# Management

### INDIVIDUAL AND ORGANIZATIONAL EFFECTIVENESS

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To our motivators, Enid, Martha and Larry, and Amy

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## Preface

Management: Individual and Organizational Effectiveness is a textbook for introduction to management courses. We assume the reader has never taken such a course and has had only the usual exposure to behavioral sciences and mathematics.

The overall objective of *Management* is to communicate a fundamental understanding of formal organizations—profit and nonprofit, small and large—and their management. By *effective* management, a term we use often, we mean managing in a way that best enables the organization as a whole to formulate and attain objectives. We believe this requires managers to make efficient use of all available resources, to make the organization responsive to its environment, and to enable individuals to perceive a positive relationship between the organization's objectives and their own. The effective manager takes situational differences into account and recognizes that even the most desirable course of action usually has some negative consequences. He or she is proactive—anticipates the future and prepares for it—rather than reactive.

The field of management has grown to the point where it is impossible to cover comprehensively even the major conceptual approaches in a single volume. An author, in management jargon, must limit a text's specific content objectives to material that can reasonably be covered within an academic quarter or semester. The most common way of doing so is by concentrating on a single conceptual approach, such as management processes or systems. Unfortunately, no single approach to date is fully accepted by all in the field. Each of the major schools and approaches has made important, lasting contributions to understanding organizations and their management. Each has flaws. We therefore feel that basing an introductory text on a single approach is a disservice to students.

Although we do stress a contingency or situational view of management because it seems most consistent with reality and best able to cope with the complexities of contemporary organizations, our approach would best be described as eclectic. We have tried to select and integrate the most useful, influential, and widely accepted contributions of all major approaches.

Instead of using a particular school of thought to unify the discussion, we do so through what may be thought of as a strategic choice. That is, we stress more strongly than other texts the need to consider the organization as a whole when making management decisions. In many places and ways we point out that the manager should always consider interrelationships between parts of an organization (internal variables), the organization and its

environment (external variables), and that any decision affects all aspects of the organization in some way. This should not be interpreted as a purely top management perspective. Our aim, rather, is to make the reader a more effective manager irrespective of position in the organization by helping him or her understand the factors involved in making a decision that is genuinely effective.

Virtually all contemporary texts state something to this effect. However, none that we knew of consistently and deliberately presented material in a way that *actively* supported and reinforced the need to consider the whole, not just the parts, when making management decisions. The pattern, rather, has been to discuss each major concept within a single block of chapters, i.e., all topics related to motivating in one part, all topics related to organizing in another.

There is a definite logic and simplicity to such an approach. However, in our opinion there are serious disadvantages that outweigh the gains of doing so. Because the variables and functions *are* interrelated it clearly is not really possible to treat any one aspect comprehensively until the reader has at least *some* understanding of *all* critical functions and variables. The traditional sequence of topics forces an author to either treat some topics in an oversimplified manner or to raise issues the reader is not prepared to grasp. Equally important, when a topic is discussed in one long block and never returned to, it becomes all too easy for the student to forget some of what he or she has learned and very difficult for him or her to perceive the relationship between earlier and later topics. Thus, even though the author may clearly *state* that interrelationships should be considered, the traditional sequence of presentation tends to encourage a fragemented perspective, concentration on the trees rather than the forest.

This text covers essentially the same topics most popular texts do, but presents them in a different, unique order. What we have done, in basic terms, is to apply Alfred Chandler's wise saying, "Structure follows strategy," to the organization of our material. That is, we organized topics in a way that most effectively supports our primary objective of communicating the need to view the organization as a whole and take into account interrelationships and interdependencies when making and implementing decisions. Our structure also actively supports the important concept that management theory and practice are *evolutionary* and that even currently accepted explanations may later prove erroneous.

Part I gives the reader an overview of the book and field and a rudimentary understanding of the primary internal and external variables affecting organizational success. Our discussion of what managers actually do begins with what are called the linking functions of communication and decision making in Part II. Thus, from the very beginning the reader is encouraged to view management from an overall perspective and be aware of interrelationships, situational factors, and the lack of absolutes. This is reinforced by examples and the way in which specific topics are presented. For example, the

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concluding section of the communicating chapter both synthesizes the discussion of that function and reviews the management process.

Part III describes in some detail the primary functions of the management process, which we have chosen to identify as planning, organizing, motivating, and controlling. The organizing function is covered in two chapters simply because the number of topics was too great to fit within one chapter conveniently. Relationships between the function specifically addressed and others are noted within each chapter. Management by Objectives, for example, is covered at the end of the control process discussion because it is a technique that illustrates the need to integrate planning and control.

Part IV, which treats groups and leadership, is effectively a discreet learning unit. The three chapters within it are a cohesive block, a sort of mini-text on understanding informal relationships and coping effectively with them.

Part V presents several significant contributions of the quantitative or management science approach. The treatment is largely descriptive. The intent is to show what management science techniques and other quantitative techniques can do to facilitate effective decision making, rather than enable the reader to actually apply such techniques. Our coverage fully meets AACSB requirements.

Part VI extends the reader's knowledge with a description of important issues not previously covered, or only mentioned briefly: human resource management, contingencies in organization design, change and conflict. Because a sufficient base of knowledge has been acquired, we are able not only to treat these topics in a relatively sophisticated way, but also to point out and stress interrelationships between these issues and others. We also return to certain important topics and examine them from a different perspective. For example, Woodward's research on technology and structure, first presented in Chapter 3, is covered again in Chapter 19.

We believe this is an extremely efficient order of presentation, since we were able to cover more topics in more depth than the typical text of this length. However, we recognize that some instructors may disagree with our choice and prefer to cover certain material in a different sequence. We therefore presented and organized material in a way that permits considerable flexibility.

There should be no difficulty whatsoever in covering Parts II, IV, and V whenever prefered. Similarly, Chapter 8, Organizing Authority Relationships, and Chapter 12, Group Dynamics, can readily be covered earlier. The three chapters dealing with management science and quantitative approaches are wholly independent of one another to permit elimination of one or variations in order, such as covering control techniques in conjunction with the control function. Moreover, whenever possible we made material within the chapter a set of cohesive knowledge blocks. This permits subsections to be assigned in a different order or even eliminated without

causing serious problems. For example, budgeting can be covered without covering financial analysis techniques, operations management can be covered separately from MIS.

We tried to write prose that is clear, concise, and reasonably interesting. Particularly complex or important concepts are presented in a somewhat painstaking manner and amplified with commonplace examples. Jargon and managerial concepts are always defined the first time they are used, if a precise understanding is essential to the discussion. With respect to research citations, we do not feel an introductory text is a suitable forum for exploring the state of the art. We therefore have largely confined our research citations to studies that enjoy widespread acceptance or have been especially influential.

#### Learning Aids, Special Features, and Ancilliaries

Because *Management* is primarily intended for classroom use, we have amplified the text with several learning aids and ancilliaries. Learning aids include chapter and part introductions, a list of key terms for each chapter, review and thought questions, case incidents, and comprehensive cases. (All incidents and cases are based on *true* situations.)

Also within the text are two special features substantially different in nature than those of other management texts:

Interviews with successful managers appear at the beginning of each part. These are not "fluff" pieces or simple descriptions of the person's job and achievements. The questions were deliberately designed to elicit comments about concepts covered in the text.

Features, primarily exerpts from periodicals and books, are incorporated within every chapter. Like the interviews, each makes a *substantive* contribution to understanding a management concept covered in the text.

Instructors who wish to supplement the text are urged to consider Michael Albert's Effective Management: Readings, Cases, and Exercises.

We believe the instructor's package, which includes an extremely comprehensive manual, transparency masters, and extensive computerized test bank is among the finest available. Your Harper & Row representative will be pleased to provide an examination copy.

#### Acknowledgments

A text of this size and scope is very much a team effort. Without the assistance and contributions of the Harper & Row editorial staff and the instructors who reviewed the manuscript, we never could have won our struggle to convert our ideas into the book you are holding. We therefore would like to take this opportunity to acknowledge our debt to these people and express our graditude for their help.

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