

Fundamentals of *Management*

Fifth Edition

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James H. Donnelly, Jr.

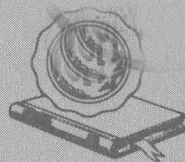
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This textbook is accompanied by a Student Workbook/Study Guide, published by Business Publications, Inc. and available through your college bookstore. The Study Guide is designed to enhance your learning experience in this course by offering additional supplementary material and review questions for self-examination or extra credit work. If the bookstore does not have the Study Guide in stock, please ask your bookstore manager to order a copy for you.

Statement from the Authors

We believe that a high quality textbook never compromises the integrity of the field it explores. Nor does it lose sight of its ultimate purpose—to help students learn. These beliefs have directed our preparation of *Fundamentals of Management*.

This book is dedicated to:
Helene S. Donnelly, Jeanne M. Servais, Connie Vick
Dianne Gibson
Ann and Mike Ivancevich

Preface

We had two major goals in mind when we wrote this textbook: to contribute to the effective practice of management and to help train the future managers of public and private organizations. This fifth edition of *Fundamentals of Management* reflects our ongoing commitment to meet the needs and aspirations of people contemplating management careers.

The topics that management students study today are much different than they were in 1971, when the first edition of our book appeared. The field of management changes rapidly with the development of new information, theories, and research. In our successive editions, we have taken into account these influences, as well as the accompanying changes in what management students expect from their career-preparation experiences.

The rationale for this book, however, remains the same. Management, we believe, is practiced best by individuals who have had access to high-quality textbooks.

Key Characteristics

A high-quality textbook possesses several key characteristics. It is comprehensive, systematic, scientific, practical—and exciting. It never compromises the integrity of the field it explores. And it never strays from its ultimate purpose: to help students learn.

These characteristics have been our guidelines while writing and updating *Fundamentals of Management*.

Comprehensive: This text is comprehensive, because it covers the major management topics affecting students, teachers, and practitioners.

The materials selected for this book reflect our extensive contacts with teaching colleagues, students, practicing managers, accrediting agencies such as the American Assembly of Collegiate Schools of Business (AACSB), and professional societies such as the Academy of Management and the American Management Association (AMA).

Systematic: In studying management, a beginning student easily can be overwhelmed by the vast number of concepts, theories, and topics. The systematic approach of *Fundamentals of Management* helps overcome this tendency. In each chapter's subject matter, readers are able to see where they have been, where they are, and where they will be going.

This book is divided into five parts. And each part is structured around three fundamental managerial tasks common to all organizations: managing work and organizations, managing people, and managing production and operations.

Part 1, Management and the Managerial Environment, introduces the reader to the job of management, the study of management, the environment in which a manager must perform, and the important national concern for productivity.

Part 2, Managing Work and Organizations, examines the classical foundations of the field and the three primary management functions of planning, organizing, and controlling.

Part 3, Managing People, focuses on the behavioral contributions to such important management issues as motivation, group behavior, leadership, communications, and organizational development.

Part 4, Managing Production and Operations, explains management science's contributions to production and operations management, decision-support systems, and techniques for routine and nonroutine production and operations decisions.

Part 5, Emerging Management Issues, examines management's social and ethical responsibilities, multinational management, the changing world of management, and management as a career.

Scientific: *Fundamentals of Management* presents concepts and theories that have been subjected to extensive research. However, this textbook does not attempt to teach social, behavioral, or operations management. It provides bases for applying to management many relevant contributions from numerous scientific disciplines. We have interpreted theory and research to help students of management comprehend the three fundamental managerial tasks: managing work and organizations, managing people, and managing production and operations.



Practical: To become an effective manager, the student must learn to analyze management problems and solve them by applying relevant management theory. *Fundamentals of Management* stresses a practical approach to learning these vital skills. Subject matter is reinforced with descriptions of how actual managers in real organizations have applied the concepts to solve problems.

Exciting: The practice of management is exciting. And a management textbook should be, too. We try to convey this excitement to our readers. Every chapter, except the opening chapter, begins with an account of an organization or individual manager facing a particular management problem or real-life situation that will be discussed in the following pages. Important points are illustrated and summarized in each chapter.

A Major Revision

This fifth edition of *Fundamentals of Management* includes numerous changes suggested by students and instructors. Important new subjects have been added that reflect the fluid nature of modern management. And to meet changes in students' needs, additional learning approaches have been employed.

This book also contains nine new chapters:

- Chapter 1 Managers and the Study of Management
- Chapter 2 Managers and Their Environments
- Chapter 3 Managing Productivity
- Chapter 8 Organization Design
- Chapter 15 Communications
- Chapter 18 Production and Operations Management
- Chapter 23 Social and Ethical Responsibilities of Management
- Chapter 24 Managing in a Multinational Environment
- Chapter 25 Managing in a Changing World

These new chapters reflect emerging social and economic forces which compel managers to renew their concerns for productivity, production, and operations in an exceedingly complex environment. For example, we devote a complete chapter (Chapter 3) to management's role in productivity. Plus, we draw on the foundation laid in that early chapter throughout the book to show how productivity relates to the three primary tasks of management. Additional new material can be found on important modern management topics, such as personal computers, career planning, quality circles, and decision-support systems. Other chapters have been revised to such an extent that they, too, can be considered new.

A Learning-Oriented Textbook

In addition to the features retained and updated from previous editions, several new features that encourage learning have been added. A description of all these features follows:

Learning Objectives: Clear, attainable goals are spelled out at the start of each chapter. In each chapter, the student learns to *define, describe, discuss, compare, and identify* essential issues affecting modern management.

Management in Action: To arouse reader interest, chapter-opening vignettes taken from real-life situations orient students to theories and problems discussed in the text.

Figures and Tables: Important points are illustrated with well-crafted visuals, including key concepts to reiterate essential material.

Management FOCUS: A series of timely, real-life examples is drawn from over 40 of America's leading companies, such as Warner Communications, Frontier Airlines, and General Motors. These illustrate problems modern managers confront daily, and they appear at exact points in the discussion where the concept or theory is being discussed.

Cases: Throughout the text, cases have been added and updated:

End of Chapter: Twenty-eight new cases have been added for a total of 41. These cases feature familiar organizations and current issues, to show practical applications of concepts in the chapters.

End of Section: Three brand-new "Comprehensive" real-world cases appear at the end of Part 2, Managing Work and Organizations, Part 3, Managing People, and Part 4, Managing Production and Operations. Analysis of these cases requires comprehension of relevant aspects of the entire part.

End of Text: This book concludes with two issue-oriented "Integrative" cases, one of which is new. The cases tie together all relevant aspects of all chapters.

Summary of Key Points: Every chapter concludes with a concise, point-by-point summary of key topics.

Discussion and Review Questions: Every chapter concludes with relevant questions addressing the major issues explored.

Additional References: Every chapter concludes with at least 20 additional references suggested to give students initial sources for writing projects.

Glossary: Every key term in the book is included in an extensive glossary.

Indexes: To help students locate information, the book contains three indexes: a comprehensive author index, a detailed subject index, and a new company index which is used to relate concepts to actual firms discussed in the chapters.

Experiential Exercises: Twelve “Experiential Exercises” are included where appropriate. We included these learning methods in the previous edition, and several new ones have been added here. We have received positive reactions to these exercises. They move the material from seeing and listening to doing. The understanding of management concepts is greatly enhanced when students actively can join in the learning process. More and more contemporary students seek out courses that include opportunities to learn from experience.

The effectiveness of this textbook is enhanced when management students also follow a step-by-step approach to its contents. For best results, students should:

1. Examine each chapter’s learning objectives.
2. Read the subject matter carefully, including each Management FOCUS, illustration, case study, comprehensive case, summary, and experiential exercise.
3. Answer all discussion and review questions.
4. Turn back to each chapter’s learning objectives. Ask yourself: “Did I accomplish these objectives?”

Items or areas not mastered after the first reading should be restudied until the student is satisfied that he or she has met all learning objectives for each point.

Supplementary Materials—Learning Aids for Students

Study Guide: This Study Guide has been carefully developed to serve as a reference for additional studying or reading and is to be used directly with the text. Included for each chapter are chapter previews; key terms; chapter outlines; study questions, including true/false, multiple choice, short answer, and discussion questions; *The Wall Street Journal* articles related to each chapter; experiential exercises; a reference guide showing how to write to key people at corporations and organizations; and suggested readings. All answers and the numbers of text pages on which answers are explained are included at the end of each chapter.

Perspectives on Management: Over 30 articles, almost all new, are timely and less theoretical than those in previous editions. The articles do not have to be covered in sequence; however, they follow the same organization as the text and are carefully balanced so that each subject area receives the same amount of emphasis.

Supplementary Materials—Learning Aids for Instructors

Instructor's Manual: Dramatically enhanced over previous editions and organized to follow each chapter in the text, the Instructor's Manual includes: chapter objectives, chapter synopsis, chapter outline with tips and ideas, suggested films to supplement class discussion, 10 additional end-of-chapter questions along with answers per chapter, "Mindbenders" that can be used for class discussion, suggested transparencies, term paper topics, end-of-chapter practical exercises, additional experiential exercises, suggested class projects and class speakers, and suggested readings.

Transparencies: Sixty two- and four-color transparencies of important text figures are provided for instructors. In addition, 130 transparency masters are included in the Instructor's Manual to highlight other illustrations in the text.

Test Bank: This testing resource contains a wide variety of materials, such as true/false, multiple choice, and essay questions. These items are categorized by type of question.

Automated Test Service: A complete, high-quality testing service is provided.

Management FOCUS: An Instructor's Resource Guide: These are innovative additional lecture topics that supplement and enhance key subjects in the text lecture and tie directly with the Instructor's Manual. Additional transparencies illustrating material outside the text add another dimension.

Management Game: This simulation is designed to show students how business decisions are made by managers.

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