



MANAGEMENT

The Key to Organizational Effectiveness



Reeser & Loper

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Preface

The purpose of this book, as with the previous edition, *Management: Functions and Modern Concepts*, is to describe management with the student's frame of reference in mind. Professors want to know the methodologies and findings of empirical research, and to keep up-to-date on research advances in the field of management. However, it is our opinion that while students want to experience the full body of management knowledge, they have little interest in citations of research findings, and that such information is of minimal value to them.

Business students, and students from other disciplines who contemplate a managerial career, need an integration of the significant factors involved in managing an enterprise. The comments of one adopter of the earlier book sum up our position quite well: "The Reeser book is the first text that we have had that I have rather liked, including those I helped choose. My major approval deals with the fact that it is relatively short, easy to follow and understand, and is written for undergraduates and not to get the approval of other professors. In addition, it is the first book that my classes have approved (over 90 percent gave it a satisfactory to good evaluation, whereas previous texts had been evaluated as poor by about 90 percent)."

The book is structured in the format of most successful management textbooks; a treatment of early contributions to management is followed by analyses of the management functions of planning, organizing, staffing, leading, and controlling. Three innovative concluding chapters focus on the impact of the computer on management, corporate social responsiveness, and entrepreneurship, an important topic not found in most management textbooks. The entrepreneurship chapter outlines what students should know about starting and managing a small business. There are thirty-three short cases in the book, all drawn from real-life incidents, to give substance to the narrative text that precedes them. Up-to-date bibliographies are provided so that in-depth investigations of topics can be conducted at the student's or instructor's option. A revised instructor's manual is provided, with suggested answers to discussion questions. Short quizzes that have been validated with several thousand students are also included.

Second- or third-year college students are the primary audience for the book. It has also been used successfully to provide graduate students from undergraduate disciplines other than business an easy orientation to the area of management. In addition, the book is suitable for use in industrial and governmental training programs. Agencies sponsoring small business development programs would find the book especially useful in training aspiring entrepreneurs.

Consistent with many contemporary management textbooks, the book presents both the quantitative and behavioral approaches to management. The quantitative approach is treated nonrigorously, yet in a

comprehensive manner. The chapters dealing with organizational behavior highlight modern views on leadership, motivation, and communication. The book is holistic; that is, it expresses the position that management has many parts, but that the integrated whole is greater than the sum of its parts.

The authors are indebted to many people who have encouraged the writing of this book. In particular, Dean David Heenan of the College of Business Administration at the University of Hawaii has been consistently helpful. Professor Harold Koontz at the Graduate School of Management at UCLA has been an inspiration in the writing of this book and its predecessor. Several users of the first edition provided helpful suggestions for the revision including Al Long, California State University; Charles Beavin, Miami-Dade Community College; J. David Harris, West Valley College; James E. Estes, C. Schulze, Jim Emens, and Mike Showalter, University of South Carolina; and Donald Hucker, Cypress College. Reviewers of the manuscript who have made important comments include Peter Hechler, California State University, and Stephen Miller, University of Maryland. The editorial work of Ms. Linda Brown of Scott, Foresman and Company has been unusually helpful. Finally, typing by Ms. Ruth Takahata and Ms. Jean Nakata has been outstanding.

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PART 1





Introduction to Management

This book is about management. Therefore, it starts with some introductory chapters intended to set the stage for the main body of management knowledge to be presented in subsequent Parts. Chapter 1 explains what management is, discusses various meanings for the term “management,” and explores some different approaches to the study of management. It concludes with an investigation of the term “organization.” Chapter 2 deals with the functions that managers perform, with the levels of management typically found in organizations, and with the complexities, advantages, and disadvantages of being a manager. Chapter 3 brings to the reader’s attention some of the early contributions to management theory that serve as a foundation for modern concepts. As contemporary management is heavily influenced by the findings of psychologists, sociologists, and anthropologists, commonly called behavioral scientists, Chapter 4 examines the impact of these disciplines. Chapter 5, the last of the chapters in Part One, reviews the latest additions to management theory, which include mathematical concepts, the systems approach, and contingency views.

1 What Is Management?

Management is the process of integrating and coordinating resources in order to accomplish deliberate and purposive objectives. Imagine a situation where the physical and human resources necessary to get something done are available in adequate supply. Suppose there is a supply of money with which to pay bills (capital), a place in which work can be performed (plant), tools of all kinds (equipment), raw materials (steel, copper, plastics, etc.), and people with various skills (engineers, accountants, machinists, assemblers, salespersons, etc.). Yet, if there were no managers, any assembling of resources would be chaotic. However, introduce managers into the scene, and things will begin to happen. Managers will begin to

- set objectives for using the available resources.
- formulate plans for achieving these objectives.
- identify the various activities that will have to be performed.
- organize the activities into groups (departments).
- define the tasks to be done.
- group the tasks into jobs.
- establish compensation levels for the jobs.
- staff the jobs with people.
- initiate work performance.
- supply incentives to stimulate productivity.
- set up controls to measure the achievement of objectives.
- take remedial action if the objectives are not being met.

Thus managers, who are the people who practice management, direct and coordinate the use of resources to some planned end. However, the general relationship of managers to physical resources is indirect. It is through the people who are led by managers, the subordinates, that managers utilize capital, plant, equipment, and materials. Therefore, the