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MANAGEMENT

Principles and Functions



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John M. Ivancevich
University of Houston

James H. Donnelly, Jr.
University of Kentucky

James L. Gibson
University of Kentucky

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PREFACE

The major goal in writing *Management: Principles and Functions* is to provide students and instructors a comprehensive, systematic, and relevant introduction to the field of management. An important means for achieving our goal is the presentation of the material according to the four managerial functions of *planning, organizing, leading, and controlling*. This presentation enables us to emphasize *the attainment of effective organizational performance through management*. Effective managerial performance in the context of this book means that managers do those things and make decisions required to plan, organize, lead, and control effectively. This edition of *Management: Principles and Functions* reflects our commitment to offer students of management a comprehensive perspective on the work of managers.

The previous three editions of this text were titled *Managing for Performance*. There were students and instructors interested in the book who could not determine its theme or orientation from the title. Thus, to reduce any potential confusion we decided to retitl the book. The new title reflects exactly the theme and content of the book. The principles of management serve as guides for managers who engage in carrying out specific functions to solve problems and make decisions.

AUTHORS' GUIDELINES FOR THIS EDITION

This thoroughly revised edition covers the major managerial topics that contemporary students need and expect of an introductory course in management. The content surveys the common body of knowledge comprising the field of management as outlined by the American Assembly of Collegiate Schools of Business and also reflects our experience and contacts with such professional organizations as the Academy of Management and the American Management Association. As students' needs change and as the subject matter expands, authors of textbooks must make difficult choices: What new topics should be included? What topics should be deleted? What topics should be expanded or contracted? The responses to these questions indicated the need for new materials and the elimination of some material. Thus, while not tampering with the basic outline and thrust of the book, this edition does reflect a major revision. As

authors, we have dedicated our careers to preparing textbooks and conducting research that has meaning and is readable. We strongly believe that meaning and readability can be achieved without sacrificing scholarship. Each chapter was crafted with the student in mind and with the intent of providing a realistic, relevant, and challenging view of management.

A MAJOR REVISION

Contemporary management theory and practice are changing rapidly, and these changes must be presented to students if they are to obtain an accurate understanding of management. Consequently, we have added one new chapter, added new material to every other chapter, and reformatted the order of presentation of various chapters.

The new chapter is Chapter 21: Management and Entrepreneurship. Chapter 21 covers entrepreneurship and how specific management skills must be applied to be successful in creating and managing a new business.

The previous additions and extensions to this edition are too voluminous to include in the Preface. We took reviewers' suggestions, student recommendations, colleague statements and ideas, and our own thoughts, experience, and beliefs and crafted this fourth edition to fit current thinking, themes, and trends about management. A sample of some of the additions and extensions are:

- The introduction of international examples of the use of principles and functions of management throughout the book.
- New examples of systems theory and applications.
- More coverage of the external environment and how it influences management decision making.
- A close look at needed managerial skills for the 1990s.
- Computer-assisted decision making, covered in terms of how it will impact management practice.
- Strategic planning discussed from a real-world perspective.
- Downsizing and restructuring examined in actual organizations.
- More emphasis on nonverbal communications.
- The introduction of McClelland's achievement motivation theory.
- Employee stock ownership plans examined in terms of use, effectiveness, and limitations.
- The concept of quality and its relationship to effectiveness examined in detail.
- New applications of linear programming.
- Just-in-time inventory management defined and evaluated.
- Political risk analysis, terrorism in the corporate world, and host government influence covered in detail.
- Company approaches to social responsibility and the current state of business ethics.

FRAMEWORK FOR PRESENTING THE MATERIAL

A beginning student can be overwhelmed by the numerous concepts and theories comprising the field of management. The systematic approach taken in *Management: Principles and Functions* overcomes this problem. The material is presented in six parts, each consisting of two to four chapters. Each of the five major parts begins with a substantial discussion explaining the rationale for the inclusion of the material there rather than elsewhere. As instructors of management courses know so well, the order in which material is presented, while not entirely arbitrary, lends itself to a variety of patterns. No doubt there are many appropriate ways to present the material in the beginning course. We claim no hold on the truth of this matter, but we do believe that it makes sense to tell the reader why the material comes in the sequence it does. The part openers serve that purpose.

Part I of the book consists of two chapters which together introduce the subject matter and the themes that will carry forward throughout the remainder of the book. Chapter 1 establishes the importance of management in the lives of the readers. An important feature of this chapter is the presentation of the plan for the book. Chapter 2 describes aspects of the relevant environments which are the sources of challenges to which managers must respond.

Part II contains four chapters that focus on the managerial function of planning. Separate chapters are devoted to the elements of planning, managerial decision making, decision support systems, and strategic planning. This part is integrated through the concept of decision making as it applies to planning.

Part III consists of three chapters devoted to analyzing the managerial function of organizing. The three chapters present the elements of organizing, job design, and organization design. This part treats job and organization design as separate but interrelated issues managers must confront.

Part IV presents the managerial function of leading. The part has four chapters which analyze the elements of leading, interpersonal and organizational communications, motivation, and work groups. The theme of the discussion is that managerial leadership is an inherently people-oriented process which requires considerable interpersonal and communication skills as well as technical ability.

Part V contains four chapters that present the function of controlling. The chapters present the elements of controlling, production and financial control, human resources control, and organizational change and development. This part emphasizes the importance of developing an integrated control system which enables managers to monitor the performance of all resources devoted to the achievement of organizational performance.

Part VI presents four important and pervasive challenges: managing the multinational corporation, responding to expectations of society for socially responsible corporate and managerial behavior, developing conditions for the fulfillment of useful and satisfying careers in management, and meeting the unique chal-

lenges of creating and managing a new organization. These four topics are presented as settings and opportunities for applying the principles and functions developed in the preceding chapters.

LEARNING ELEMENTS AVAILABLE IN THIS TEXTBOOK

We have either revised, extended, or replaced the learning elements from previous editions. We have also provided several new features to encourage learning. The presentation of material in each chapter encourages the reader to take an active role. The key features that involve the reader are as follows:

Learning objectives. Clearly stated and attainable learning objectives are spelled out at the start of each chapter. These objectives permit the reader to monitor progress while reading the material.

Management incident and solution. This edition introduces the idea of using reports of real incidents that managers have faced and resolved as openers and closers of each chapter. The student reads the incident, reads the chapter material, and then reads the actual management solution. This sequence encourages critical consideration of the chapter material in light of the applicability of that material.

Management applications. Each chapter contains two to four appropriately placed descriptions of real-world issues and problems managers have confronted. These are dynamic examples of how management is conducted within organizations.

Figures and tables. Important points are illustrated with well-designed visuals. These visuals reinforce the importance of key ideas by presenting them in a different perspective.

Management summaries. Summaries of key points of each chapter appear at the end of each chapter. These summaries are patterned after the Executive Summary concept so widely used in organizations.

Review and discussion questions. All chapters conclude with pertinent questions that serve as reinforcers of the material. Readers can monitor their own progress by answering these questions.

Cases. A total of 39 cases appear in this edition. Placed at the end of the 20 major chapters, they feature issues that large and small organizations have faced as reported in periodical literature. The reader will immediately recognize the organizational settings of these cases.

Learning exercises. Experiential learning exercises appear at the end of 13 of the book's 21 chapters. These exercises allow the reader to apply management concepts and theories through both individual and group efforts. Class participation in using the exercises adds to the realism of the content being covered in each chapter.

Comprehensive cases. At the end of each of the four major parts of the book is a comprehensive case. These four cases enable the reader to apply the full range of material presented in that part of the book.

Comprehensive Cases. At the end of each of the four major parts of the book is a comprehensive case. These four cases enable the reader to apply the full range of material presented in that part of the book.

Glossary. Learning the language of management is important in the management course. Thus, important terms that make up the language of management appear in a glossary at the end of the book. There the terms are defined consistently with their use in the text discussions.

Indexes. Comprehensive author, company, and subject indexes will assist the reader in locating information in the text.

Supplemental Study Guide. In addition to the student-oriented learning approaches that appear in the text, a Study Guide is available. The guide reinforces and extends the text material. It includes a summary and outline of each chapter as well as definitions of key terms. The guide contains objective questions and essay questions for each text chapter to help the reader check comprehension of the material. It extends each chapter by providing additional references and timely articles from *The Wall Street Journal*.

INSTRUCTIONAL AIDS AVAILABLE WITH THIS TEXTBOOK

Instructors who use this textbook benefit from the availability of supplemental material prepared especially for this edition.

Instructor's Manual. This aid has been significantly enhanced over each previous edition. For this edition the Instructor's Manual can be described as thorough, relevant, and scholarly. In addition to the chapter synopses, the manual includes lecture, exercise, and project ideas for all chapters and lecture outline notes. Other features include suggested answers to end-of-chapter questions and cases, 10 additional chapter questions and answers, suggested transparency masters and films, term paper topics, and a student handout exercise.

Lecture Resource Manual. This instructional aid provides background material for supplemental and innovative lecture topics. These topics are keyed to the chapter material and can be used in combination with the material in the Instructor's Manual.

Transparencies. Two- and four-color transparencies of important text figures are available to instructors. Also available are transparency masters of text figures and tables that are included in the Instructor's Manual.

Videotapes. An exciting and personal approach to viewing management in action is the use of videotapes. These are available for use to stimulate classroom discussion, present management incidents and solutions, and review management topics.

Test Bank. This testing resource contains two test forms for each chapter. Each form contains multiple choice, true/false, and matching questions, plus essay questions. The Test Bank is available on discs for IBM and Apple personal computers.

Automated Test Service. A complete high-quality teletest service is available.

These instructional aids will enable the instructor to present a relevant learning experience for the benefit of students in the class.

CONTRIBUTORS TO THIS EDITION

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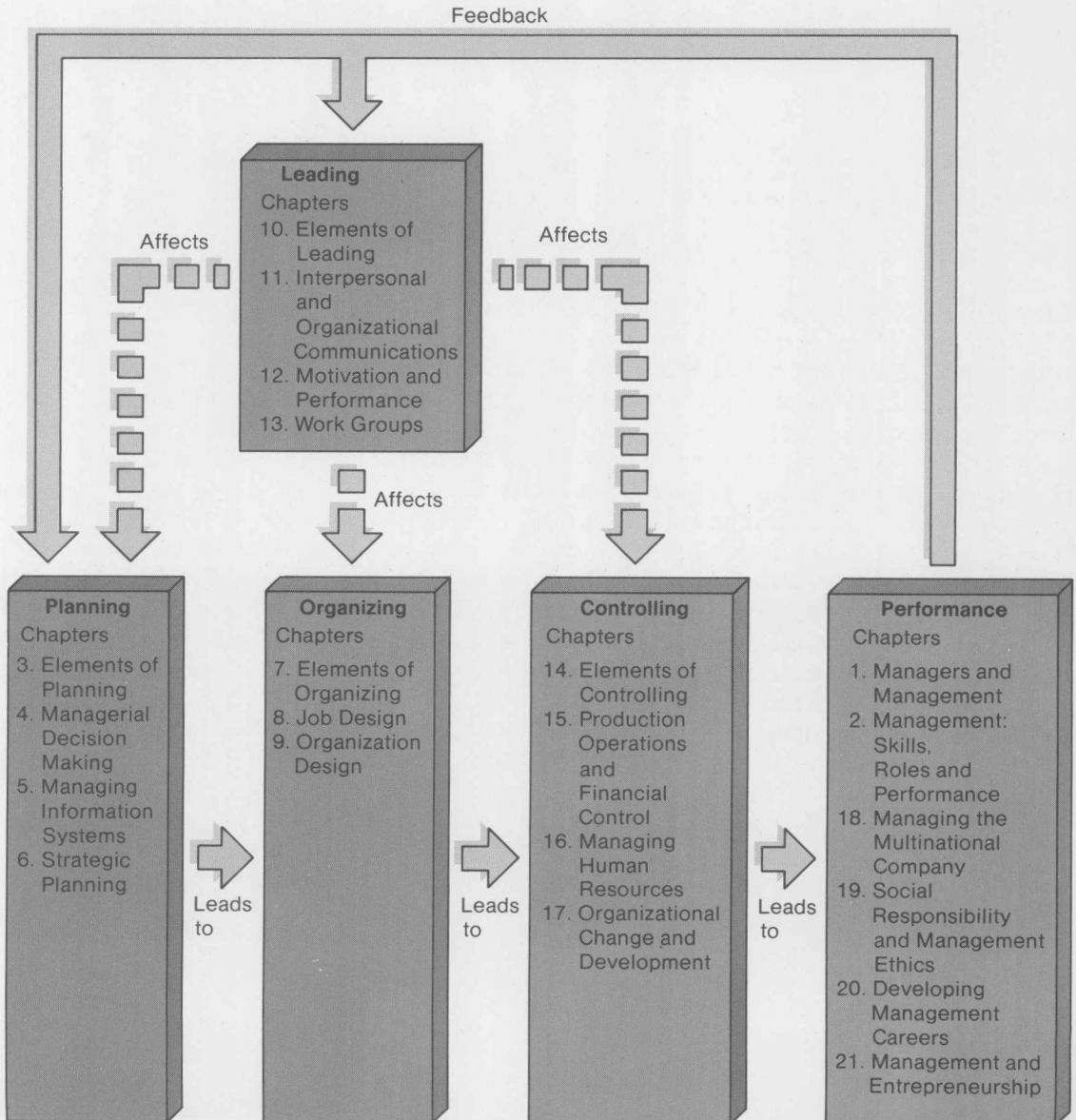
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*John M. Ivancevich
James H. Donnelly, Jr.
James L. Gibson*

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