MANAGEMENT ANDLICATION THEORY REVISED EDITION RUE & BYARS

Management

Theory and application

revised edition

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1980

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ISBN 0-256-02346-8 Library of Congress Catalog Card No. 79-89467 Printed in the United States of America

Preface

The Revised Edition of this book, like its predecessor, was planned and designed around what we believe is an innovative yet logical model for integrating the various facets of the management process into a conceptual whole. Rather than take a "process," "behavioral," or any other labeled approach to the study of management, we have tried to analyze and tie together those things that managers should be or be aware of in the pursuit of good organizational performance. This has resulted in what we believe is a comprehensive and integrated introduction to the process of management.

As suggested by the subtitle, the book was designed to emphasize the application side of management as well as the theory. We hope this has been accomplished by the use of numerous examples scattered throughout the text and by the end of chapter materials. In addition to review questions, each chapter is accompanied by several in-depth discussion questions and two minicases, both of which require application of the theory provided in the chapter. About one third of the minicases are new to this edition. Also, a comprehensive and integrative case has been added at the end of each major section of the book.

As with the first edition, the book's content is arranged in six major sections: Introduction and Background, Basic Management Functions, Behavioral Aspects, Individual Performance, Operations Management, and Contemporary Management. The first three sections are designed to provide the student with the basic foundation necessary to embark on the practice of management. Sections Four and Five stress that, in order to be successful, managers should emphasize individual performance and understand the organizational processes which produce the goods or services. The final section of the book, Contemporary Management, introduces the ingredients necessary to insure responsible management.

While the overall length of the book has remained at 22 chapters, certain chapters were added, rearranged, expanded, or integrated into other chapters. In Section One, the chapter dealing with the manager as a decision maker was significantly rewritten.

In Section Two the original chapter dealing with the organizing

function was expanded and divided into two chapters. The chapter entitled "Motivating: The Moving Function" was moved from Section Three in the first edition to Section Two and much of the "Encouraging Effort" chapter in the first edition was integrated into it.

In Section Three, the chapters dealing with the topics of leadership and communication were each significantly rewritten.

In Section Four, the original chapters "Recognizing and Measuring Individual Performance" and "Defining Direction" were combined to form a single new chapter entitled "Defining Performance and Direction." The manager's role in the performance appraisal process was also expanded in this chapter.

As mentioned earlier, most of the original "Encouraging Effort" chapter was incorporated in the "Motivation" chapter. The "Encouraging Effort" chapter was then rewritten emphasizing the role that organizational rewards play in obtaining employee performance.

Section Five did not undergo any significant changes other than a general update of the data.

In Section Six, the final chapter dealing with the future of management was completely rewritten not only to update the forecast for the future, but also to emphasize the increasing importance of international management in today's ever-shrinking world.

We have attempted to revise this book considering the needs of both students and instructors. We have attempted to bring the pieces of the puzzle together in order to provide the student with a comprehensive understanding of the theory and application of management. At the same time, we have attempted to present the material in such a way as to provide a sound framework from which to teach.

As are most authors, we are indebted to our families, friends, colleagues, and students for the assistance we have received. Unfortunately space limits us to naming only a few. Larry Cummings and Kirby Warren, as consulting editors, provided invaluable guidance and assistance. Special thanks are due to Bob Noe of East Texas State University and Henry Ryder of Gloucester County College for their in-depth review and critique of the book. We are grateful to Michael H. Mescon, chairman of the Management Department, Melvyn R. Copen, Associate Dean, and Kenneth Black, Jr., Dean of the College of Business Administration, Georgia State University, for providing us with an environment which not only permitted but encouraged this project. Final thanks go to Joyce Patrick and Ronnie Wallace of Georgia State University for assistance in all phases of the revision and to Bill Leopard for his typing and editing support.

December 1979

Leslie W. Rue Lloyd L. Byars

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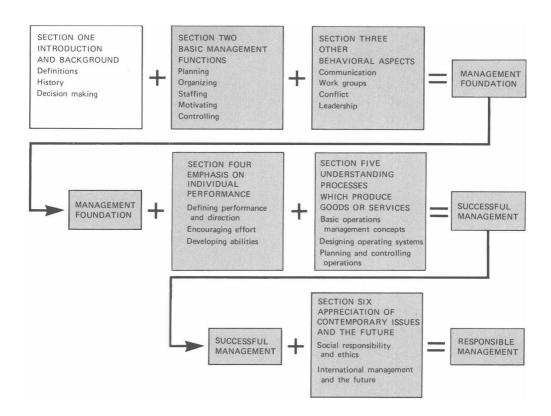
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section one



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Section One serves as an orientation for this book. The objectives of Section One are to provide an understanding of the work that a manager does, to develop a historical perspective of how and why management evolved, and to develop an appreciation for the decision-making skills required of a manager.

Chapter I discusses the concepts of management and the manager. The work of a manager is discussed in terms of the basic functions that a manager performs—planning, organizing, staffing, motivating, and controlling. Emphasis is placed on the fact that these functions are performed through people and thus a manager must also have an understanding of human behavior.

Chapter 2 presents a chronological development of management as a discipline. The management pioneers are presented in perspective with the events of their day. Emphasis is placed not so much on what and when events happened but rather on why they happened.

Chapter 3 recognizes that all managers, regardless of their level in the organization, must make decisions. The chapter discusses both theoretical and practical approaches to decision making. The role of values as well as the manager's affinity for risk are discussed. The chapter ends with a discussion of the particular problems associated with making decisions in an organizational context.



Objectives

- 1. To define management and describe the functions and activities involved in the management process.
- To show the relationships among management principles, concepts, and theory.
- 3. To discuss and explain the design philosophy of this book and how it relates to the management process.

GLOSSARY OF TERMS

- Behavioral aspects of management Those areas of the behavioral sciences involved in performing the management process. These areas include such topics as motivation, leadership, group activities, communication, and conflict.
- Concepts Commonly agreed upon definitions.
- **Entrepreneur** Person that conceives the idea of what product or service the organization is going to produce, starts the organization, and builds the organization to the point where additional people are needed.
- Law A statement of an order or relation of

- phenomena that, so far as is known, is invariable under the given conditions.
- **Management** A process or form of work that involves the guidance or direction of a group of people toward organizational goals or objectives.
- Management functions The activities that a manager performs are called management functions. These are planning, organizing, staffing, motivating, and controlling.
- **Principle** A fundamental, primary, or general truth on which other truths depend.
- **Theory** A systematic grouping of concepts and principles.

Introduction

The next day Moses sat as usual to hear the people's complaints against each other, from morning to evening.

When Moses' father-in-law saw how much time this was taking, he said, "Why are you trying to do all this alone, with people standing here all day long to get your help?"

"Well, because the people come to me with their disputes, to ask for God's decisions," Moses told him. . . .

"It's not right!" his father-in-law exclaimed. "You're going to wear yourself out—and if you do, what will happen to the people? Moses, the job is too heavy a burden for you to try to handle all by yourself.

"Now listen, and let me give you a word of advice. . . .

"Find some capable, godly, honest men who hate bribes and appoint them as judges, one judge for each 1,000 people; he in turn will have ten judges under him, each in charge of 100; and under each of them will be two judges, each responsible for the affairs of 50 people; and each of these will have five judges beneath him, each counseling ten persons. Let these men be responsible to serve the people with justice at all times. Anything that is too important or complicated can be brought to you. But the smaller matters, they can take care of themselves. That way it will be easier for you because you will share the burden with them."

The Living Bible*

Many writers have used the above example as one of the earliest written descriptions of a manager at work (utilizing, of course, the ever-present management consultant). Prior to the Industrial Revolution, organizational life was dominated by the military, the church, and the state, and thus, the first efforts in management reflected the activities of these organizations. Such an agrarian and craft-oriented society had little need for sophisticated management. However, as the size and complexity of organizations grew, a defined and professional approach to the management process became necessary. Management, as we know it today, exists in all forms of organizations—public, private, and not for profit.

^{* &}quot;Book of Exodus," Wheaton, Ill.; Tyndale House Publishers, 1971, p. 64.

MANAGEMENT DEFINED

Management has been defined in many ways, and even today there is no universally accepted definition. One frequently used definition is "getting things done through others." Another popular definition holds that management is the efficient utilization of resources. For the purposes of this book, the following definition of management will be used:

Management is a process or form of work that involves the guidance or direction of a group of people toward organizational goals or objectives.¹

MANAGEMENT AND OBJECTIVES

The starting point of the managerial process is the determination of organizational objectives. Objectives are designed to give an organization and its members direction and purpose. It is very difficult to have successful management without well-defined objectives. In fact, evidence suggests that having specific goals increases both individual employee and organizational performance, and further, if difficult goals are accepted by the individual employee, the resulting performance is greater than that achieved under less challenging goals.² Managers cannot effectively guide or direct people without well-defined goals. Precisely what these objectives should be depends on the particular organization and management philosophy.

Although objectives can range widely from organization to organization, they normally fall into one of four general categories: (1) profitoriented, (2) service to customers, (3) employee needs and well-being, and (4) social responsibility. Peter Drucker has further refined these general categories by stating that there are eight areas in which objectives have to be set: (1) market standing, (2) innovation, (3) productivity, (4) physical and financial resources, (5) profitability, (6) manager performance and development, (7) worker performance and attitude, and (8) public responsibility.³ Drucker's categorization of objectives in no way implies their relative importance. In fact, various combinations of objectives covering each of these areas are required for successful management.

MANAGEMENT FUNCTIONS

It is important to note that management is a form of work. The manager is the person that performs this work. In doing this work,

¹ Throughout this book, the terms goals and objectives will be used interchangeably.

² Gary P. Latham and Gary P. Yukl, "A Review of Research on the Application of Goal Setting in Organizations," *Academy of Management Journal*, December, 1975, p. 840.

³ Peter Drucker, *The Practice of Management* (New York: Harper and Brothers, 1954), pp. 63–87; and in *Management: Tasks, Responsibilities, Practices* (New York: Harper and Row, 1974).