

Contemporary Management

Second Edition

Gareth R. Jones

Jennifer M. George

Charles W. L. Hill

Contemporary Management

Gareth R. Jones

Texas A&M University

Jennifer M. George

Texas A&M University

Charles W. L. Hill

University of Washington

本书配有光盘，需要者请到网络光盘实验室拷贝

 **Irwin
McGraw-Hill**

Boston Burr Ridge, IL Dubuque, IA Madison, WI New York San Francisco St. Louis
Bangkok Bogatá Caracas Lisbon London Madrid Mexico City Milan
New Delhi Seoul Singapore Sydney Taipei Toronto

For Nicholas and Julia
G.R.J. J.M.G.

For Alexandra, Elizabeth, Charlotte,
and Michelle Hill
C.W.L.H.

McGraw-Hill Higher Education

A Division of The McGraw-Hill Companies

CONTEMPORARY MANAGEMENT

Copyright © 2000, 1998 by The McGraw-Hill Companies, Inc. All rights reserved. Printed in the United States of America. Except as permitted under the United States Copyright Act of 1976, no part of this publication may be reproduced or distributed in any form or by any means, or stored in a data base or retrieval system, without the prior written permission of the publisher.

This book is printed on acid-free paper.

domestic 5 6 7 8 9 0 VNH/VNH 9 0 9 8 7 6 5 4 3 2 1
international 5 6 7 8 9 0 VNH/VNH 9 0 9 8 7 6 5 4 3 2 1

ISBN 0-07-228147-2

Vice president/Editor-in-chief: *Michael W. Junior*
Publisher: *Craig S. Beytlen*
Senior Sponsoring editor: *John E. Biernat*
Developmental editor: *Christine Scheid*
Marketing manager: *Ellen Cleary*
Senior project manager: *Mary Conzachi*
Production supervisor: *Kari Geltemeyer*
Designer: *Kiera Cunningham*
Cover and interior illustrations: © *Jose Ortega, Stock Illustration Source*
Senior photo research coordinator: *Keri Johnson*
Photo researcher: *Charlotte Goldman*
Supplement coordinator: *Cathy L. Tepper*
Compositor: *Precision Graphics*
Typeface: *10.5/12 Baskerville*
Printer: *Von Hoffmann Press, Inc.*

Library of Congress Cataloging-in-Publication Data

Jones, Gareth R.
Contemporary management / Gareth R. Jones, Jennifer M. George,
Charles W.L. Hill. -- 2nd ed.
p. cm.
Accompanying student CD-ROM contains interactive quiz for exam
prep, the complete PowerPoint Presentation, and Video Clips.
Includes index.
ISBN 0-07-228147-2
1. Management. I. George, Jennifer M. II. Hill, Charles W.L.
III. Title. IV. Title: Management.
HD31.J597 2000
658--dc21

99-30271
CIP

INTERNATIONAL EDITION ISBN 0-07117608-X

Copyright © 2000. Exclusive rights by The McGraw-Hill Companies, Inc. for manufacture and export.
This book cannot be re-exported from the country to which it is consigned by McGraw-Hill.
The International Edition is not available in North America.
<http://www.mhhe.com>

Preface

Encouraged by the favorable reception and level of support that greeted the first edition of *Contemporary Management* we set out to revise and develop the second edition of our book in significant ways based on the reactions and suggestions of both users and reviewers. Both users and reviewers were very supportive of our attempts to integrate contemporary management theories and approaches into the analysis of management and organizations. Our goal has been to distill new and classic theorizing and research into a contemporary framework that is compatible with the traditional focus on management as planning, leading, organizing, and controlling, but which transcends this traditional approach.

Users and reviewers report that students appreciate and enjoy our presentation of management, a presentation which makes its relevance obvious even to those who lack exposure to “a real-life” management context. Students like both the book’s content and the way we relate management theory to real-life examples to drive home the message that management matters both because it determines how well organizations perform, and because managers and organizations affect the lives of people who work inside them and people outside the organization, such as customers and shareholders.

The contemporary nature of our approach can be seen most clearly by examining our table of contents, and by perusing our treatment of management issues. The concepts and theories we discuss show how managers deal with the many new issues and challenges they face, such as promoting and sustaining a competitive advantage, managing new information technology, developing big global organizations, and managing a diverse workforce.

Unique Coverage

As you will see, we have some chapters that are not contained in any other management book. Chapter 11, for example, “The Manager as a Person,” discusses managers as real people with their own personalities, strengths, weaknesses, opportunities, and problems. From this chapter, students will grasp that managers are people like themselves. Students will also appreciate the challenges managers face and how, as future managers, they can successfully meet them. Another unique chapter for a management book, Chapter 16, “Organizational Conflict, Politics, Negotiation, and Change,” discusses how managers can successfully manage organizational politics, conflict, negotiation, and change. The chapter gives students a hands-on look at managing crucial organizational processes.

Emphasis on Applied Management

Our contemporary approach also is illustrated by the way we have chosen to organize and discuss contemporary management issues. We have gone to great lengths to bring the manager back into the subject matter of management. That is, we have written our chapters from the perspective of current or future managers to illustrate, in a hands-on way, the problems and opportunities they face and how they can effectively meet them. For example, in Chapter 5 we provide an integrated treatment of ethics, diversity, and sexual harassment that clearly explains their significance to practicing managers. In Chapter 7, on planning and strategy, we provide an integrated treatment of highlighting the choices managers face as they go about performing the planning role. We emphasize important issues managers face and how management theory, research, and practice can help them and their organizations be effective.

This applied approach can be most clearly seen in the last three chapters of the book in which we cover the topics of managing information systems, technology, and operations management, topics which have tended to be difficult to teach to new management students in an interesting and novel way. Our chapters provide a student-friendly, behavioral approach to understanding the management processes entailed in information systems, operations management, and innovation

and entrepreneurship. Our reviewers noted, while most books’ treatment of these issues is dry and quantitative, ours comes alive with its focus on how managers can manage the people and processes necessary to give an organization a competitive advantage. In fact, the management of information to create a competitive advantage is a major theme of our book. Our communications chapter, information systems chapter, and internet exercises provide a state-of-the-art account of new developments in computer information systems that students will understand and enjoy.

Rich and Relevant Examples

An important feature of our book is the way we use real-world examples and stories about managers and companies to drive home the applied lessons to students. Our reviewers were unanimous in their praise of the sheer range and depth of the rich, interesting examples we use to illustrate the chapter material and make it come alive. Moreover, unlike other books, our boxes are seamlessly integrated in the text: They are an integral part of the learning experience, and not tacked on and unrelated to the text itself. This is central to our pedagogical approach.

Each chapter opens with a feature called “A Case in Contrast” which contrasts the behaviors and actions of two managers and organizations to help demonstrate the uncertainty and challenges surrounding the management process. The chapters then contain various kinds of boxes; the boxes entitled Management Insights illustrate the topics of the chapter, but the “Ethics in Action,” “Managing Globally,” and “Focus on Diversity” boxes examine the chapter topic from each of these perspectives. These are not “boxes” in the traditional sense, meaning they’re not disembodied from the chapter narrative. These thematic applications are fully integrated into the reading. Students will no longer be forced to decide whether to read “boxed” material. It is also important to make these features interesting to students so that they engage students while illustrating the chapter material.

New to this edition is a new feature called “Tips for Managers” which distills the lessons that students can take from the chapter and use to develop their management skills.

Flexible Organization

Another factor of interest to instructors concerns the way we have designed the grouping of chapters to allow instructors to teach the chapter material in the order that best suits their needs. For example, the more micro-oriented instructor can follow Chapters 1 and 2 with 11 through 16 and then do the more macro chapters. The more macro-oriented professor can follow Chapters 1 and 2 with 3 through 7, jump to 17, 18, 19, and then do the micro Chapters 11–16. Our sequencing of parts and chapters gives the instructor considerable freedom to design the course that best suits him or her. Instructors are not tied to the planning, organizing, leading, controlling framework, even though our presentation remains consistent with this approach.

Experiential Learning Features

We have given considerable time and attention to developing state-of-the-art experiential end-of-chapter learning exercises that we hope will also drive home the meaning of management to students. Grouped together at the end of each chapter in the section called Management in Action, they include:

TOPICS FOR DISCUSSION AND ACTION A set of chapter-related questions and points for reflection some of which ask students to research actual management issues and learn first-hand from practicing managers.

BUILDING MANAGEMENT SKILLS A self-development exercise that asks students to apply what they have learned to their own experience of organizations and managers or to the experiences of others.

SMALL GROUP BREAKOUT EXERCISE This unique exercise is designed to allow instructors in large section classes to utilize interactive experiential exercises in groups of 3–4 students. The instructor calls on students to break up into small groups—simply by turning to people around them—and all students participate in the exercise in-class, and a mechanism is provided for the different groups to share what they have learned with each other.

EXPLORING THE WORLD WIDE WEB

Two internet exercises designed to draw students into the web and give them experience of the new information systems, while applying what they have learned.

MANAGEMENT CASE A case for discussion, drawing on contemporary, real-world managers and organizations, which we have written to highlight chapter themes and issues.

MANAGEMENT CASE IN THE NEWS

An actual article from a business publication like *The Wall Street Journal* or *Business Week* that shows students how practicing managers are facing the issues they have just learned about.

Our idea is that instructors can select from these exercises and vary them over the semester so that students can learn the meaning of management through many different avenues. These exercises complement the chapter material and have been class tested to add to the overall learning experience, and students report that they both learn from them and enjoy them.

Integrated Learning System

Great care was used in the creation of the supplemental materials to accompany *Contemporary Management*. The textbook authors were involved in the entire process to ensure quality and consistency with the textbook. Whether you are a seasoned faculty or a newly minted instructor, you'll find our support materials to be the most thorough and thoughtful ever created!

Student Resources

STUDENT STUDY GUIDE written by Ernest King of the University of Southern Mississippi. A printed choice for those students unavailable to access the CD-Rom or the website. It includes an outline of each of the chapters, multiple choice, true/false, and application questions, a "Student Journal," and Video exercises.

STUDENT CD-ROM With each new book, there will be included a CD-ROM containing an interactive quiz similar to the exam prep disk of

the previous edition. Students can use these quizzes to prep for exams based on the content of each chapter. This CD will also include the complete PowerPoint Presentation, and Video Clips. Your students will value this special FREE CD with each new book.

WEBSITE AND ONLINE LEARNING CENTER

at <http://www.mhhe.com/jones2e> with content by George Ruggiero of the Community College of Rhode Island. A resource for faculty and students, the CM website contains information for lecture and learning enhancement. Along with features of the text and author biographical information, you'll find Web exercises, outside research assignments, synopses of current articles relating to chapter material and related discussion questions, links to national and international news, a career area for student, and other course-enhancing materials.

Instructor Resources

INSTRUCTOR'S RESOURCE MANUAL

Updated by Ellyn Brecher and Susan Hilbert from Temple University contains:

- Detailed chapter outlines
- Detailed answers on all the Management in Action, or end-of-chapter, material
- Notes on using PowerPoint Presentation and Acetates
- Notes on Video Cases and Profiles in Management Videos
- Two lecture enhancers per chapter
- Transparency Master for all significant figures from the text

TEST BANK by Thomas Quirk of Webster University. This volume contains over 100 test items per chapter, including multiple choice, true/false, applied, and essay. Each question is ranked in terms of difficulty and page-referenced to the textbook.

COMPUTEST TEST GENERATION SYSTEM

An easy-to-use computerized version of the test bank available in two versions: Windows and Macintosh.

POWERPOINT CLASSROOM PRESENTATION SOFTWARE

created by Richard T. Christoph, James Madison University. Over 300 images for use in the classroom or as handouts are packaged ready-to-run with Windows installation program and a slide viewer. No additional software is required, but can be modified with Microsoft PowerPoint for Windows.

PROFILES IN MANAGEMENT VIDEO SERIES

Ten segments profiling the management styles and practices of real managers on the job. Students will get real insight into the job of managers at various levels within an organization, and among very different types of businesses. Companies profiled include: Second City, Handy Andy, Specialized Bicycle, Tellabs, Washburn Guitars, Southwest Airlines, and 1st Chicago Bank.

VIDEO CASES AND NOTES

For 17 of 19 chapters, a 7–12 minute video segment is provided that ties concepts from the text directly to a real company profile. Cases and additional instructional material is provided in the Instructor's Manual allowing for ultimate flexibility for faculty.

INSTRUCTOR PRESENTATION CD-ROM

This is state-of-the-art technology that provides a single resource for faculty to customize in-class presentations. This CD-ROM contains:

- Instructor's Resource Manual
- Test Bank and Computest
- PowerPoint Classroom Presentation Software
- Student CD-Rom Quiz
- Video Clips
- Special Presentation Platform that allows faculty to build classroom presentations in sequence using the resources from the CD.

WEBSITE AND ONLINE LEARNING CENTER

at <http://www.mhhe.com/jones2e>, as detailed above, the website contains an Instructor Online Learning Center with materials and resources to enhance classroom instruction.

Acknowledgments

Finding a way to integrate and present the rapidly growing literature on contemporary management and make it interesting and meaningful for students is not an easy task. In revising *Contemporary Management* we have been fortunate to have had the assistance of several people who have contributed greatly to the book's final form. First, we are grateful to John Biernat and Craig Beytien, our editor and publisher respectively, for their ongoing support and commitment to our project, and for always finding ways to provide the resources that we needed to improve and refine our book in its second edition. Second, we are grateful to Christine Scheid, our developmental editor, for her ongoing creative input into our project and for providing us with concise and timely feedback and information from professors and reviewers that have allowed us to shape the book to the needs of its intended market. Third, we are grateful to Ellen Cleary, our marketing manager for her unflagging support in helping us to articulate the meaning and message of our book. We also thank Joanne Tinsley, our external developmental editor, for her many useful suggestions and for helping us to present the material in the chapters in a way that ensures its integrated flow within and between the book's chapters and Pat Herbst, our copyeditor, for her work in improving the flow and readability of our manuscript. Finally, we thank Kiera Cunningham for executing an awe-inspiring design, Mary Conzachi for coordinating the production process, and Patsy Hartmangruber for providing us with excellent graphic support. We are also grateful to the many colleagues and reviewers who provided us with useful and detailed feedback, perceptive comments and valuable suggestions for improving the manuscript.

Producing any competitive work is a challenge. Producing a truly market-driven textbook requires tremendous effort beyond simply obtaining reviews on a draft manuscript. Our goal was simple with the development of *Contemporary Management*, to be the most customer-

driven principles of management text and supplement package ever published! With the goal to exceed the expectations of both faculty and students, we executed one of the most aggressive product development plans ever undertaken in textbook publishing. Well over 200 faculty took part in developmental activities ranging from regional focus groups to manuscript reviews and surveys—and that was just for the first edition. For the second edition, we obtained 13 more full book reviews, and sent out more than 100 surveys. Consequently, we're confident in assuring you and your students, our customers, that every aspect of our text and support package reflects your advice and needs. As you review it we're confident that over and over your reaction will be "they listened!"

Our thanks to those professors who gave their comments and suggestions by reviewing the entire text:

Dianne Coleman, *Wichita State University*
Suzanne Crampton, *Grand Valley State University*
George DeLodzia, *University of Rhode Island*
Pat Dickson, *University of Louisville*
Bonnie Fremgen, *University of Notre Dame*
Ronald Gordon, *Florida Metropolitan State University*
John Hughes, *Texas Tech University*
Rick Lester, *University of North Alabama*
Thomas Lloyd, *Westmoreland County Community College*
Dan Sherman, *Rose-Hulman Institute of Technology*
Roy Shin, *Indiana University*
Gary Weaver, *University of Delaware*
Jonathan Young, *Thomas College*

We would also like to specially thank all of those who took the time to complete our survey:

Dave Arnott, *Dallas Baptist University*
Hal Babson, *Columbus State Community College*

Peggy D. Brewer, *Eastern Kentucky University*
 David Burnis, *Pennsylvania State University*
 Jacob Cohen, *Syracuse University*
 Dianne Coleman, *Wichita State University*
 Lyle Courtnage, *Rocky Mountain College*
 Frederick J. DeCasperis, *Siena College*
 Dick Devlin, *University of New Hampshire*
 Ceasar Douglas, *Grand Valley State University*
 Bill Dow, *University of St. Francis*
 Vincent Dragone, *Buffalo State College*
 Karen Eboch, *Bowling Green State University*
 Joseph Flowers, *Indiana Wesleyan University*
 Normandie Gaitley, *York College of Pennsylvania*
 Eric Goodman, *Fort Hays State University*
 Janet Gillespie, *Elmhurst College*
 Gwendolyn Jones, *The University of Akron*
 Nancy Landrum, *New Mexico State University*
 Thomas R. Lerra, *Quinsigamond Community College*
 James C. McElroy, *Iowa State University*
 Paul Mochella, *University of Hartford*
 Paula Morrow, *Iowa State University*
 Bev Pray, *Union University*
 Barbara Ribbens, *University of Evansville*
 Irving E. Richards, *Cuyahoga Community College*
 Roy Simerly, *East Carolina University*
 John T. Snyder, *St. Charles County Community College*
 James Terborg, *University of Oregon*
 Linda Tibbetts, *Sinclair Community College*
 Gary Weaver, *University of Delaware*
 James A. Wolff, *Wichita State University*

Our thanks to these faculty who contributed greatly to the creation of the first edition of *Contemporary Management*:

Fred Anderson, *Indiana University of Pennsylvania*
 Jacquelyn Appeldorn, *Dutchess Community College*
 Barry Armandi, *SUNY–Old Westbury*
 Douglas E. Ashby, *Lewis & Clark Community College*
 Barry S. Axe, *Florida Atlantic University*
 Jeff Bailey, *University of Idaho*
 Robert M. Ballinger, *Siena College*
 Donita Whitney-Bammerlin, *Kansas State University*
 Sandy Jeanquart Barone, *Murray State University*

Lorraine P. Bassette, *Prince George's Community College*
 Gene Baten, *Central Connecticut State University*
 Josephine Bazan, *Holyoke Community College*
 Hrach Bedrosian, *New York University*
 Jack C. Blanton, *University of Kentucky*
 David E. Blevins, *University of Arkansas at Little Rock*
 Karen Boroff, *Seton Hall University*
 Barbara Boyington, *Brookdale Community College*
 Charles Braun, *Marshall University*
 Gil Brookins, *Siena College*
 Patricia M. Buhler, *Goldey-Beacom College*
 David Cadden, *Quinnipiac College*
 Thomas Campbell, *University of Texas–Austin*
 Thomas Carey, *Western Michigan University*
 Daniel P. Chamberlin, *Regents University–CRB*
 Nicolette DeVile Christensen, *Guilford College*
 Anthony A. Cioffi, *Lorain County Community College*
 Sharon F. Clark, *Lebanon Valley College*
 Sharon Clinebell, *University of Northern Colorado*
 Dianne Coleman, *Wichita State University*
 Elizabeth Cooper, *University of Rhode Island*
 Thomas D. Craven, *York College of Pennsylvania*
 Kent Curran, *University of North Carolina*
 Arthur L. Darrow, *Bowling Green State University*
 Ron DiBattista, *Bryant College*
 Thomas Duening, *University of Houston*
 Charles P. Duffy, *Iona College*
 Subhash Durlabhji, *Northwestern State University*
 Robert A. Eberle, *Iona College*
 Robert R. Edwards, *Arkansas Tech University*
 William Eldridge, *Kean College*
 Pat Ellsberg, *Lower Columbia College*
 Stan Elsea, *Kansas State University*
 Dale Finn, *University of New Haven*
 Charles Flaherty, *University of Minnesota*
 Robert Flemming, *Delta State University*
 PJeanie M. Forray, *Eastern Connecticut State University*
 Ellen Frank, *Southern Connecticut State University*
 Joseph A. Gemma, *Providence College*
 Neal Gersony, *University of New Haven*
 Donna H. Giertz, *Parkland College*
 Leo Giglio, *Dowling College*
 David Glew, *Texas A&M University*

Carol R. Graham, *Western Kentucky University*
 Matthew Gross, *Moraine Valley Community College*
 John Hall, *University of Florida*
 Eric L. Hansen, *California State University—Long Beach*
 Justin U. Harris, *Strayer College*
 Allison Harrison, *Mississippi State University*
 Eileen Bartels Hewitt, *University of Scranton*
 Stephen R. Hiatt, *Catawba College*
 Tammy Bunn Hiller, *Bucknell University*
 Jerry Horgeshneider, *Southern Utah State*
 Gordon K. Huddleston, *South Carolina State University*
 John Hughes, *Texas Tech University*
 Charleen Jaeb, *Cuyahoga Community College*
 Richard E. Johe, *Salem College*
 Jehan G. Kavooosi, *Clarion University of Pennsylvania*
 Ken Lehmann, *Forsyth Technical Community College*
 Lianlian Lin, *California State Polytechnic University*
 Grand Lindstrom, *University of Wyoming*
 Mary Lou Lockerby, *College of DuPage*
 Esther Long, *University of Florida*
 Bryan Malcolm, *University of Wisconsin*
 Z. A. Malik, *Governors State University*
 Mary J. Mallott, *George Washington University*
 Reuben McDaniel, *University of Texas*
 John A. Miller, *Bucknell University*
 Thomas C. Neil, *Clark Atlanta University*
 Brian Niehoff, *Kansas State University*
 Judy Nixon, *University of Tennessee*
 Cliff Olson, *Southern Adventists University*
 Dane Partridge, *University of Southern Indiana*
 Sheila J. Pechinski, *University of Maine*
 Fred Pierce, *Northwood University*
 Laynie Pizzolatto, *Nicholls State University*
 Eleanor Polster, *Florida International University*
 Paul Preston, *University of Texas—San Antonio*
 Samuel Rabinowitz, *Rutgers University—Camden*
 Gerald Ramsey, *Indiana University Southeast*
 Charles Rarick, *Transylvania University*
 Robert A. Reber, *Western Kentucky University*
 Bob Redick, *Lincoln Land Community College*
 Deborah Britt Roebuck, *Kennesaw State University*
 Harvey Rothenberg, *Regis University*
 George Ruggiero, *Community College of Rhode Island*

Cyndy Ruszkowski, *Illinois State University*
 Michael Santoro, *Rutgers University*
 Amit Shah, *Frostburg State University*
 Richard Ray Shreve, *Indiana University Northwest*
 Sidney Siegel, *Drexel University*
 Raymond D. Smith, *Towson State University*
 William Soukup, *University of San Diego*
 H. T. Stanton, Jr., *Barton College*
 Nestor St. Charles, *Dutchess Community College*
 Lynda St. Clair, *Bryant College*
 Gerald Schoenfeld, Jr., *James Madison University*
 Michael Shapiro, *Dowling College*
 Sharon Sloan, *Northwood University*
 William A. Sodeman, *University of Southern Indiana*
 Carl J. Sonntag, *Pikes Peak Community College*
 Charles I. Stubbart, *Southern Illinois University*
 James K. Swenson, *Moorhead State University*
 Karen Ann Tarnoff, *East Tennessee State University*
 Jerry L. Thomas, *Arapahoe Community College*
 Kenneth Thompson, *DePaul University*
 John Todd, *University of Arkansas*
 Thomas Turk, *Chapman University*
 Linn Van Dyne, *Michigan State University*
 Jaen Vanhoegaerden, *Ashridge Management College*
 Stuart H. Warnock, *University of Southern Colorado*
 Toomy Lee Waterson, *Northwood University*
 Philip A. Weatherford, *Embry-Riddle Aeronautical University*
 Ben Weeks, *St. Xavier University*
 W. J. Williams, *Chicago State University*
 Robert Williams, *University of North Alabama*
 Shirley A. Wilson, *Bryant College*
 Michael A. Yahr, *Robert Morris College*
 D. Kent Zimmerman, *James Madison University*

Finally, we are grateful to our families for supporting us, and providing us with much fun, joy, and affection as we went about the hard work of writing our book. It is to them that we dedicate this book.

G.R.J./J.M.G.
 College Station, Texas

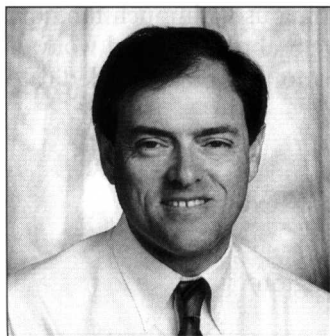
C.W.L.H.
 Seattle, Washington

Authors

Gareth Jones

is a Professor of Management in the Lowry Mays College and Graduate School of Business and the Graduate School of Business at Texas A&M University. He received both his B.A. and Ph.D. from the University of Lancaster, U.K. He previously held teaching and research appointments at the University of Warwick, Michigan State University, and the University of Illinois at Urbana-Champaign.

He specializes in both strategic management and organizational theory and is well known for his research that applies transaction cost analysis to explain many forms of strategic behavior. He is currently interested in strategy process and issues concerning the development of trust and the role of affect in the strategic decision making process. He has published many articles in leading journals of the field and his recent work has appeared in the *Academy of Management Review*, *Journal of International Business Studies*, *Human Relations*, and the *Journal of Management*. One of his articles won the *Academy of Management Journal* Best Paper Award, and he is one of the most prolific authors in the *Academy of Management Review*. He is serving or has served on the editorial boards of the *Academy of Management Review*, the *Journal of Management*, and *Management Inquiry*. In addition to his academic achievements, Gareth is co-author on three other major text books in the management discipline, including organizational behavior, organizational theory, and strategic management.

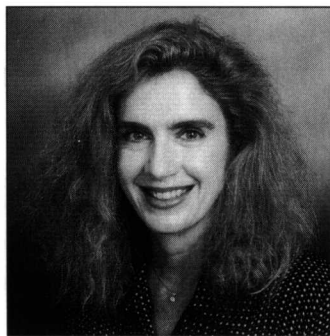


Jennifer George

is also a Professor of Management in the Lowry Mays College and Graduate School of Business at Texas A&M University. She received her B.A. in Psychology/Sociology from Wesleyan University, her M.B.A. in Finance from New York University, and her Ph.D. in Management and Organizational Behavior from New York University.

She specializes in Organizational Behavior and is well known for her research on affect and mood, their determinants, and their effects on various individual and group level work outcomes. She is the author of many articles in leading peer-reviewed journals, and her recent work has appeared in the *Academy of Management Review*, the *Journal of Management*, and *Human Relations*. One of her papers won the Academy of Management's Organizational Behavior Division Outstanding Competitive Paper Award. She is, or has been, on the editorial review boards of the *Journal of Applied Psychology*, *Academy of Management Journal*, *Journal of Management*, and *Journal of Managerial Issues* and was a consulting editor for the *Journal of Organizational Behavior*. She is a Fellow in the American Psychological Association, the American Psychological Society, and the Society for Industrial and Organizational Psychology.

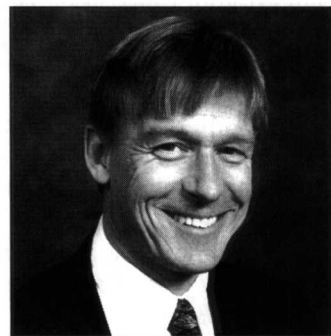
With her husband, Gareth Jones, she has written a leading textbook in organizational behavior. They have also collaborated on two children, Nicholas, who is seven, and Julia, who is six.



Charles W. L. Hill

is the Hughes M. Blake Professor of International Business at the School of Business, University of Washington. Professor Hill received his Ph.D. in industrial organization economics in 1983 from the University of Manchester's Institute of Science and Technology (UMIST). In addition to the University of Washington, he has served on the faculties of UMIST, Texas A&M University, and Michigan State University. He has published many articles in peer-reviewed academic journals. He has also published two college textbooks, one on strategic management and the other on international business, both market leaders. Professor Hill is, or has served, on the editorial boards of several academic journals, such as the *Academy of Management Journal* and the *Strategic Management Journal* and was a consulting editor at the *Academy of Management Review*.

Professor Hill teaches in the undergraduate M.B.A. and executive M.B.A. programs at the University of Washington and has received awards for teaching excellence in these programs.



Brief Contents

Part One

Management 1

Chapter One

Managers and Managing 2

Chapter Two

The Evolution of
Management Theory 36

Part Two

The Environment of Management 73

Chapter Three

The Organizational Environment 74

Chapter Four

The Global Environment 108

Chapter Five

Ethics, Social Responsibility,
and Diversity 144

Part Three

Managing Decision Making
and Planning 191

Chapter Six

The Manager as a Decision Maker 192

Chapter Seven

The Manager as a Planner
and Strategist 228

Part Four

Managing Organizational Architecture 267

Chapter Eight

Managing Organizational Structure 268

Chapter Nine

Organizational Control and Culture 310

Chapter Ten

Human Resource Management 346

Part Five

Managing Individuals and Groups 385

Chapter Eleven

The Manager as a Person 386

Chapter Twelve

Motivation 424

Chapter Thirteen

Leadership 460

Chapter Fourteen

Groups and Teams 496

Chapter Fifteen

Communication 534

Chapter Sixteen

Organizational Conflict,
Negotiation, Politics, and Change 572

Part Six

Managing Essential Operations
and Processes 609

Chapter Seventeen

Managing Information Systems
and Technologies 610

Chapter Eighteen

Operations Management:
Managing Quality, Efficiency, and
Responsiveness to Customers 642

Chapter Nineteen

The Management of Innovation,
Product Development, and
Entrepreneurship 678

Contents

Part One

Management

Chapter One

Managers and Managing

A Case in Contrast

Steve Jobs's Old and New Management Style at Apple Computer

What Is Management?

Achieving High Performance: A Manager's Goal

Management Insight

How to Be an Effective Plant Manager

Managerial Functions

Planning

Organizing

Leading

Controlling

Types of Managers

Levels of Management

Areas of Managers

Recent Changes in Managerial Hierarchies

Management Insight

A New Approach at John Deere

Tips for Managers

Managing Resources

Managerial Roles and Skills

Managerial Roles Identified by Mintzberg

Management Insight

Effective Small-Business Management

Being a Manager

Managerial Skills

Tips for Managers

Tasks and Roles

Challenges for Management

in a Global Environment

Building a Competitive Advantage

Managing Globally

How Levi Strauss Built an International Competitive Advantage

Maintaining Ethical Standards

Ethics in Action

How to Destroy a Charity's Reputation

Managing a Diverse Workforce

Focus on Diversity

Making the Most of Difference

Utilizing New Information Systems and Technologies

Management Insight

The Information Revolution at Hewlett-Packard

Summary and Review

Management in Action

Opposite Approaches to Management at Campbell Soup and Quaker Oats

Blockbuster's Fixed-Up Mr. Fix It

Chapter Two

The Evolution

of Management Theory

A Case in Contrast

Changing Ways of Making Cars

Scientific Management Theory

Job Specialization and the Division of Labor

F. W. Taylor and Scientific Management

Ethics in Action

Fordism in Practice

The Gilbreths

Administrative Management Theory

The Theory of Bureaucracy

Fayol's Principles of Management

Management Insight

How to Be an Excellent Company

Behavioral Management Theory

The Work of Mary Parker Follett

The Hawthorne Studies and Human Relations

Theory X and Theory Y	56	Political and Legal Forces	92
Theory Z	57	Global Forces	92
Management Insight		Tips for Managers	
The Hewlett-Packard Way	59	Forces in the Environment	93
Management Science Theory	60	Managing the Organizational Environment	93
Organizational Environment Theory	60	Reducing the Impact of Environmental Forces	95
The Open-Systems View	61	Creating an Organizational Structure and Control Systems	95
Contingency Theory	62	Boundary-Spanning Roles	97
Managing Globally		Managing Globally	
Philips's Organic Structure Works	64	T. Julie Berry Discovers China	99
Tips for Managers		Managers as Agents of Change	100
Applying Management Principles	65	Management Insight	
Summary and Review	65	Bill Lowe Changes the Rules of the Game	101
Management in Action	67	Tips for Managers	
A Shake-up at Eastman Kodak	69	Managing the Organizational Environment	102
Mr. Eden's Profits from Watching His Workers' Every Move	70	Summary and Review	102
		Management in Action	103
		The Brewing Industry	105
		Levi's Is Hiking Up Its Pants	106
Part 2		Chapter Four	
The Environment of Management	73	The Global Environment	108
Chapter Three		A Case in Contrast	
The Organizational Environment	74	Why Expand Globally?	109
A Case in Contrast		The Changing Global Environment	111
What Kind of Personal Computers Do Customers Really Want?	77	Declining Barriers to Trade and Investment	112
What Is the Organizational Environment?	78	Declining Barriers of Distance and Culture	114
The Task Environment	79	Effects of Free Trade on Managers	116
Suppliers	80	The Global Task Environment	117
Distributors	80	Suppliers	117
Customers	80	Managing Globally	
Ethics in Action		Swan Optical Spreads Its Wings	118
Merck & Co. Develops a Free Treatment for River Blindness	81	Distributors	119
Competitors	82	Customers	120
Management Insight		Competitors	120
It's Hard to Get Into the Jet Business	84	The Global General Environment	121
The Industry Life Cycle	85	Political and Legal Forces	121
The General Environment	87	Economic Forces	122
Economic Forces	87	Changes in Political and Legal and Economic Forces	123
Technological Forces	88	Managing Globally	
Management Insight		GE's U.S. Managers Stumble in Hungary	125
Computer-Aided Design Makes a Difference at Boeing	89	Sociocultural Forces	126
Sociocultural Forces	89		
Demographic Forces	91		

Tips for Managers	
Understanding the Global Environment	130
Choosing a Way to Expand Internationally	130
Importing and Exporting	131
Licensing and Franchising	131
Strategic Alliances	132
Wholly Owned Foreign Subsidiaries	132
Managing Globally	
How to Get the World Hooked on Fish and Chips	133
Impediments to an Open Global Environment	134
Government-Imposed Impediments	134
Managing Globally	
Wal-Mart Runs into Red Tape	135
Self-Imposed Ethical Impediments	135
Ethics in Action	
Anita Roddick's Fair-Trade Philosophy	136
Tips for Managers	
Managing the Global Environment	137
Summary and Review	137
Management in Action	139
GM Managers Tackle Eastern Europe	141
The Next CEO's Key Asset: A Worn Passport	142

Chapter Five

Ethics, Social Responsibility, and Diversity	144
A Case in Contrast	
Ethical Stances at Johnson & Johnson and Dow Corning	145
Ethics and Stakeholders	148
Ethics in Action	
The Use of Animals in Cosmetics Testing	151
Sources of an Organization's Code of Ethics	151
Ethics in Action	
How Not to Do Business in Argentina	153
What Behaviors Are Ethical?	154
Ethics in Action	
Is It Right to Use Child Labor?	156
Why Would Managers Behave Unethically Toward Other Stakeholders?	158
Why Should Managers Behave Ethically?	159

Social Responsibility	160
Approaches to Social Responsibility	161
Why Be Socially Responsible?	162
Promoting Ethics and Social Responsibility	165
Tips for Managers	
Championing Ethical Behavior	166
Managing an Increasingly Diverse Workforce	166
The Ethical Imperative to Manage Diversity Effectively	168
Focus on Diversity	
Age Discrimination at Schering-Plough	170
Effectively Managing Diversity Makes Good Business Sense	171
Why Are Diverse Employees Sometimes Treated Unfairly?	172
How to Manage Diversity Effectively	174
Increasing Diversity Awareness	175
Increasing Diversity Skills	175
Techniques for Increasing Diversity Awareness and Skills	176
The Importance of Top-Management Commitment to Diversity	178
Tips for Managers	
Managing an Increasingly Diverse Workforce	179
Sexual Harassment	179
Forms of Sexual Harassment	180
Steps Managers Can Take to Eradicate Sexual Harassment	180
Ethics in Action	
Finally, a Corporate Tip Sheet on Sexual Harassment	182
Summary and Review	183
Management in Action	185
Mentoring Diverse Employees Pays Off	187
How Executive Greed Cost Shareholders \$675 Million	189

Part 3

Managing Decision Making and Planning	191
---------------------------------------	-----

Chapter Six

The Manager as a Decision Maker	192
A Case in Contrast	
A Tale of Two Decisions at Calling Systems International	193

The Nature of Managerial

Decision Making 195

- Programmed and Nonprogrammed 195
- Decision Making 197
- The Classical Model 198
- The Administrative Model 199

Management Insight

- Marketing Beavis and Butt-Head Trading Cards 202

Steps in the Decision-Making Process 203

- Recognize the Need for a Decision 204
- Generate Alternatives 205
- Assess Alternatives 205
- Choose Among Alternatives 207
- Implement the Chosen Alternative 207
- Learn from Feedback 208

Management Insight

- British Petroleum's Decision Auditing Unit 208

Tips for Managers

- Managing the Decision Making Process 209

Cognitive Biases and Decision Making 210

- Prior Hypothesis Bias 210
- Representativeness Bias 211
- Illusion of Control 211
- Escalating Commitment 211
- Be Aware of Your Biases 212

Group Decision Making 212

- The Perils of Groupthink 213
- Devil's Advocacy and Dialectical Inquiry 213
- Diversity Among Decision Makers 214

Focus on Diversity

- Diverse Employees Improve Decision Making at Hoechst Celanese 215

Organizational Learning and Creativity 215

- Creating a Learning Organization 216
- Promoting Individual Creativity 217
- Promoting Group Creativity 217
- Promoting Creativity at the Global Level 219

Managing Globally

- Building Cross-Cultural Creativity 220

Tips for Managers

- Improving Decision Making 221

Summary and Review 221

Management in Action 222

- Tough Decisions at Rockwell International 225
- How Disney Keeps Ideas Coming 226

Chapter Seven

The Manager as a Planner and Strategist 228

A Case in Contrast

- Gerald Pencer Starts a Cola War** 229

Overview of the Planning Process 231

- Levels of Planning 232
- Who Plans? 234
- Time Horizons of Plans 235
- Standing Plans and Single-Use Plans 235
- Why Planning Is Important 236
- Scenario Planning 237

Management Insight

- Scenario Planning at Shell 238

Tips for Managers

- Planning 238

Determining the Organization's

Mission and Goals 239

- Defining the Business 239

Management Insight

- Defining the Business of Seattle City Light 239

- Establishing Major Goals 240

Formulating Strategy 241

- SWOT Analysis 241

Management Insight

- James Unruh Transforms Unisys 243

- The Five Forces Model 244

Formulating Corporate-Level Strategies 245

- Concentration on a Single Business 246
- Diversification 246
- International Expansion 248

Management Insight

- Caterpillar's International Strategy 250

- Vertical Integration 250

Managing Globally

- McDonald's Vertically Integrates to Preserve Quality 252

Formulating Business-Level Strategies 253

- Low-Cost Strategy 253
- Differentiation Strategy 254
- "Stuck in the Middle" 254

- Focused Low-Cost and Focused

- Differentiation Strategies 254

Formulating Functional-Level Strategies 255

Planning and Implementing Strategy	258
Tips for Managers	
Strategy	259
Summary and Review	259
Management in Action	260
Look Out Supermarkets—Wal-Mart Is Hungry	263
Souping Up Campbell's	265

Part 4

Managing Organizational Architecture	267
--------------------------------------	-----

Chapter Eight

Managing Organizational Structure	268
A Case in Contrast	
Kinko's Changes Its Organizational Structure	269
Designing Organizational Structure	271
The Organizational Environment	271
Strategy	272
Technology	272
Human Resources	275
Grouping Tasks into Jobs: Job Design	275
Job Enlargement and Job Enrichment	277
The Job Characteristics Model	277
Grouping Jobs into Functions and Divisions	279
Tips for Managers	
Designing Structure and Jobs	279
Functional Structure	280
Divisional Structures: Product, Market, and Geographic	282
Management Insight	
Viacom's Product Structure	284
Management Insight	
From Geographic to Market Structure at Eastman Kodak	286
Matrix and Product Team Designs	287
Management Insight	
Product Teams Produce Competitive Advantage	290
Hybrid Structure	291
Coordinating Functions and Divisions	291
Allocating Authority	291

Managing Globally

Procter & Gamble's New World Hierarchy	296
Types of Integrating Mechanisms	297
Strategic Alliances and Network Structure	300
Managing Globally	
Nike's Network Structure	300
Tips for Managers	
Choosing a Structure	303
Summary and Review	303
Management in Action	305
How Bill Gates Organizes Microsoft	307
Big Changes at Amoco	308

Chapter Nine

Organizational Control and Culture	310
A Case in Contrast	
Different Approaches to Output Control Create Different Cultures	311
What Is Organizational Control?	313
The Importance of Organizational Control	314
Control Systems	315
The Control Process	316
Output Control	319
Financial Measures of Performance	320
Organizational Goals	322
Operating Budgets	323
Managing Globally	
Japan's New Concern for Output Control	323
Problems with Output Control	324
Ethics in Action	
Trouble at Sears	325
Behavior Control	326
Direct Supervision	327
Management by Objectives	327
Bureaucratic Control	328
Management Insight	
Never Underestimate the Power of Rules	329
Problems with Bureaucratic Control	330
Tips for Managers	
Control	331
Organizational Culture and Clan Control	332
Values and Norms: Creating a Strong Organizational Culture	332