

MANAGE-

**HELLRIEGEL
& SLOCUM**

**FOURTH
EDITION**



FOURTH EDITION **MANAGEMENT**

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Library of Congress Cataloging-in-Publication Data

Hellriegel, Don.
Management

Bibliography; p.
Includes index.

1. Management. I. Slocum, John W. II. Title.
HD31.H447 1985 658.4 85-11113
ISBN 0-201-11542-5

Reprinted with corrections June, 1986

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BCDEFGHIJ-HA-89876

To Lois AND Gail

Unlike the study of chemistry, biology, or physics, the study of management cannot represent the “real world” in a laboratory setting where the student can learn through experiments and practice. It is difficult—often impossible—to create first-hand experiences in the classroom that develop the conceptual, technical, and communication skills an effective manager needs. Thus the management student faces many abstract ideas, concepts, and research findings about managing people and events in the business world. The major challenge in teaching and in studying management, then, lies in finding a counterpart to the laboratory. We believe that this can be done through effective use of real-life cases and incidents.

The primary goal of the fourth edition of *Management* is to make the learning and teaching processes simpler, clearer, and more rewarding. We believe that we achieved that goal by the way we present the concepts of management in the text, the extensive use of examples and cases to illustrate the application of these concepts in real-world situations, and the careful selection of figures, tables, and photographs to highlight, summarize, and complement the text.

Objectives

Five objectives guided us in the development of this edition:

- Emphasizing an international theme without creating an international business management textbook;
- Presenting concepts, models, and techniques with new and lively examples of problems that real managers have faced—regardless of industry, level in the organization, or function—and describing how those problems were attacked.
- Integrating management concepts and practices by relating real-life incidents to the topics covered in each chapter;

PREFACE

- Presenting material in a manner most useful to both student and teacher, always keeping in mind the interests of our target audience: sophomores or juniors enrolled in their first management course, and the instructors who will guide their development; and
- Reflecting the latest in management thinking and practice while avoiding fads.

New to This Edition

Here is a sampling of the many significant improvements contained in this edition:

AN INTERNATIONAL THEME

Our emphasis on an international theme represents an increasing awareness that businesses and their managers no longer operate only within the borders of their own countries; rather, that business today involves flows of information, resources, and goods that transcend national boundaries.

- *Expanded coverage.* The previous edition's chapter on international management has been broadened substantially.
- *International focus.* Each chapter contains this special feature. It presents current articles from important and influential business publications that relate directly to the subject of each chapter.

FOUR NEW CHAPTERS

Besides significantly updating all chapters in the previous edition, we added four new chapters:

- Chapter 5, "Ethics and Social Responsibility in Management," reflects our belief that this area of concern will become even more critical to managers as they cope with the complexities of a changing world.
- Chapter 11, "Impact of Information Processing on Organization Design," focuses on ways in which technology and management-information systems influence an organization's structure.
- Chapter 18, "Control Through Staffing and Performance Appraisal," emphasizes the importance of using these two essential human-resource functions in improving managers' abilities to achieve organizational objectives.
- Chapter 20, "Career Development," discusses the factors affecting career decisions, stages in career development, and ideas for successfully managing a career.

ORGANIZATION OF CHAPTERS

This edition presents management from a modified functional managerial approach. The core parts of the book cover decision making and planning,

organizing, leading, and controlling. We have improved the book's organization in the following ways.

- Part III contains a new twist: we present the decision-making chapters prior to the planning chapters. In the first two parts of the text we lay a firm foundation that enables students to begin developing decision-making skills—skills that students need as they delve into the managerial functions of planning, organizing, leading, and controlling.
- Part IV, which focuses on organization design, includes a major change: the integration of management-information systems and their influence on the design and structure of organizations.
- Part V, the organizational behavior section of the book, contains two significant new topics: organizational cultures and individual stress.
- Part VI, coverage of the controlling function, now follows the decision-making, planning, and organizational behavior sections, giving the student a broad base that supports this further discussion of power and how it should be used.

FEATURES WITHIN CHAPTERS

The learning aids described below were designed to help students grasp concepts discussed in the text.

NEW AND BETTER CASES

Each chapter contains three types of cases and incidents, with each type serving a specific learning function.

- Each chapter opens with a Preview Case that highlights the topics covered in the chapter. Each case is intended to spark curiosity about the way these situations evolved and why.
- Each chapter contains one or more In Practice descriptions of how a concept, model, or technique was applied (or misapplied) in real situations. These descriptions relate directly to the topic being discussed in the text at that point.
- One or more Management Incidents and Cases appear at the end of each chapter. These cases help students analyze and assess real-life situations by applying concepts learned from reading the chapter.

MANAGER'S VOCABULARY

An understanding of certain key terms and concepts is essential to the study of management, and together they form an indispensable vocabulary for managers.

- Within the text, key terms and concepts are identified by italic, boldface type and are defined.
- At the end of each chapter, they are listed alphabetically in the Manager's Vocabulary section.
- At the end of the book, they are referenced by page in the Subject Index.

END-OF-CHAPTER QUESTIONS

Two sets of questions are presented at the end of each chapter.

- Review Questions, new to this edition, help students determine whether they have adequately mastered the content of each chapter.
- Discussion Questions can be used by students while studying or by the instructor to stimulate class discussion.

REFERENCES

At the end of each chapter, complete citations of the sources used as references in the chapter are given. A number of the entries also provide guidance for where to look for further information about specific topics covered.

SUPPLEMENTS

Several important supplements are available to help both the student and the instructor use this edition of *Management*.

- *Instructor's Manual*. The manual includes extensive lecture notes, highlights of major themes in the textbook, transparency masters and a list of films that supplement the material in each chapter.
- *Student Study Guide*. This guide was prepared by Abraham Axelrud, Jonas Falik, and Suzanne D'Agnes of Queensborough Community College of the City University of New York. It provides examples, questions, and answers to enrich the learning process.
- *Transparencies*. These visual aids present figures and tables and include much new material not used in the text.
- *Experiential Exercises Book*. These exercises were prepared by Marshall Sashkin of the University of Maryland and the National Institute of Education and by William Morris. Exercises on perforated worksheets follow the content of the text.
- *Test Bank and Microcomputer Testing Package*. This material is available free to adopters. The TESTGEN program is compatible with IBM and Apple equipment. It consists of a program disk and data disks containing questions from our Test Bank. In the fall of 1986, graphics will be added to TESTGEN's capabilities.

THERE'S AN OLD SAYING: NO MAN IS AN ISLAND

Contrary to stereotypes, authors don't simply go off to their own "islands" to write their books. Without the help of many individuals, the development and production of our fourth edition would not have been possible.

We would like to give our special thanks to Jeff Kerr of Southern Methodist University for his special insights on the entire manuscript. We also thank Dean William H. Mobley and Lyle F. Schoenfeldt of the College of Business Administration, Texas A&M University, and Hans Hillerbrand, Provost, and Mick McGill of Southern Methodist University, for providing assistance and the intellectual work environment that enabled us to develop this book. For prompt and accurate typing and word processing, we thank two superb secretaries: Janet Macha (Texas A&M University) and Jane Bell (Southern Methodist University). Without them, we doubt that the manuscript could have been completed.

Many first-class professionals at Addison-Wesley worked with us as a team to make this a better book. Those most directly involved, and for whom we hold deep appreciation and respect, include: Connie Spatz, our management editor, who worked with us so creatively on the numerous editorial judgments involved in each step of the process; Janice Jackson Hill, the management editor who astutely assisted in setting the basic direction for this revision; Shirley Rieger, who kept a seemingly endless flow of correspondence and feedback loops on track; Jerrold Moore, whose superb copyediting was invaluable in improving the flow and readability of the manuscript while maintaining technical accuracy; Barbara Pendergast, whose management-by-objectives throughout the production process resulted in a finished product on time; Kristin Belanger, who is chiefly responsible for this edition's superb art program; and Darlene Bordwell, who used her creative eye in selecting and obtaining the many new photos in this edition.

Finally, we give special thanks to our families for their empathy and understanding of our need to spend so many evenings and weekends on our "authors' islands" rather than with them.

REVIEWERS

The intellectual stimulation and guidance provided by the many reviewers of this and the previous editions were essential to improving the fourth edition. Although there were times when all of the ideas about what to include were in conflict, the comments and suggestions of the reviewers listed below led to a substantially improved book, and we are grateful to each of them.

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