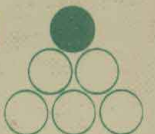
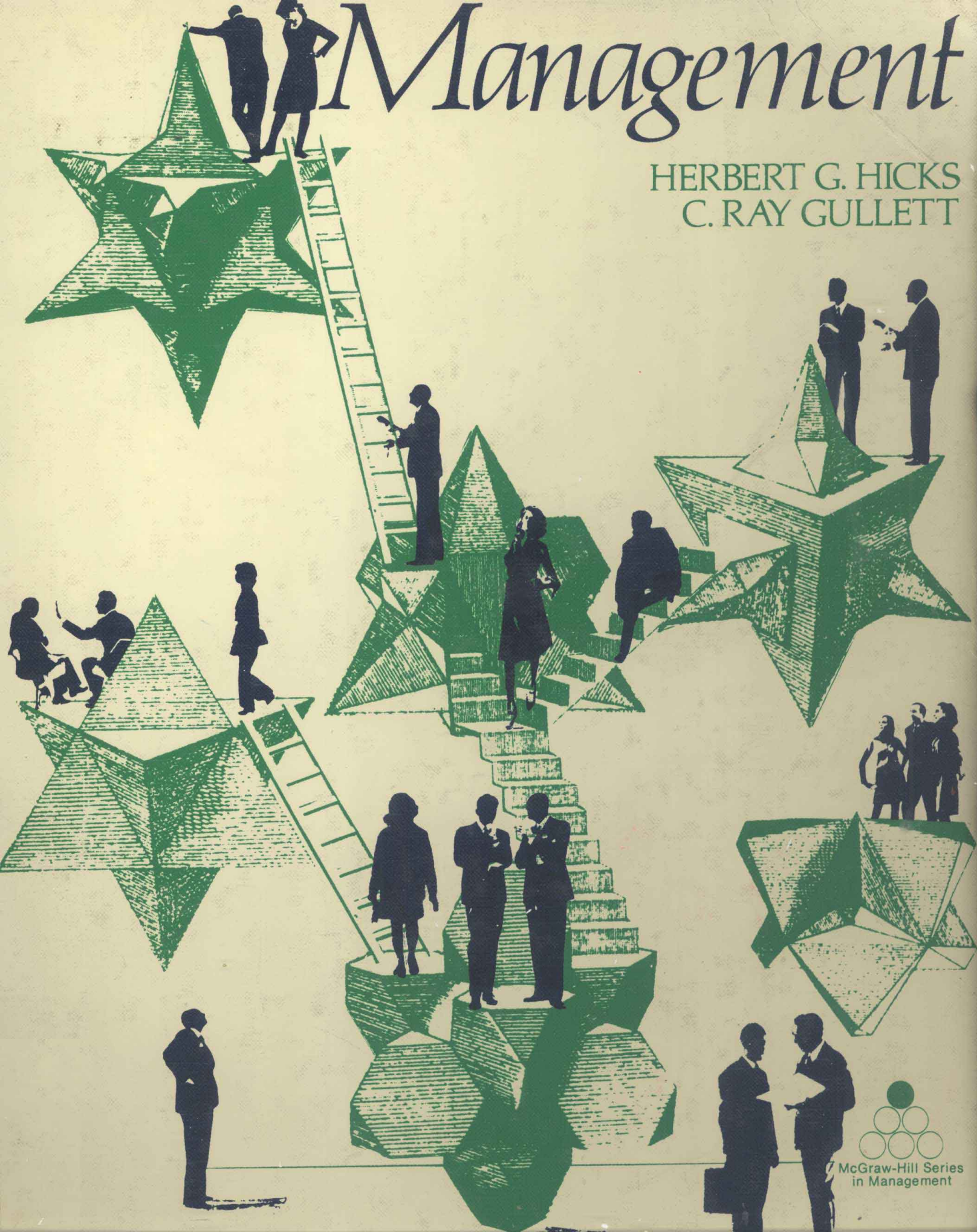


Management

HERBERT G. HICKS
C. RAY GULLETT



McGraw-Hill Series
in Management

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Management

FOURTH EDITION

MANAGEMENT

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Preface

Organization and scope

The time-proven and generally acknowledged best approach for learning about management is to study the functions of management. Therefore, the central focus of this book is on the functions of management—planning, organizing, motivating, and controlling. Because these functions of management readily accommodate themselves to a number of areas such as quantitative methods, human resources, systems theory and analysis, principles of management, and contingency theories, we have integrated materials from these and other areas into the basic structure of this book.

This book has five parts. Part I introduces the theme of the book, and provides an overview of the management process. The management functions are presented, and some important management principles are discussed.

Part II examines why organizations are created, what they are, and the processes by which they help us. This section of the book explains why the objectives or goals of individuals are so significant in organizations, and examines the vital role of managers. Part II also shows the relationship of management and organizations with their larger environments, and emphasizes major social issues. Why organizations stagnate, decline and die, and how they can have life, prosperity, and self-renewal are explained. A chapter on multinational management, emphasizing widely varying environmental situations, concludes Part II.

Because the organizations within which managers work are made up of humans whose interactions lie at the very heart of organizational processes, Part III explores human behavior. Behavioral scientists have provided rich insights into human behavior in organizations, and selected insights are summarized in this section. Part III first examines individual behavior, and then considers behavior within and among groups.

Part IV—the largest part of this book—is a detailed study of planning, organizing, motivating, and controlling. These management functions, among the most important processes found in organizations, are particularly crucial in any organization with specified objectives—for example, a

business. For each function, basic concepts are presented and desirable managerial attitudes are considered. Suggestions for *how* managers can use each function to improve performance in organizations are also included.

Part V describes the development of management thought to the present, and includes systems and contingency concepts. Possible future developments are considered, emphasizing the dynamic and complex internal interactions of organizations as well as the interactions of organizations with their environments.

Purpose This book is primarily a text for college-level introductory courses in management. With this use in mind, we have drawn most of the examples used in this text from organizations with which students are most likely to have had some personal experience. Such examples increase students' involvement in the course.

This text has also been used for management courses in fields such as engineering, government, sociology, and education. Numerous university- or company-sponsored management development programs have used it as a text. Practicing managers can study it individually.

Previous editions have been translated into several other languages and managers and students of management in many countries have used it.

Major changes and special features There are a number of major improvements and special features in this edition.

- 1 Chapters 7 and 13, on the vital and basic topics of multinational management and production management have been added. These chapters are designed to meet AACSB requirements.
- 2 Chapter 24, a unique chapter on controlling wasteful organizational practices, provides special insights into why organizations are often inefficient. Some possible remedies for inefficiency are suggested.
- 3 New and expanded material on strategic planning is included in Chapter 12. This will help the student acquire an operational understanding of modern concepts of planning. Likewise, Chapter 23 includes new and expanded material on controlling and management information systems to emphasize these vital areas.
- 4 A unique beginning in the first chapter entices students to want to study management. *Why* people are or want to be managers is explained. We want each student to personally identify with management, rather than to merely study management at arms' length.
- 5 The end-of-chapter materials have been expanded. Each chapter now includes: Can You Identify These Terms?, Review and Discussion Questions, Case Incidents, a Case Problem, and an Experiential Exercise.
- 6 Each chapter opens with an attention-getting real-life example plus chapter objectives.
- 7 A glossary is included at the end of the book.

Literally every sentence, topic, and chapter of the previous edition has been carefully examined. The entire text has been revised and updated, to strengthen the presentation of the management functions of planning,

organizing, motivating, and controlling. We have sought a lively style, but have strongly emphasized content.

- Pedagogy* We have included a wide variety of pedagogical devices to make the book more appealing to both students and instructors. We provide a large selection so that every instructor can design the course to suit personal preferences.
- 1 *Vignettes.* Every chapter begins with an example of a real-life manager who has applied key concepts presented in the chapter. These vignettes show that the subject matter really makes a difference in the “real world.” These vignettes can, if desired, be used as discussion cases to excite student interest in the chapter.
 - 2 *Chapter Objectives.* Key objectives for every chapter are given just before the chapter text begins. These objectives show the major topics that will be learned in mastering the chapter. The objectives are given in question form to heighten interest.
 - 3 *Examples.* Liberally sprinkled throughout the text are examples that illustrate the subject matter. Special attention has been given to using examples to which students can easily relate.
 - 4 *Can You Identify These Terms?* After the chapter summary, there is a list of important terms that were presented in the chapter. These terms serve to help students review the chapter, and check how well they have learned the chapter material. The terms are keyed to text page numbers for easy reference.
 - 5 *For Review and Discussion.* Review and discussion statements and questions are given for every chapter to reinforce learning. These questions and statements are often used as test materials by instructors.
 - 6 *Case Incidents.* Short incidents that illustrate points presented in the chapter are given. These incidents readily create discussion—and often, controversy—about the material.
 - 7 *Case Problems.* One or more long case problems are included for each chapter. These are designed to facilitate in-depth discussion of issues presented in the chapter.
 - 8 *Experiential Exercises.* Every chapter has one or more experiential exercises. These exercises provide the opportunity for students to experience firsthand some problems suggested by the text.
 - 9 *For Further Study.* A list of carefully selected sources for further study are given at the very end of each chapter for those who want to research topics or to study alternative or supporting material.

Supplementary materials This text is supported by a complete package of supplementary materials for students and instructors prepared by James D. Powell and C. Aaron Kelley. First, MANAGEMENT: A STUDENT RESOURCE MANUAL is available for student use. This manual provides chapter outlines and key terms that summarize every chapter. A large number of true-false, multiple choice, and fill-in-the-blank statements and questions are included. A “pulling-it-all-together” feature tests ability to integrate material by asking broad questions directly related to the learning objectives preceding each chapter in the text.

The student resource manual also contains a number of very carefully selected readings keyed to text material. Some of these readings support views presented in the text. Other readings may present different or controversial viewpoints.

A very comprehensive INSTRUCTOR'S MANUAL is also available. It contains an overall course objective statement and suggested course coverage in terms of testing intervals, and so forth. Suggestions for using the student resource manual are given. A number of transparency masters are also provided. A special feature is a set of six long experiential exercises that provide the opportunity for further in-depth experiences.

Other features of the instructor's manual are suggested library assignments, term paper projects, and formats for case analyses.

The instructor's manual also has a number of chapter-specific features. These include statements of learning objectives, and a detailed topic outline with discussion stimulators. There are answers to end-of-chapter questions and comments on the incidents and cases. Also included are comments on the experiential exercises. A list of appropriate films with sources is given. There are condensations and suggested discussion questions for the readings in the student resource guide.

Finally the instructor's manual has a large number of suggested test questions with answers.

Acknowledgments

We are indebted to a number of persons for their help in preparing this edition. Sincere thanks go to Edmund R. Gray who prepared Chapters 1, 11, and 12. We thank Ben Kedia who prepared Chapter 7, and Wayne Goff who prepared Chapter 13. We also thank Julie Smith and Paula Thomas who patiently typed portions of the manuscript.

We are especially grateful to a number of our colleagues for the very helpful suggestions they made at various stages in the preparation of this book. They include: Professor Jack Atkinson, College of Alameda; Professor Louis V. Imundo, Wright State University; and Professor Edward B. Lee, Jr., Allegheny Community College.

We benefited greatly from the wise counsel of Keith Davis. Our sincere thanks also go to the many students and colleagues who have inspired and helped us in numberless ways.

Herbert G. Hicks
C. Ray Gullett

To the student

Is *management* important?
Will *studying* management help me?
Will *this text* help me learn more management?

YES!

YES!

YES!

At least *we* think so! Of course, we are biased; however, consider a few facts.

First, *management* is important because *every* human organization requires effective management to be successful. Businesses quickly come to mind, but *nonbusiness* organizations equally require good management. Colleges, hospitals, PTAs, basketball teams, religions, armies—even families—all require good management. Most likely, individuals from these and many other types of organizations will use this text.

Second, *studying* management can and probably will help you. This is true regardless of what you do in life. Literally millions of students and practicing managers throughout the world systematically study management. Some are in high schools, many in colleges, some in management programs sponsored by their employers or other organizations, and many are studying individually. True, there's a lot of management you can learn on the job and through other experiences and influences. But we think the millions who study management are right; it helps them, and it will help you, too!

Third, we are certain *this text* can help you learn more management. Hundreds of thousands of people have either studied previous editions of this text or are currently studying this edition. And we have made a major effort to make this edition the best yet. You, of course, are the best judge of how well we have done—or how much and where we have failed. We sincerely hope you will write us and tell us in any event. Your comments are the most effective way we have to improve future editions.

To be effective, we think a text must connect its theories and concepts to the “real world” of its readers. Therefore, we have liberally sprinkled throughout the text real examples that are likely to be familiar to readers. Theory without application can be empty; application without theory can be folly.

To further heighten interest, we open each chapter with a vignette describing the real-life experiences of a manager applying concepts presented in the chapter. Further, we have gone to great lengths to make the entire text realistic, lively, and jargon-free. We want you, our reader, to be able to personally relate the concepts directly to effective management practice.

Before each chapter, we present several important questions that the chapter will answer. These give the reader a preview of the topics covered in the chapter.

Also, to help explain key concepts and to heighten interest, we have used more than 100 drawings and other illustrations. Sometimes the visual impact of a drawing or chart will indeed explain a concept better than a thousand words.

To summarize our point of view, it doesn’t make any difference how well *we* understand something. The only meaningful test of our work is how much or how well we have communicated with and helped *you*, our reader, to understand and effectively apply the best management theories, concepts, and techniques. That is a principal purpose of this text.

We truly hope learning management will be a pleasant and rewarding experience for you.

Herbert G. Hicks
C. Ray Gullett

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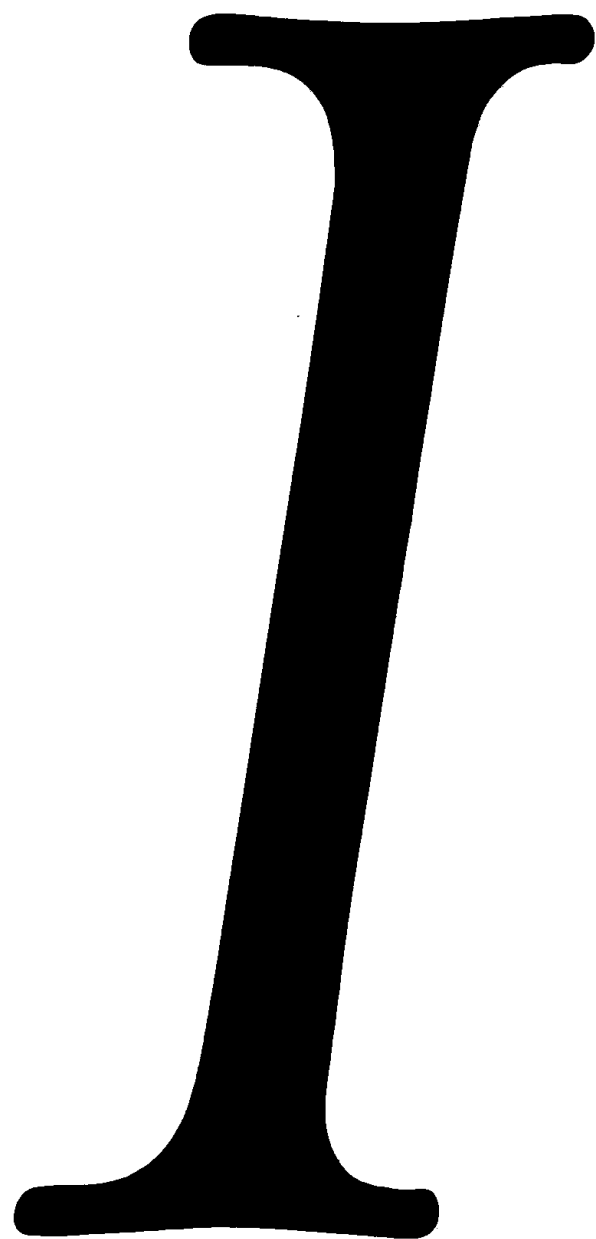
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