latest versions of the Macintosh, Windows, and Windows NT operating systems. ExaMaster99 includes online testing capabilities, a grade book, and much more. Scrutinized for accuracy, the *Test Bank* includes more than 2,000 true/false, multiple-choice, short-answer, and essay questions, which have been rated for difficulty and designated as factual or application. The *Test Bank* is available in printed, DOS, Windows, and Macintosh formats.
- **Study Guide:** Packed with real-world examples and additional applications, this learning supplement is an excellent resource for students. For each chapter of the text, the *Study Guide* includes a summary and completion exercise; a review with multiple-choice, true/false, and short-answer questions; a mini-case with multiple-choice questions; management applications; and an experiential exercise that can be assigned as homework or used in class.
- **IMPROVED AND UPDATED! Acetates/Masters:** Created from artwork in the text, as well as outside materials, the full-color acetates and masters are available separately and both include detailed teaching notes.
- **NEW AND UPDATED! Videos:** A complete set of videos featuring the management practices of actual companies and their executives supports the end-of-chapter case materials. Numerous videos have been updated for the fifth edition, and many are new to this edition, such as Hard Candy, Holigan Group, J.C. Penny, Southwest Airlines, Yahoo!, and more.
- **Discovering Your Management Career CD-ROM:** Included free with each new copy of *Management*, fifth edition, by the Dryden Press, is a CD-ROM entitled "Discovering Your Management Career." It contains three programs, each of which may be used in conjunction with your course: *Discovering Your Management Career*, *Career Design*, and *Management at Sea*.

Discovering Your Management Career helps students learn about and assess their compatibility with four major management career areas. They were selected not only to represent the diversity of management opportunities available but also for the number of jobs in these fields.

- Corporate Financial Management
- Marketing Management
- Retail Bank Management
- Store Operations

For each career, students receive broad guidance and practical advice on everything from clarifying the depth of their interest in that management career to preparing and implementing an effective job search strategy.

Also included on the *Discovering Your Management Career* CD-ROM is a free copy of the student version of *Career Design*, the landmark career

planning software program that is based on the work of John Crystal, the major contributor to the most widely read career book of all time, *What Color Is Your Parachute?* by Richard N. Bolles. *Career Design* has received worldwide coverage and praise from both the business and computer press, including *BusinessWeek*, *Fortune*, *The Wall Street Journal*, *The Financial Times*, *The London Times*, *PC Magazine*, and *PC Computing*. The student version provides general career exercises and a wealth of other resources.

Management at Sea offers students a realistic and exciting view of management in action. Through commentary on actual footage from major sailing races, students will learn how effective management can lead to better results. Sailing is a metaphor for this key theme: If management can make a difference in a sport such as sailing, it can clearly make a difference in the business world where a rapidly changing environment and intense competition are also the norm rather than the exception. Footage of boat construction and race preparation are used to illustrate planning and organizing principles, while videos of sailing races demonstrate leading and controlling.

- **NEW AND IMPROVED! PowerPoint CD-ROM Presentation Software:** This innovative presentation tool enables instructors to customize their own multimedia classroom presentations. The package includes figures and tables from the text, as well as outside materials to supplement chapter concepts. Material is organized by chapter. Instructors can use the material as is or expand and modify it for individual classes. The software is available in two formats: PowerPoint 95 and PowerPoint 97. The PowerPoint 97 version allows instructors to simply click on links to move from the PowerPoint presentation to Web sites. PowerPoint Slides are also saved on the CD in a form without color so that professors can easily print the presentation into Transparency Masters.
- **NEW! Web Support:** The Dryden Press has partnered with WebCT to assist adopters with Web-based education materials. Your local Dryden sales representative can provide you with details.
- **NEW! Performance Module:** In the real world, the bottom line is performance. Employees, managers, top-level executives, entire companies—everything—is evaluated on performance. This unique new module takes an in-depth look at performance issues. It provides insightful material to reinforce class discussions and gives students practice with performance issues.
- **Multicultural Diversity Module:** This module offers an inside look at the broad topic of cultural, ethnic, and gender diversity in today's workplace.
- **Quality Module:** This publication covers the history of the quality movement up to present practices and developments, spotlighting such quality pioneers as W. Edwards Deming, Joseph M. Juran, and Philip Crosby.
- **Management and the Natural Environment Module:** This module addresses issues of the natural environment with each functional management topic. The module includes a separate video, as well as instructor's notes.

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Richard L. Daft
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