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MANAGEMENT



T O D A Y
SECOND EDITION

MANAGEMENT TODAY

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**JOHN WILEY & SONS,
NEW YORK • CHICHESTER • BRISBANE • TORONTO**

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Library of Congress Cataloging in Publication Data:

Belasco, James A

Management today.

(Wiley series in management ISSN 0271-6046)

Includes bibliographical references and index.

1. Management. 2. Management—Case studies.

I. Hampton, David R., joint author. II. Price, Karl F., joint author. III. Title.

HD31.B377 1981

658

80-28981

ISBN 0-471-08579-0

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

PREFACE

As you can see, this book is different. It is designed to allow you, the student, to participate actively in the process of learning about the major concepts of management. This book will serve as a useful learning tool because it will require you to become actively involved in the learning process.

We know that this approach will work because it has been developed and tested in the first edition. The present book is the result of what we have learned. We have added or significantly revised the chapters on Planning; Control; Staffing; Power, Influence and Conflict; and Division of Labor and Job Design. We have also added new cases, and in most instances have replaced the Management Examples with newer, more up-to-date material. In a few instances, we found that the old examples are still relevant, so we did not replace them, a case of "oldies but goodies." What we have not changed is our belief that the experiential approach to learning about management is exciting.

In a lecture course, all that you have to do is sit there and listen to the professor tell you what is important and then prepare for his tests. Following the approach used in this book, an *experiential approach*, you will have to do a large part of the work yourself. You will experience the concepts and problems of management. Then, once you have had the experience, you will be in a better position to understand what the text material is all about. You will be an active participant in your own learning process, and as a result, you may not learn exactly the same things that the person sitting next to you learns, but what you will learn will be relevant to you.

To accomplish this end, the chapters of the book are laid out as follows: First, we'll tell you *where we are going* in the chapter. Then there will be an exercise for you to participate in. Some of these exercises will have you work alone and others will have you working as a member of a group. In some you may be a leader, and in others a follower. In short, you will be able to *experience the workings of management from a variety of different perspectives*. The exercises are followed by some questions to help you focus on the major learning aspects of the exercises and to aid in the classroom discussion of your experiences. The questions are then followed by a body of text material in which we, the authors, state our opinions on the concepts under consideration and try to integrate your experiences with the general body of management literature. In most chapters, this is followed by a short article, usually from a business periodical like THE WALL STREET JOURNAL or BUSINESS WEEK which shows how the concept under study really fits into the business world. The last major portion of the chapter is a case. The object of

the case is to allow you to test your knowledge and understanding on a situation that is as lifelike as we can make it in a book.

In short, the book is designed to take you from an experience to an understanding of that experience to the point where you can apply the lessons from that experience to other situations in the world around you. The book is designed to make learning a meaningful experience, and also an enjoyable one.

Learn and enjoy!

James A. Belasco
David R. Hampton
Karl F. Price

TO THE INSTRUCTOR

Books are used by both students and instructors. Since this textbook is written for the student, we'd like to take this space to talk to our colleagues, who will use this book in the often perilous but always challenging task of education.

This book is designed to help you, the instructor, teach management in an enriching and lively way. It's been our experience, and that of many other users of the first edition, that the variety of activities, management examples, and cases offers many educational opportunities. For the present edition, we have designed a complete instructional support package to help you choose and use the particular activity, management example, or case that will maximize the educational clout in your classroom. Included in the accompanying Instructor's Manual are:

1. Complete lecture outline.
2. Step-by-step instructions in setting up and administering activities.
3. Detailed information on alternative ways to use management examples and cases.
4. Supplemental student activities and projects.

The *Instructor's Manual* helps to carry through our central theme: people learn best by doing. The combination of our text and the *Manual* will help you to design exciting things for your classroom, which will best help your students to learn about management. That's the essential mission for us all.

Welcome to the world of *Management Today*.

ACKNOWLEDGMENTS

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I. INTRODUCTION

Management is a field with many approaches and few arrivals. That is, there is plenty of theory and advice on how to manage, yet skillful managers are scarce. Either all those approaches aren't so hot or there is a breakdown in learning and skill-building.

We think there is merit in such current ways of thinking about management as the systems approach, the contingency approach, the behavioral approach, and so on. We think there is merit in such current ways of studying management as the case method approach and the experiential approach. But we think that exclusive reliance on any single one of these approaches to thinking about and studying management is a mistake.

We are more interested in the arrival than the approach. And, to help you arrive at useful ways of thinking and acting like managers, we will use all the approaches and anything else we can get our hands on. But, beyond these introductory comments, we won't be talking about the approaches; we will be talking about managing.

LEARNING MANAGEMENT

People learn management in many different ways, but it is usually through a combination of work experience and some amount of study. Each of the authors of this book, for example, blended many years of business industrial experience with various combinations of full-time study, years of night courses and, eventually, completion of Ph.D.'s in Ivy League Universities. We have worked and managed in steel, aerospace, atomic energy, retail, automotive, chemical, drug, food, opera, education, and other companies. But then we turned out to be professors and, by comparison with most managers, overdid the education a bit.

However, the specific mix of studying and experiencing is probably not so important as is the use of both modes of learning. As modern scholars of the psychology of consciousness point out, the human brain's cerebral cortex has two hemispheres, each of which has a distinctive mode of experiencing reality. The left hemisphere involves the rational, analytical, intellectual, verbal, information-processing modes. The right involves the intuitive, impressionistic, whole-sensing, relational, and feeling mode.

The hallmark of traditional means of learning management in courses has

been reliance on the orderly, rational mode. The pattern has been to “cover the subject.” This emphasis has two problems. First, it may help people to impose order on a disturbingly confusing reality, pass tests, and so on, but it isn’t clear that it helps people operate skillfully as managers. Second, it isn’t all that much fun.

You can’t learn swimming by sitting on the edge of the pool and committing to memory the principles of swimming. Similarly, you won’t learn managing by sitting in class committing to memory the principles of managing. Of course, we can’t give you a company or department to jump into and manage. But, we can arrange for you to plunge into situations and try out some managerial strokes. Just as the sudden splash of cold water, and the gulp of water instead of air can shock you with many impressions, so can various class simulations of management experience. And just as the splash and gulp in the pool can teach, so can the management action exercises.

You can see that this book is different from most textbooks. This difference in appearance reflects its design to take advantage of both modes of learning, both hemispheres of the cerebral cortex. It does so by using both text discussion, research, principles, cases, and other materials, the more familiar “rational” textbook contents, and by something quite different: experiential exercises. These will have you stand in the shoes of production worker, boss, staff or line employee, negotiator, giver and receiver of money, and decision maker under pressure. Each situation will cause feelings and impressions. Those feelings and impressions can help you learn too, especially when you have a chance to combine them with rational analysis. This book is meant to help you put it all together.

PLAN OF THE BOOK

The first thing we plan to have you do in each chapter is to jump into the pool of experiencing. Then we plan to have you climb out, and, with your fellow students and instructor, look back at what happened and consider what you can learn from it. This will take the form of a 30-minute structured exercise at the beginning of each chapter followed by discussion.

The only thing that precedes the exercise is a preview of chapter contents called, Learning Objectives. You should read it and the Instructions for each exercise before coming to class when exercises are scheduled. Reading the instructions can help prepare for the productive use of class time. And we guarantee that class time can be lively and rewarding.

So much for the first part of each chapter. A total chapter outline will typically look like this:

Learning Objectives

Activity

The Text
Management Example
A Case
Summary and Principles

The text follows the activity as you can see. It will refer to the activity, but its main contribution is to discuss, selectively, current ideas and practices. For example, Chapter 11, Organization Structure, will present several alternative types of organization structure, indicate the distinctive features of each, and describe a logical means of deciding which ones seem useful in various circumstances.

Following the text there is a management example. It might be an excerpt from *The Wall Street Journal* or *Business Week* that describes the practices of a particular company or a current problem. In Chapter 11 the example happens to be an excerpt from Alvin Toffler's book, *Future Shock*, describing the rapidity of reorganization and its effects on people. Discussion questions follow each example.

After each example, we have presented a case. It too has discussion questions to guide your analysis.

Finally, each chapter closes with a summary and principles. It reviews and summarizes the chapter contents. It also concludes with a few principles. They are not the sort of principles meant to allow you to close your mind and seal it with dogma. They are, rather, meant as observations that have value for deciding upon management practices.

CHAPTER ONE THE HOW AND WHY OF MANAGEMENT

LEARNING OBJECTIVES

At the conclusion of this chapter you should be able to:

1. Explain the reasons for the existence of organizations.
2. Describe the major characteristics of organizations.
3. Differentiate between task and social organizations.
4. Describe the basic reasons for the existence of managers.
5. List the five functions of the manager.

ORGANIZATION SIMULATION

- I. Purpose
 - A. To allow the students of the class to form a purposeful organization.
 - B. To demonstrate the dynamic nature of organizations.
 - C. To create a situation in which the students can experience some of the important aspects of organizational life.
 - D. To create on-going organizations in which the students can practice some of the skills that will be presented in later chapters.
- II. Premeeting Preparation
 - A. None.
- III. Instructions
 - A. During the first week of class, when your instructor makes the time available, you should form into groups of approximately five people.
 - B. Your group should then form an organization to accomplish some purpose. The purpose may be to make or sell a product or service, to engage in a charitable or educational activity, or anything else that is reasonable (and legal).
 - C. Within the next two weeks (by the date your instructor specifies), your group must submit a written proposal to your instructor. Your proposal must include your goals, plans, an organization structure, and how you intend to control the organization (a form for submitting your proposal follows these instructions). Everyone in your group must sign the proposal indicating his or her agreement with the project. There is a place for your instructor to sign agreeing that if the goals are reached within the time frame specified, the group members will be qualified to pass the course. (This does not mean that they will pass the course. That will depend on the quality of whatever other work is required.)
 - D. Over the remainder of the semester, work to achieve the goals that your group agreed to in the proposal.