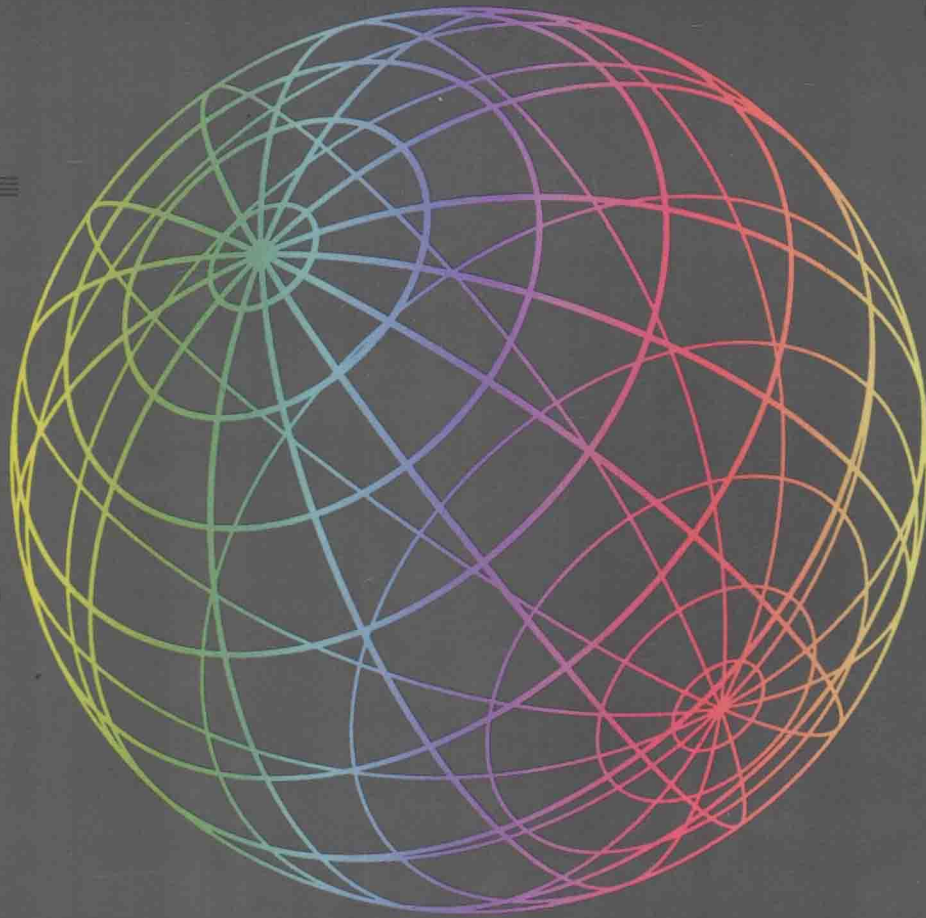


MANAGEMENT

KATHRYN M. BARTOL & DAVID C. MARTIN



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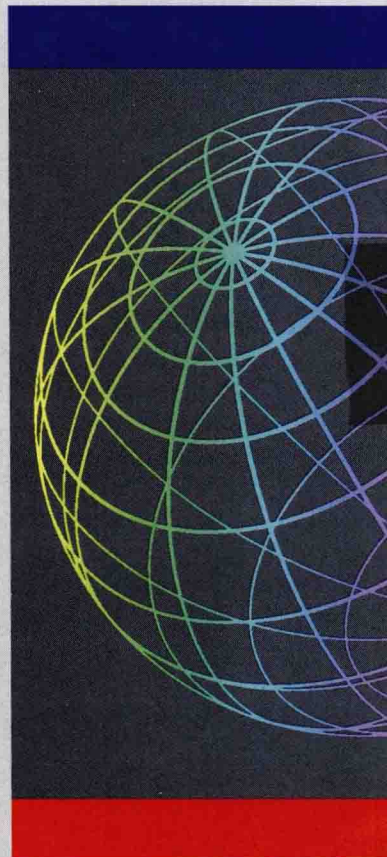
MANAGEMENT

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To my husband, Bob, and my father,
Walter Ottinger. Thank you again
for your constant love and support.

KMB

To Jan and Kathy, whose continued
love, support, understanding, and
willingness to wait made this
book possible.

DCM



PREFACE

The need for effective managers has never been greater. We are living in an era of accelerating global competition. Pressures from foreign companies are causing many managers to reassess their approaches as they strive to be successful in a formidable competitive environment. More than ever, managers operating both globally and domestically require the best ideas that the field of management has to offer in order to gain a competitive edge. How do they achieve the world class quality that leads to market leadership? How do they make the best use of diverse viewpoints? How do managers promote innovation within organizations? How do they apply the wealth of ideas that flow from research on management? Such are the exciting challenges that managers face in today's competitive world.

INTRODUCING MANAGEMENT, SECOND EDITION

This second edition of *Management* has been uniquely geared to address the needs of individuals learning how to manage effectively in the contemporary competitive environment. In preparing the second edition, we have been careful to retain the many features that our first edition adopters applaud. At the same time, we have worked hard to incorporate suggestions that would make this second edition even better than our first. Many of these suggestions have come from adopters of our first edition at more than 200 colleges and universities.

Streamlines Text Materials. In response to the growing concern among professors that textbooks are becoming encyclopedic, the second edition reflects our efforts to streamline our presentation by eliminating unnecessary detail without compromising the treatment of substantive content. As a result, this text is significantly shorter than our first edition.

Incorporates Numerous Company Examples. Each chap-

ter begins with a lively opening case entitled "Gaining the Edge," which features an organization with a reputation for being innovative (e.g., Corning, Merck, and 3M). In this way, readers gain insights into how successful organizations actually operate and, more specifically, how they go about encouraging innovation. The opening case is then mentioned several times in the chapter to reinforce its applicability to the subject at hand. The text also incorporates numerous carefully integrated short examples of effective practices in real organizations that clearly illustrate the concepts being explained.

Provides Integrated International Coverage. Given the increasing need to be aware of organizational practices in other parts of the world, the text offers integrated international coverage through five main means. For one thing, an entire chapter is devoted to international management. For another, each chapter contains case material that features international organizations. In this second edition, we have also added a second concluding case at the end of each chapter; this case involves an international situation. Through this international case coverage, students can become familiar with organizations in vastly different global settings. The text also addresses relevant international issues in various chapters. The frequent appearance of photographs reflecting international settings, accompanied by meaningful captions, both reinforces and augments the text's integrated approach to international management. Finally, a separate index of international organizations mentioned in the text helps students and professors locate international examples throughout the book.

Spotlights Quality and Diversity. Special sections on "Valuing Quality" or "Valuing Diversity" can be found throughout the book. The emphasis on quality reinforces the importance of total quality management and demonstrates how the quality message is being put into action in several exemplary organizations. The sections on diversity give explicit recognition to the increasing diversity of the work force in the United States and in

many other parts of the world. These sections illustrate how diversity can be used to advantage in enhancing organizational effectiveness.

Highlights Methods for Promoting Innovation. Given the requirement that organizations must continuously improve their performance, the text highlights means of promoting innovation in today's organizations. Many chapters incorporate a special section that explains methods of promoting innovation that mesh appropriately with the relevant subject matter. At the same time, a separate chapter on innovation and change integrates coverage of the management of innovation with the more traditional treatment of change issues to better address the challenges of operating in today's world.

Features Ethics and Entrepreneurship. Another special aspect of the book is the presence of full chapters on ethics and social responsibility, and on entrepreneurship. The social responsibility and ethics chapter offers solid theoretical concepts from the management literature, yet imparts practical advice in a nonpedantic way. The chapter also provides students with a sense of the dilemmas involved in effectively dealing with organizational social responsibilities and managerial ethics questions. Its placement in an early part of the book reflects the growing concern over ethics in business. There are also several "Valuing Ethics" sections in other chapters, helping to explicitly demonstrate the relevance of ethics to many aspects of management.

The chapter on entrepreneurship and small business addresses current issues involved in starting new ventures and running small businesses. These topics are particularly germane since many students who read this text are likely to obtain positions working in or managing small businesses. At the same time, many business schools are emphasizing entrepreneurship, and students are typically extremely interested in materials addressing the prospects of starting new ventures.

Reflects Current Research and Major Trends. The new edition content provides strong, up-to-date academic coverage in all areas and particularly reflects recent developments in organizational behavior and organizational theory. The content of the text also addresses many of the major curriculum recommendations of the Lyman W. Porter and Lawrence E. McKibbin study, *Management Education and Development: Drift or Thrust into the 21st Century?* (published by McGraw-Hill, 1988), sponsored by the American Association of Collegiate Schools of Business. In addition, it incorporates materials that support recently revised American Assembly of Collegiate Schools of Business accreditation standards calling for greater emphasis on international, ethics and diversity coverage.

CHANGES IN THE SECOND EDITION OF MANAGEMENT

Although we have retained the many features that our first edition adopters especially appreciate, we have made a number of changes in response to suggestions

from both current and prospective adopters. These changes include:

Text Streamlining. As mentioned above, we have made major cuts in response to the growing concern among professors that textbooks are becoming very lengthy. At the same time, we have been careful to avoid compromising the treatment of our applauded substantive content.

Valuing Boxes Featuring Quality, Diversity, or Ethics. We have broadened the focus on quality, diversity, and ethics by including the "Valuing" boxes in many chapters. These sections highlight the many ways that organizations are demonstrating that quality, diversity, and ethics are valued.

New Concluding Cases. There are now two concluding cases for each chapter, one of which is an international case. New concluding cases include such companies as Volkswagen, the German automobile maker; and LEGO, the Danish maker of the famous LEGO bricks found in children's toy chests.

In-Text Company Examples. In addition to new concluding cases, this edition features new and updated in-text company examples. For example, we discuss a differentiation strategy at Kimberly-Clark, a joint venture between Toys 'R' Us and McDonald's in Japan, and a successful change effort in Europe by Bandag, the Iowa-based manufacturer of retread tires.

Chapter Video Program. A new set of videos provides further insight into how real organizations operate. For each chapter, a video expands on a company example or provides a new illustration of an important chapter concept.

Planning and Decision Aids Supplement. We have placed the planning and decision aids material in a supplement to the decision-making chapter, rather than including it as a stand-alone chapter.

Expanded Coverage in Critical Areas. We have included new material and bolstered coverage in a variety of important areas including:

- how leaders influence culture
- total quality management concepts and practices
- trends toward greater diversity in the workplace
- ways to foster ethical behavior in organizations, including examples from Martin Marietta's new ethics game
- the Americans with Disabilities Act of 1990 as it affects human resource management
- new methods of communicating electronically
- the role of the board of directors
- gaining an international perspective
- cultural components of change
- the emerging global workforce
- top franchises for the 1990s
- and more!

THE ORGANIZATION OF MANAGEMENT

Management uses the four major managerial functions of planning, organizing, leading, and controlling as the

underlying structure for presenting materials. In total, the text consists of six parts.

Part One introduces the reader to the topic of management. This section of four chapters presents an overview of the managerial process, delves into the roots of current management thought, and explores aspects of the outside environment and internal culture of organizations. The final chapter in this section examines the nature of organizational social responsibility and managerial ethics.

Part Two investigates the managerial function of planning. In doing so, this unit includes two chapters that examine the overall planning process, the setting of goals, and the important aspects of strategic management. A chapter on innovation and change is also featured here because of the importance of planning in bringing about needed changes and innovations. One chapter then deals with managerial decision making and includes a supplement on planning and decision aids.

Part Three analyzes the organizing function. Basic elements of organizational structure and strategic issues related to structure receive coverage in two chapters. A third chapter addresses the effective management of an organization's human resources.

Part Four probes the leading function. The topic of motivation opens this section, followed by discussions of leadership and managerial communication. The section ends with a consideration of group dynamics, an increasingly important topic as more organizations seek to harness the potential power of work in teams.

Part Five explores the managerial function of controlling. This segment of the text includes discussions of various aspects of the control process, as well as consideration of specific control systems, such as financial control, budgetary control, quality control, inventory control, operations management, and computer-based information systems. Separate chapters address the latter two types of control systems.

Part Six is devoted to two important topics that draw on all four management functions—international management, and entrepreneurship and small business. Although international coverage pervades the text, the international chapter takes a particularly close look at several issues that are especially relevant to international management. The final chapter examines important aspects of creating one's own business or managing an existing small business, both fascinating prospects that readers typically enjoy exploring.

In developing the chapters and sections, considerable effort has been made to provide some flexibility in the order of chapters so that professors can adapt the text to their own preferred sequence of teaching the course. The flexibility has been provided by including cross-references to relevant materials in other chapters, as well as by generally presenting explanations that do not rely on student recall of earlier materials. In this way, a professor can make adjustments, such as assigning the communication chapter before the chapter on leadership or covering the managerial decision-making chapter before other planning chapters.

LEARNING AIDS AND SPECIAL FEATURES OF MANAGEMENT

The second edition of *Management* has been developed with the ultimate consumer—the student—constantly in mind. Accordingly, a wide array of educational features have been included to help facilitate the learning process and to make the book as enticing to read and study as possible. Many of these pedagogical devices also appeared in the first edition and were well received by both professors and students. A summary of the main features follows:

Read-World Examples. The text includes numerous carefully integrated examples of practices in real organizations that clearly illustrate the concepts being explained. The examples include a wide variety of organizations ranging from France-based Groupe Michelin, the world's largest tire maker, to the mail order operations of venerable L.L. Bean.

Chapter Videos. A video for each chapter illustrates the concepts in the chapter through expanding on a case example or presenting a new illustration. The videos provide further insight into how the chapter material is applied by real organizations.

Valuing Sections. Most chapters contain a "Valuing" section that features exemplary organizational practice in valuing either diversity, ethics, or quality. Providing these sections in a number of chapters helps to illustrate the relevance of these important topics to a variety of management concepts.

Innovation Content. A special section in many chapters, as well as a chapter on innovation and change, provide strong coverage of major methods of promoting innovation.

Opening Cases. Each chapter opens with an introductory case entitled "Gaining the Edge," which illustrates successful innovative practices in a real organization and other key concepts subsequently discussed in the chapter.

Cases in Point. Each chapter contains two or three Case in Point, or minicase, discussions. These cases, which are fully integrated into the text presentation, provide students with extended examples of how basic concepts apply to real organizations. The organizations featured in these minicases range from United Parcel Service, the Atlanta-based international package delivery company, to not-for-profit Carnegie Hall, the famous cultural center located in New York City. For the most part, at least one Case in Point in each chapter depicts managerial practices in an international organization.

Practically Speaking Discussions. Special Practically Speaking sections in many chapters provide readers with practical advice on how to implement certain concepts discussed in the text. For example, Practically Speaking discussions offer guidance on how to conduct an interview, how to run a meeting, and how to set goals.

Two Chapter Concluding Cases. Each chapter features two concluding cases that further illustrate the major points made. The concluding cases and accompanying questions provide students with an opportunity to relate

the concepts discussed to practical situations found around the world.

Management Exercises. Each chapter contains a management exercise that incorporates the need to use major concepts that were covered within the chapter. The exercises give students an opportunity to apply the concepts in the chapter in an experiential way.

Discussion Questions for Chapter Opening Cases. Discussion questions for the chapter opening case appear at the end of each chapter to facilitate further discussion if an instructor so desires.

Exceptionally Readable Writing Style. One consistent and exceptionally readable writing style is used throughout the book to capture and hold the interest of readers.

Chapter Outlines and Objectives. Each chapter begins with a topical outline and related objectives that highlight the major points to be covered. The outline and objectives help orient the reader to the chapter content.

Glossaries. A marginal running glossary highlights and defines significant terms in the margin near their first appearance in the book. The extensive Glossary at the back of the text repeats the marginal definitions of key terms in order to provide a ready reference source for the reader.

Chapter Summaries of Key Points. At the end of each chapter, there is a summary of the main points covered within the chapter.

State-of-the-Art Illustrations. Since an illustration is often worth a thousand words, many of the points in the text are underscored visually through carefully selected drawings, graphs, and photographs. Frameworks that are frequently used to delineate interrelationships among concepts are typically depicted in illustrations that help the reader visualize these interrelationships. The extensive use of color further serves to enhance the impact of the illustrations. Moreover, the captions accompanying the photographs clearly tie the subject matter to concepts in the text, making the photographs a particularly effective learning tool.

Indexes. Several indexes located at the end of the text facilitate easy access to various types of information. These are separate name, subject, organization, and international organization indexes.

SUPPLEMENTARY MATERIALS FOR INSTRUCTORS

Management has an extensive set of supplementary materials available for users. The materials are geared to meet the varying needs of professors teaching under different conditions and are oriented toward increasing the value of the text as a teaching and learning tool.

Instructor's Manual. The *Instructor's Manual*, prepared by the text authors, includes a number of features designed to facilitate effective teaching. A course planning guide helps instructors develop an overall plan for the course. Chapter/lecture outlines then provide frameworks for class presentations. Special Lecture En-

richment Modules, included after each chapter outline, provide supplementary minilectures on topics of current interest. The *Instructor's Manual* also includes detailed Teaching Notes for all text cases and exercises, as well as Supplementary Management Exercises with accompanying instructor's notes. A part case for each of the six main sections of the book is another feature of the *Instructor's Manual*.

Test Bank. The *Test Bank* features over 2500 high-quality multiple choice and true-false test items. Each item is coded to show the correct solution, the text page reference, and whether the item is factual or applied. A computerized version of the *Test Bank* is also available, as is classroom management software. In addition, McGraw-Hill provides a phone-in test service for ordering customized tests.

Transparency Acetates and Masters. The transparency program includes 150 full-color overheads with very large type that can be easily read, even in large lecture halls. The set of overheads comprises figures taken from the text, as well as new illustrations intended to augment the text presentation. Each overhead is keyed to the relevant section in the lecture outline of the *Instructor's Manual*. There is also a set of transparency masters that features reproductions of key text graphics.

Integrated Case Videotape Series. The series features a range of high quality programs and is designed to supplement major topic areas of each chapter. Teaching notes accompany each video.

Primis. With the second edition, *Management* will be available for the first time on Primis, McGraw-Hill's electronic custom publishing system. This option will allow professors to customize their course content.

SUPPLEMENTARY MATERIALS FOR STUDENTS

Student Study Guide. The *Study Guide* prepared by E. Leroy Plumlee, Western Washington University, assists students in gaining a firm grasp of text materials.

Threshold: A Competitive Management Simulation (IBM). Through this interactive simulation, students can apply management concepts to decisions and problems they would face as managers of a small manufacturing company.

PC Case. This unique package features computer-assisted instruction for analyzing and solving three management cases. Developed by Professors Daniel Baugher and Andrew Varanelli of Pace University, PC Case provides a comprehensive experiential learning exercise which can be effectively used by the beginning management student.

ACKNOWLEDGMENTS

In developing *Management*, we have been greatly aided by many individuals to whom we owe a debt of gratitude. We

appreciate the ongoing support of Dean William E. Mayer, College of Business and Management, University of Maryland, College Park, and Dean Francis D. Tuggle, Kogod College of Business Administration, American University, as well as our colleagues in management at both of these institutions.

We also thank the members of a focus group that helped us originally launch this project, as well as the many reviewers (listed on p. xxvi) who have commented on the various stages of this manuscript. This text is a much better product as a result of their candor and many helpful contributions.

We deeply appreciate the wonderful support that we have received from many individuals associated with our publisher, McGraw-Hill. Seibert Adams, Editorial Director, maintained continual interest in the project and provided the necessary resources. Senior Sponsoring Editor Lynn Richardson helped outline a vision for the second edition and has been a champion of the project throughout. Executive Editor Alan Sachs, who was instrumental in bringing the first edition to fruition, continued to provide encouragement during the preparation of the second edition.

Rhona Robbin, Senior Developmental Editor, has been a constant colleague, friend, and advocate both in the first and second editions. She provided continuity of direction, offered invaluable feedback, and raised the penetrating questions on behalf of our future readers that caused us to continually improve our presentations. Her high professional standards meshed well with our own, and her valuable ideas and insights are reflected throughout this text. Senior Associate Editor, Dan Alpert, once again brought together a team of unusually qualified professionals who helped us produce what is

arguably the best set of supplemental materials ever prepared for a management text.

Senior Editing Supervisor Peggy C. Rehberger painstakingly oversaw the editing and production of this second edition, as she did with the first, and once again contributed many helpful ideas. Designer Joan O'Connor once again produced a striking book design that fueled our enthusiasm during the final stages of the project. Susan Gottfried, with her skillful and consistent editing, continues to aid our presentations while preserving our ideas. Annette Mayeski, Production Supervisor, coordinated the production process so that all the production elements were of high quality and handled in a timely manner.

Our Photo Editor, Inge King, assembled a collection of captivating photographs that provides a valuable additional learning dimension. Elsa Peterson obtained the many necessary permissions.

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*Kathryn M. Bartol
David C. Martin*

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CONTENTS IN BRIEF

Preface	xxi
Academic Reviewers	xxvi
PART ONE INTRODUCTION	2
1 THE CHALLENGE OF MANAGEMENT	3
2 PIONEERING IDEAS IN MANAGEMENT	35
3 UNDERSTANDING EXTERNAL AND INTERNAL ENVIRONMENTS	66
4 SOCIAL RESPONSIBILITY AND ETHICS IN MANAGEMENT	100
PART TWO PLANNING AND DECISION MAKING	132
5 ESTABLISHING ORGANIZATIONAL GOALS AND PLANS	133
6 STRATEGIC MANAGEMENT	165
7 MANAGING INNOVATION AND CHANGE	197
8 MANAGERIAL DECISION MAKING	229
SUPPLEMENT TO CHAPTER 8: PLANNING AND DECISION AIDS	261
PART THREE ORGANIZING	280
9 BASIC ELEMENTS OF ORGANIZATION STRUCTURE	281
10 STRATEGIC ORGANIZATION DESIGN	309
11 HUMAN RESOURCE MANAGEMENT	341
PART FOUR LEADING	374
12 MOTIVATION	375
13 LEADERSHIP	406
14 MANAGERIAL COMMUNICATION	437
15 MANAGING GROUPS	466
PART FIVE CONTROLLING	498
16 CONTROLLING THE ORGANIZATION	499
17 MANAGERIAL CONTROL METHODS	529
18 OPERATIONS MANAGEMENT	559
19 INFORMATION SYSTEMS FOR MANAGEMENT	590
PART SIX ACROSS ALL FUNCTIONS	622
20 INTERNATIONAL MANAGEMENT	623
21 ENTREPRENEURSHIP AND SMALL BUSINESS	655
Glossary	G-1
References	R-1
Acknowledgments	A-1
Photo Credits	P-1
Indexes	I-1

CONTENTS

Preface
Academic Reviewers

xxi
xxvi

PART ONE INTRODUCTION

1 THE CHALLENGE OF MANAGEMENT

Chapter Outline 3 Learning Objectives 3

MANAGEMENT: AN OVERVIEW

What Is Management? 6 The Management Process 9

WHAT MANAGERS ACTUALLY DO

Work Methods 9 Managerial Roles 10 Managerial Work
Agendas 13

MANAGERIAL KNOWLEDGE, SKILLS, AND PERFORMANCE

Knowledge Base 15 Key Management Skills 15 Performance 17

MANAGERIAL JOB TYPES

Vertical Dimension: Hierarchical Levels 18 Differences among
Hierarchical Levels 20 Promoting Innovation: The Entrepreneurial
Role 23 Horizontal Dimension: Responsibility Areas 26

LEARNING TO BE AN EFFECTIVE MANAGER

Managerial Education 26 Management Experience 28

Understanding Trends 29

CHAPTER SUMMARY / QUESTIONS FOR DISCUSSION AND REVIEW /
DISCUSSION QUESTIONS FOR CHAPTER OPENING CASE / MANAGEMENT
EXERCISE

2 PIONEERING IDEAS IN MANAGEMENT

Chapter Outline 35 Learning Objectives 35

THE BIRTH OF MANAGEMENT IDEAS

The Evolution of Management Theories 38 Preclassical
Contributors 39

CLASSICAL VIEWPOINT

Scientific Management 41 Bureaucratic Management 44
Administrative Management 45

BEHAVIORAL VIEWPOINT

Early Behaviorists 47 Hawthorne Studies 48 Human Relations
Movement 51 Behavioral Science Approach 52

2

3

6

9

15

18

26

35

38

41

47



Gaining the Edge:

Corning

Practically Speaking:

How to Build Networks

Case in Point:

Behind-the-Scenes Skills at

Carnegie Hall Performance

Case in Point:

JVC Persists with the
Videocassette Recorder

Concluding Case 1: A Day in
the Life of a Bank Manager

Concluding Case 2: A Day in
the Life of a Sovtruck Factory
Manager

Gaining the Edge:

Henry Ford

Case in Point:

Robert's Rules Bring Order

Case in Point:

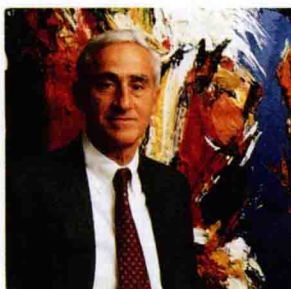
Ford's Edsel Flops

Concluding Case 1: Ford
Motor

Concluding Case 2: Siemens

Gaining the Edge:
Liz Claiborne
Case in Point: IKEA
Practically Speaking:
Keeping Tabs on Competitors
Valuing Diversity:
Kentucky Fried Chicken
Seeks "Designates"
Case in Point:
Champion Loses Its Spark
Case in Point:
Harley-Davidson on the Road
Again
Concluding Case 1: Xerox
Concluding Case 2:
Software AG

Gaining the Edge:
Johnson & Johnson
Case in Point: Minolta Chief
Urges Greater Giving
Valuing Ethics:
Levi Strauss
Practically Speaking:
Questions to Facilitate Ethical
Business Decisions
Case in Point:
Caught in a Trap of His Own
Making
Case in Point:
Dow Corning
Concluding Case 1: Tony
Santino's Dilemma
Concluding Case 2: The
Rochester Corporation



QUANTITATIVE MANAGEMENT VIEWPOINT	53
Management Science 53 Operations Management 54 Management Information Systems 54	
CONTEMPORARY VIEWPOINTS	54
Systems Theory 55 Contingency Theory 58 Emerging Views 59	
PROMOTING INNOVATION: CONTRIBUTIONS OF THE MAJOR VIEWPOINTS	61
CHAPTER SUMMARY / QUESTIONS FOR DISCUSSION AND REVIEW / DISCUSSION QUESTIONS FOR CHAPTER OPENING CASE / MANAGEMENT EXERCISE	

3 UNDERSTANDING EXTERNAL AND INTERNAL ENVIRONMENTS	66
Chapter Outline 66 Learning Objectives 66	
TYPES OF EXTERNAL ENVIRONMENTS	69
Mega-environment 69 Task Environment 75	
ANALYZING ENVIRONMENTAL CONDITIONS	79
Views of the Organization-Environment Interface 79 Characteristics of the Environment 82	
MANAGING ENVIRONMENTAL ELEMENTS	85
Adaptation 86 Favorability Influence 87 Domain Shifts 89	
THE INTERNAL ENVIRONMENT: ORGANIZATIONAL CULTURE	91
Nature of Organizational Culture 91 Manifestations of Organizational Culture 92 Promoting Innovation: An Adaptive, Entrepreneurial Culture 92 Changing Organizational Culture 93 How Leaders Influence Cultural Change 93	
CHAPTER SUMMARY / QUESTIONS FOR DISCUSSION AND REVIEW / DISCUSSION QUESTIONS FOR CHAPTER OPENING CASE / MANAGEMENT EXERCISE	

4 SOCIAL RESPONSIBILITY AND ETHICS IN MANAGEMENT	100
Chapter Outline 100 Learning Objectives 100	
ORGANIZATIONAL SOCIAL RESPONSIBILITY	103
Major Perspectives 103 Social Responsibilities of Management 104 Social Stakeholders 106 Does Social Responsibility Pay? 110 Promoting Innovation: Vanguard Companies 111	
ORGANIZATIONAL SOCIAL RESPONSIVENESS	112
Monitoring Social Demands and Expectations 112 Internal Social Response Mechanisms 114	
BEING AN ETHICAL MANAGER	115
Types of Managerial Ethics 117 Ethical Guidelines for Managers 118 Ethical Career Issues 121	
MANAGING AN ETHICAL ORGANIZATION	122
Situational Factors That Influence Ethical Behavior 123 Mechanisms for Ethical Management 124	
CHAPTER SUMMARY / QUESTIONS FOR DISCUSSION AND REVIEW / DISCUSSION QUESTIONS FOR CHAPTER OPENING CASE / MANAGEMENT EXERCISE	

PART TWO PLANNING AND DECISION MAKING 132

5 ESTABLISHING ORGANIZATIONAL GOALS AND PLANS	133
Chapter Outline 133 Learning Objectives 133	
THE OVERALL PLANNING PROCESS	136
Major Components of Planning 136 Organizational Mission 136	

THE NATURE OF ORGANIZATIONAL GOALS	
Benefits of Goals 138 Levels of Goals 140	
HOW GOALS FACILITATE PERFORMANCE	
Goal Content 144 Goal Commitment 147 Work Behavior 149	
Other Process Components 149 Potential Problems with Goals 151	
LINKING GOALS AND PLANS	
Levels of Plans 151 Plans According to Extent of Recurring Use 152	
Time Horizons of Goals and Plans 154 Promoting Innovation: The Role of the Planning Process 155 Potential Obstacles to Planning 157	
MANAGEMENT BY OBJECTIVES	
Steps in the MBO Process 158 Strengths and Weaknesses of MBO 160	
Assessing MBO 161	
CHAPTER SUMMARY / QUESTIONS FOR DISCUSSION AND REVIEW / DISCUSSION QUESTIONS FOR CHAPTER OPENING CASE / MANAGEMENT EXERCISE	
6 STRATEGIC MANAGEMENT	
Chapter Outline 165 Learning Objectives 165	
THE CONCEPT OF STRATEGIC MANAGEMENT	
The Strategic Management Process 168 Importance of Strategic Management 168 Levels of Strategy 169	
THE ROLE OF COMPETITIVE ANALYSIS IN STRATEGY FORMULATION	
Environmental Assessment 171 Organizational Assessment 175	
FORMULATING CORPORATE-LEVEL STRATEGY	
Grand Strategies 176 Portfolio Strategy Approaches 181	
FORMULATING BUSINESS-LEVEL STRATEGY	
Porter's Competitive Strategies 186	
FORMULATING FUNCTIONAL-LEVEL STRATEGY	
STRATEGY IMPLEMENTATION	
Carrying Out Strategic Plans 191 Maintaining Strategic Control 192	
CHAPTER SUMMARY / QUESTIONS FOR DISCUSSION AND REVIEW / DISCUSSION QUESTIONS FOR CHAPTER OPENING CASE / MANAGEMENT EXERCISE	
7 MANAGING INNOVATION AND CHANGE	
Chapter Outline 197 Learning Objectives 197	
THE NATURE OF CHANGE AND INNOVATION	
Distinguishing between Change and Innovation 199 Forces for Change and Innovation 201	
ORGANIZATIONAL LIFE CYCLES	
Four Life-Cycle Stages 203 Organizational Termination 206	
PROMOTING INNOVATION: THE CHANGE AND INNOVATION PROCESS	
A Six-Step Model 208 Managing Resistance to Change 212	
Intrapreneurship 215	
KEY ORGANIZATIONAL CHANGE COMPONENTS	
Structural Components 218 Technological Components 218 Human Resource Components 219 Cultural Components 220	
Interrelationship among Components 220	
ORGANIZATIONAL DEVELOPMENT	
Diagnosis 222 Intervention 223 Evaluation 224	
CHAPTER SUMMARY / QUESTIONS FOR DISCUSSION AND REVIEW / DISCUSSION QUESTIONS FOR CHAPTER OPENING CASE / MANAGEMENT EXERCISE	
	137
Gaining the Edge:	
Cypress Semiconductor	
	144
Valuing Diversity:	
US West Makes Pluralism a Goal	
Practically Speaking:	
How to Set Goals	151
Case in Point:	
Quality and Productivity Increase at Matsushita	
Case in Point:	
3M Mines the Work Force for Ideas	158
Concluding Case 1: Wal-Mart	
Concluding Case 2: Canon	
	165
Gaining the Edge:	
Disney	168
Case in Point:	
The Unlimited Limited	
Case in Point: Baxters of Speyside Focuses on Specialty Foods	171
Concluding Case 1: Cray Research, Inc.	176
Concluding Case 2: STAR TV	
	186
	190
	191
	197
Gaining the Edge:	
Merck	199
Valuing Quality:	
Intermountain Improves Medical Care	
Case in Point:	202
Wang Fights to Revitalize	
Case in Point:	
Pepperidge Farm Freshens Up	208
Practically Speaking:	
Checklist for Choosing Intrapreneurial Ideas	217
Case in Point:	
Cultural Revolution at Europe's Philips	
Concluding Case 1:	222
BankAmerica	
Concluding Case 2:	
GE-Tungsham	