

Mondy • Sharplin • Holmes • Flippo

# MANAGEMENT

Concepts and Practices

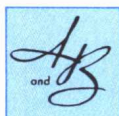
THIRD EDITION



**THIRD EDITION**

**MANAGEMENT  
CONCEPTS  
AND  
PRACTICES**





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# Preface

Like the two previous editions, the third edition of *Management: Concepts and Practices* is written for an audience that expects management theory to be linked with actual management practice. A major feature of the third edition is the inclusion of introductory company vignettes for each chapter. Each tells a story about a particular high-profile company, most of which both professors and students will recognize. The vignettes are integrated throughout the chapter to give the discussion coherence and add interest. In addition, each chapter includes a company or an executive profile. The following companies are featured:

Chrysler Corporation  
Wendy's International Inc.  
Pan American World Airways, Inc.  
Nucor Corporation  
Holiday Corporation  
G. D. Searle & Company  
General Electric Company  
General Mills, Inc.  
Atari, Inc.  
Murphy Oil Corporation  
Wal-Mart Stores, Inc.  
Freeport Firestone  
Sears, Roebuck and Co.  
National Aeronautics and Space Administration  
Derek Garment Factory  
Formfit Rogers, Inc.  
Lincoln Electric Company  
Delta Air Lines, Inc.  
Nissan Motor Corporation—USA  
People Express Airlines, Inc.  
Wickes Companies, Inc.  
International Business Machines Corporation  
State Farm Mutual Automobile Insurance Company  
Adolph Coors Company  
7-Eleven Stores Division, The Southland Corporation  
The Chase Manhattan Bank, N.A.  
General Motors Corporation  
Apple Computer, Inc.  
Deere & Company  
Briggs & Stratton Corporation  
Phillips Petroleum Company

Johnson & Johnson  
 Union Carbide Corporation  
 Wall Drug Store, Inc.  
 Sharpco, Inc.  
 American Motors Corporation  
 ITT Corporation

Every chapter has been significantly revised and updated. In addition, three new chapters have been added:

- *Strategic Planning*: This topic is receiving increased emphasis in schools of business and is included in the third edition to provide a top management focus for the planning process.
- *Organizational Culture, Change, and Development*: With the publication of *In Search of Excellence*, *Theory Z*, and *Corporation Cultures*, the concept of organizational culture has captured the fancy of U.S. managers and educators. This topic is blended with a traditional treatment of organizational change and development.
- *Quantitative Controlling Techniques*: The information revolution has brought the capability of handling ever-increasing quantities of data and manipulating those data for management purposes. This chapter segregates the quantitative controlling techniques in use today, giving them additional emphasis and allowing the previous chapter, which examines the controlling process, to be less quantitative.

The third edition offers the features listed below in addition to those mentioned earlier. Some of these did not appear in earlier editions; the ones that have have been refined.

- Chapter outlines appear at the beginning of each chapter to allow readers to see the flow of the chapter in advance.
- A list of key terms is provided at the start of each chapter. Considerable attention has been given to ensuring that each key term is explicitly defined in the text material. Each key term is highlighted in the margin for easy and quick reference.
- Learning objectives are listed at the beginning of each chapter to provide students with an understanding of the purpose of the chapter.
- In the test bank that has been developed to accompany this text, a number of test items are related to each learning objective.
- A large number of easy-to-read figures and tables help describe the concepts and practices that are discussed.
- Review questions are provided for each chapter.
- End-of-chapter exercises permit students to relate the concepts discussed in the text to practical situations.
- A comprehensive list of references permits students to expand study of selected topics.
- Two true-to-life case studies at the conclusion of each chapter allow for class discussions that develop clearer understanding of the practical application of subject matter.
- A longer case is provided at the end of each part to allow an extensive discussion that encompasses the concepts from several chapters.
- Four experiential exercises are included in the instructor's resource manual to give students additional insights, new knowledge, and skills in solving problems and dealing with people in a variety of situations.

A glossary is included at the end of the text. The glossary includes all key terms and the corresponding definitions exactly as they appear in the text.

Instructors may wish to supplement this text with the study guide prepared by Kathryn W. Hegar and Robert N. Lussier. We believe that it will be of significant value to students.

In summary, we believe the third edition keeps the features of earlier editions that have made them such outstanding successes while adding new information to help students and professors adapt to the changing world of management. The managerial experience of the authors hopefully adds realism to the book. Our sincere desire is that readers be both stimulated and equipped to go into one of the most challenging and rewarding careers, Management.

## ACKNOWLEDGMENTS

The writing of a book cannot be accomplished without the assistance of many people. This is especially true for *Management: Concepts and Practices*. Although it would be impossible to list each person who assisted in this project, we feel that certain people must be given credit due to the magnitude of their contributions.

Frank N. Edens of Louisiana Tech University, Jerry M. DeHay of Tarleton State University, along with Robert M. Noe III and James R. Young, both of East Texas State University, all dear and close friends of ours, provided the inspiration and moral support we needed to see the project through to completion. A sincere note of appreciation also goes to the faculty and staff of the College of Business at Northeast Louisiana University for their support and encouragement throughout the preparation of the text. In addition, President Dwight Vines, Dean Van McGraw, and David Loudon, our department head, were with us all the way. Perhaps most important, we had the good fortune of having available to us the services of Barbara Duncan Pace, an author in her own right and certainly the most expert manuscript development specialist we have known.

We would like to thank our wives for their tangible contribution in the preparation of the manuscript. Without their patience, understanding, encouragement, and creative editing, the project would not have been completed. They willingly made a number of sacrifices during the long writing process.

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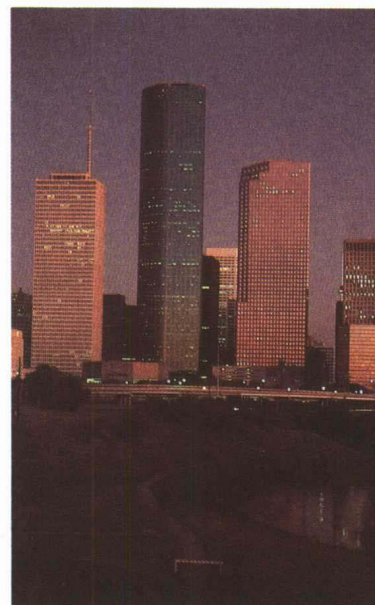
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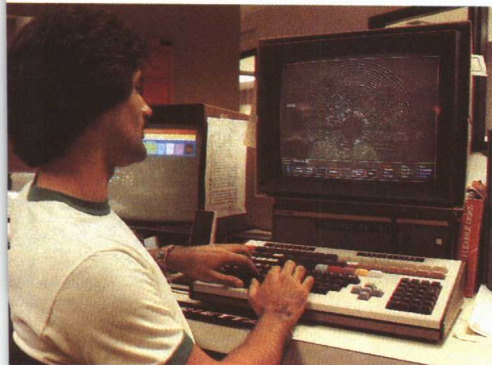
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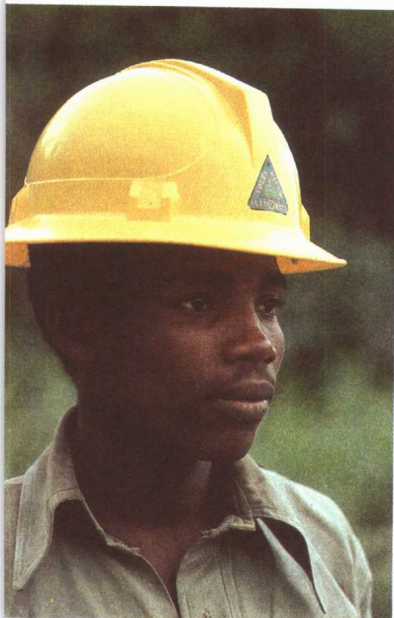
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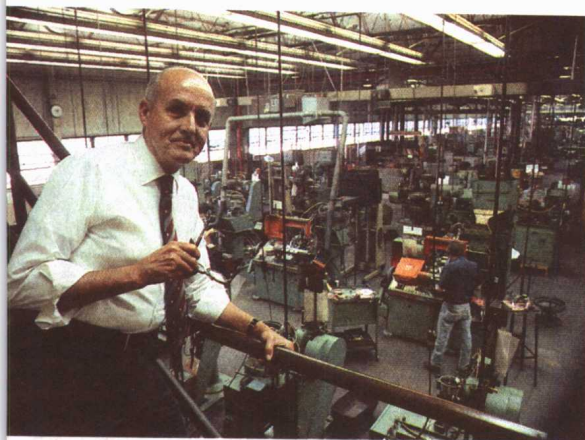
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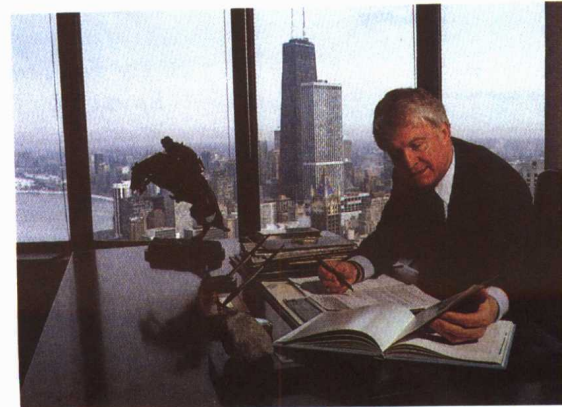
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# ***PART ONE***

## ***INTRODUCTION***

## KEY TERMS

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management	decision making	classical school of
function	supervisory managers	management
planning	middle managers	scientific management
organizing	top managers	behavioral school of
influencing	conceptual skill	management
motivation	technical skill	human relations
leadership	human skill	movement
communication	productivity	Hawthorne effect
controlling		modern behaviorism

## LEARNING OBJECTIVES

---

*After completing this chapter you should be able to*

1. Define *management* and explain the work of managers.
2. Explain the management functions of planning, organizing, influencing, and controlling.
3. Describe the work of managers at different organizational levels.
4. Discuss the importance of conceptual, technical, and human managerial skills.
5. Define productivity and state why it is important to managers.
6. Describe the classical and behavioral schools of management.

# **1**

## **Management**

### CHAPTER OUTLINE

What Is Management?  
The Management Functions  
Management at Different Levels  
Managerial Skills  
The Productivity Challenge  
Basic Schools of Management Thought  
Purposes and Organization of This Text  
Appendix: Careers in Management