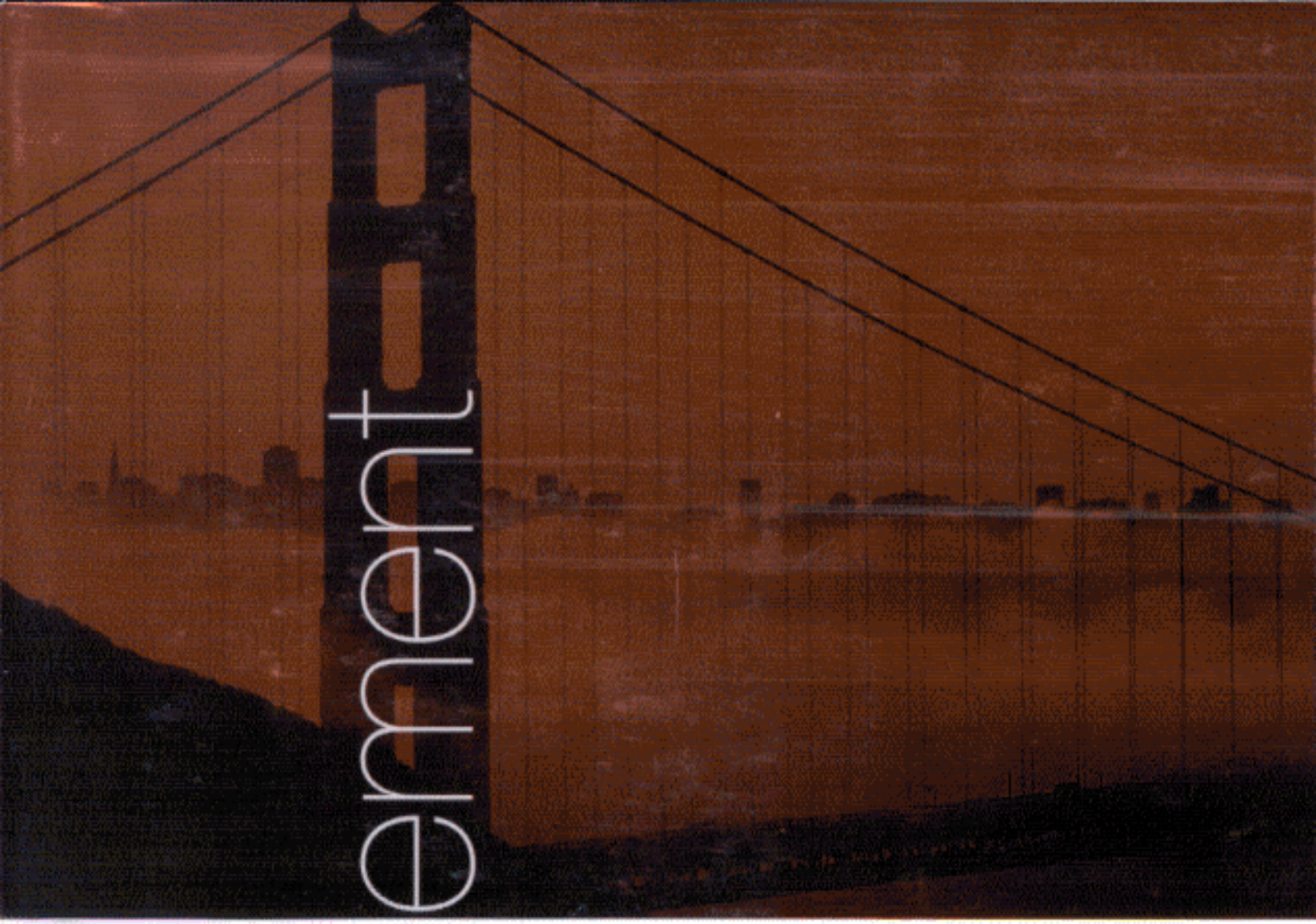

management

a practical introduction

KINICKI
WILLIAMS

contents

part one Introduction

CHAPTER 1
The Exceptional Manager: What You Do, How You Do It 2

1.1 Management: What It Is, What Its Benefits Are 4

The Art of Management Defined 5

Why Organizations Value Managers: The Multiplier Effect 6

Financial Rewards of Being a Star Manager 6

Psychological Rewards of Being a Manager 7

1.2 Six Challenges to Being a Star Manager 8

Challenge #1: Managing for Competitive Advantage—Staying Ahead of Rivals 8

Challenge #2: Managing for Diversity—The Future Won't Resemble the Past 10

Challenge #3: Managing for Globalization—The Expanding Management Universe 10

Challenge #4: Managing for Information Technology 10

Challenge #5: Managing for Ethical Standards 11

Challenge #6: Managing for Your Own Happiness & Life Goals 11

1.3 What Managers Do: The Four Principal Functions 12

Planning: Discussed in Part 3 of This Book 13

Organizing: Discussed in Part 4 of This Book 13

Leading: Discussed in Part 5 of This Book 13

Controlling: Discussed in Part 6 of This Book 13

1.4 Pyramid Power: Levels & Areas of Management 14

The Traditional Management Pyramid: Levels & Areas 14

Three Levels of Management 15

Areas of Management: Functional Managers versus General Managers 17

1.5 Roles Managers Must Play Successfully 18

The Manager's Roles: Mintzberg's Useful Findings 18

Three Types of Managerial Roles 20

1.6 The Skills Star Managers Need 22

1 Technical Skills—The Ability to Perform a Specific Job 22

2 Conceptual Skills—The Ability to Think Analytically 22

3 Human Skills—The Ability to Interact Well with People 22

Learning Portfolio 28

Key Terms Used in This Chapter 28, Summary 28, Management in Action 29, Take It to the Net 31, Self-Assessment 31, Group Exercise 32, Ethical Dilemma 33

CHAPTER 2
Management Theory: Essential Background for the Successful Manager 34

2.1 Evolving Viewpoints: How We Got to Today's Management Outlook 36

Is Management an Art or a Science? 36

Two Overarching Perspectives about Management & Four Practical Reasons for Studying Them 37

2.2 The Classical Viewpoint: Scientific & Administrative Management 38

Scientific Management: Pioneered by Taylor & the Gilbreths 39

Administrative Management: Pioneered by Fayol & Weber 40

The Problem with the Classical Viewpoint: Too Mechanistic 41

2.3 The Behavioral Viewpoint: Behaviorism, Human Relations, & Behavioral Science 42

The Early Behaviorists: Pioneered by Munsterberg, Follett, & Mayo 42

The Human Relations Movement: Pioneered by Maslow & McGregor 44

The Behavioral Science Approach 45

2.4 The Quantitative Viewpoints: Management Science & Operations Research 46
Management Science: Using Mathematics to Solve Management Problems 46
Operations Management: Helping Organizations Deliver Products or Services More Effectively 47

2.5 The Systems Viewpoint 48
The Four Parts of a System 49

2.6 The Contingency Viewpoint 52

2.7 The Quality-Management Viewpoint 54
Quality Control & Quality Assurance 54
Total Quality Management: Creating an Organization Dedicated to Continuous Improvement 55

2.8 The Learning Organization 56
The Learning Organization: Handling Knowledge & Modifying Behavior 56
How to Build a Learning Organization: Three Roles Managers Play 57

Learning Portfolio
Key Terms Used In This Chapter 58, Summary 58, Management In Action 60, Take It to the Net 61, Self-Assessment 62, Group Exercise 63, Ethical Dilemma 64, Video Case 65

part two
The Environment of Management

CHAPTER 3
The Manager's Changing Work: Environment & Responsibilities 66

3.1 The Community of Stakeholders Inside the Organization 68
Internal & External Stakeholders 69
Internal Stakeholders 70

3.2 The Community of Stakeholders Outside the Organization 72
The Task Environment 72
The General Environment 76

3.3 The Ethical Responsibilities Required of You as a Manager 78
Defining Ethics & Values 78
Four Approaches to Deciding Ethical Dilemmas 79
How Organizations Can Promote Ethics 80

3.4 The Social Responsibilities Required of You as a Manager 82
Is Social Responsibility Worthwhile? Opposing & Supporting Viewpoints 83
Four Managerial Approaches to Social Responsibility 84
Bottom Line: Does Being Good Pay Off Financially? 85

3.5 The New Diversified Workforce 86
How to Think about Diversity: Which Differences Are Important? 86
Trends in Workforce Diversity 87
Barriers to Diversity 90

3.6 The Entrepreneurial Spirit 92
Entrepreneurship Defined: Taking Risks in Pursuit of Opportunity 93

Learning Portfolio
Key Terms Used in This Chapter 96, Summary 96, Management in Action 99, Take It to the Net 100, Self-Assessment 100, Group Exercise 101, Ethical Dilemma 102

CHAPTER 4
Global Management: Managing Across Borders 104

4.1 Globalization: The Collapse of Time & Distance 106
The Rise of the "Global Village" & Electronic Commerce 106
One Big World Market: The Global Economy 108
Cross-Border Business: The Rise of Both Megamergers & Minifirms Worldwide 109

4.2 You & International Management 110
Why Learn about International Management? 110
The Successful International Manager: Geocentric, Not Ethnocentric or Polycentric 113

4.3 Why & How Companies Expand Internationally 114
Why Companies Expand Internationally 114

4.4 How Companies Expand Internationally 116
Economic & Political-Legal Differences 118
Economic Differences: Adjusting to Other Countries' Economies 118
Political-Legal Differences: Adjusting to Other Countries' Governments & Laws 120

4.5 The World of Free Trade: Regional Economic Cooperation 122
Barriers to International Trade 122
Organizations Promoting International Trade 123
Major Trading Blocs: NAFTA, EU, ASEAN, & Mercosur 125
Most Favored Nation Trading Status 125

4.6 The Importance of Understanding Cultural Differences 126
The Importance of National Culture 126
What Are Different Cultural Perceptions of Language, Nonverbal Communication, Time Orientation, & Religion? 127

Learning Portfolio
Key Terms Used in This Chapter 132, Summary 132, Management in Action 135, Take It to the Net 137, Self-Assessment 138, Group Exercise 140, Ethical Dilemma 141, Video Case 142

part three Planning

CHAPTER 5
Planning: The Foundation of Successful Management 144

5.1 Planning & Uncertainty 146
Why Not Plan? 146
How Planning Helps You: Four Benefits 147
Three Types of Uncertainty: State, Effect, & Response 148
How Organizations Respond to Uncertainty 149

5.2 Fundamentals of Planning 150
Mission & Vision Statements 151
Three Types of Planning for Three Levels of Management: Strategic, Tactical, & Operational 152
Goals & Action Plans 153
Setting SMART Goals 155

5.3 The Planning/Control Cycle 156

5.4 Promoting Goal Setting: Management by Objectives 158
What Is MBO? The Four-Step Process for Motivating Employees 158
Cascading Objectives: MBO from the Top Down 159

5.5 Project Planning 160
Why Project Planning Is Important Today 160
The Project Life Cycle: The Predictable Evolution of a Project 161
The Importance of Project Deadlines 163

5.6 A Project-Planning Tool: Break-Even Analysis 164
Break-Even Analysis—How Many Items Should You Sell to Turn a Profit? 164

Learning Portfolio
Key Terms Used In This Chapter 168, Summary 168, Management in Action 170, Take It to the Net 171, Self-Assessment 172, Group Exercise 173, Ethical Dilemma 174

CHAPTER 6
Strategic Management: How Star Managers Realize a Grand Design 176

6.1 The Dynamics of Strategic Planning 178
Strategy, Strategic Management, & Strategic Planning: What They Are, Why They're Important 179
Why Strategic Management & Strategic Planning Are Important 179
Does Strategic Management Work for Small as Well as Large Firms? 181

6.2 The Strategic-Management Process 182
The Five Steps of the Strategic-Management Process 183

6.3 Establishing the Grand Strategy 188
SWOT Analysis 188
Forecasting: Predicting the Future 190

6.4 Formulating Strategy 192
Porter's Four Competitive Strategies 192
The Product Life Cycle: Different Stages Require *Different Strategies 194*

6.5 Carrying Out & Controlling Strategy 196
The Balanced Scorecard 196
Measurement Management 198
The Feedback Loop 199

Learning Portfolio
Key Terms Used in This Chapter 200, *Summary* 200, Management in Action 202, Take It to the Net 204, Self-Assessment 204, Group Exercise 206, Ethical Dilemma 207

CHAPTER 7
Individual & Group Decision Making: How Managers Make Things *Happen 208*

7.1 The Nature of Decision Making 210
Decision Making Defined 210
Types of Decisions: Programmed versus Nonprogrammed 211
General Decision-Making Styles: Directive, Analytical, Conceptual, Behavioral 212

7.2 Two Kinds of Decision Making: Rational & Nonrational 214
Rational Decision Making: Managers Should Make Logical & Optimum Decisions 214
Nonrational Decision Making: Managers Find It Difficult to Make Optimum Decisions 215

7.3 Solving Problems & Seizing Opportunities: Making Practical Decisions 218
Stage 1: Identify the Problem or Opportunity—Determining the Actual versus the Desirable 218
Stage 2: Think Up Alternative Solutions—Both the Obvious & the Creative 219
Stage 3: Evaluate Alternatives & Select a Solution—Ethics, Feasibility, & Effectiveness 220
Stage 4: Implement & Evaluate the Solution Chosen 220

7.4 Group Decision Making: How to Work with Others 222
Advantages & Disadvantages of Group Decision Making 222
What Managers Need to Know about Groups & Decision Making 224
Participative Management: Involving Employees in *Decision Making 225*
Group Problem-Solving Techniques: Reaching for Consensus 226
More Group Problem-Solving Techniques 226

7.5 How to Overcome Barriers to Decision Making 228
How Do Individuals Respond to a Decision *Situation? Ineffective & Effective Responses 229*
Four Common Decision-Making Biases: Rules of Thumb, or "Heuristics" 231

Learning Portfolio
Key Terms Used in This Chapter 234, Summary 234, Management in Action 237, Take It to the Net 238, Self-Assessment 238, Group Exercise 240, Ethical Dilemma 241, Video Case 242

Organizing **part four**

CHAPTER 8
Organizational Culture, Structure, & Design: Building Blocks of the Organization 244

8.1 What Kind of Organizational Culture Will You Be Operating In? 246
What Is an Organizational Culture? 246
The Two Levels of Culture: Invisible & Visible 247
The Importance of Culture 248

8.2 What Is an Organization? 250
The Organization: Three Types 250
The Organization Chart 252

8.3 The Major Elements of an Organization 254
1 Common Purpose: The Means for Unifying Members 254
2 Coordinated Effort: Working Together for Common Purpose 254

3 Division of Labor: Work Specialization for Greater Efficiency 254

4 Hierarchy of Authority: The Chain of Command 254

5 Span of Control: Narrow (or Tall) versus Wide (or Flat) 255

6 Authority, Responsibility, & Delegation: Line versus Staff Positions 256

7 Centralization versus Decentralization of Authority 257

8.4 Basic Types of Organizational Structures 258

1 The Simple Structure: For the Small Firm 258

2 The Functional Structure: Grouping by Similar Work Specialties 259

3 The Divisional Structure: Grouping by Similarity of Purpose 260

4 The Conglomerate Structure: Grouping by Industry 261

5 The Hybrid Structure: Functional & Divisional Used within the Same Organization 262

6 The Matrix Structure: A Grid of Functional & Divisional for Two Chains of Command 263

7 The Team-Based Structure: Eliminating Functional Barriers to Solve Problems 264

8 The Network Structure: Connecting a Central Core to Outside Firms by Computer Connections 265

8.5 Contingency Design: Factors in Creating the Best Structure 266

1 The Environment: Mechanistic versus Organic Organizations—the Burns & Stalker Model 267

2 The Environment: Differentiation versus Integration—the Lawrence & Lorsch Model 268

3 Size: The Larger the Organization, the More Mechanistic 269

4 Technology: Small-Batch, Large-Batch, or Continuous-Process—Woodward's Model 269

5 Life Cycle: Four Stages in the Life of an Organization 270

8.6 Toward Building a Learning Organization 272

Why Organizations Might Resist Learning 272

The New Paradigm: "We're All Stakeholders" 273

Learning Portfolio

Key Terms Used in This Chapter 274, Summary 274, Management in Action 276, Self-Assessment 277, Group Exercise 278, Take It to the Net 279, Ethical Dilemma 279

CHAPTER 9

Human Resource Management: Getting the Right People for Managerial Success 280

9.1 Strategic Human Resource Management 282

Human Resource Management: Managing an Organization's Most Important Resource 283

Planning the Human Resources Needed 284

9.2 The Legal Requirements of Human Resource Management 286

1 Labor Relations 286

2 Compensation & Benefits 286

3 Health & Safety 286

4 Equal Employment Opportunity 286

9.3 Recruitment & Selection: Putting the Right People into the Right Jobs 288

Recruitment: How to Attract Qualified Applicants 288

Selection: How to Choose the Best Person for the Job 290

9.4 Orientation, Training, & Development 294

Orientation: Helping Newcomers Learn the Ropes 294

Training & Development: Helping People Perform Better 295

9.5 Performance Appraisal 298

Defining Performance Appraisal 298

Who Should Make Performance Appraisals? 299

Effective Performance Feedback 301

9.6 Managing an Effective Workforce: Compensation & Benefits 302

Wages or Salaries 302

Incentive 302

Benefits 302

9.7 Other Concerns in Managing an Effective Workforce 304

Managing Promotions, Transfers, Disciplining, & Dismissals 304

Maintaining Effective Relationships with Employees 306

Learning Portfolio
Key Terms Used in This Chapter 308, Summary 308, Management in Action 310, Take It to the Net 311, Self-Assessment 312, Group Exercise 314, Ethical Dilemma 315

CHAPTER 10
Organizational Change & Innovation: Life-Long Challenges for the Exceptional Manager 316

10.1 The Nature of Change in Organizations 318
Fundamental Change: What Will You Be Called On to Deal With? 318
Two Types of Change: Reactive versus Proactive 319
The Forces for Change: Outside & Inside the Organization 320
Areas in Which Change Is Often Needed: People, Technology, Structure, & Strategy 322

10.2 The Threat of Change: Managing Employee Fear & Resistance 324
The Degree to Which Employees Fear Change: From Least Threatening to Most Threatening 324
Lewin's Change Model: Unfreezing, Changing, & Refreezing 326
Kotter's Eight Steps for Leading Organizational Change 327

10.3 Organization Development: What It Is, What It Can Do 328
What Can OD Be Used For? 329
Characteristics of OD 329
How OD Works 330
The Effectiveness of OD 331

10.4 Promoting Innovation within the Organization 332
Types of Innovation: Product or Process, Incremental or Radical 332
Four Characteristics of Innovation 334
Celebrating Failure: Cultural & Other Factors Encouraging Innovation 335
How You Can Foster Innovation: Three Steps 336

Learning Portfolio
Key Terms Used in This Chapter 338, Summary 338, Management in Action 340, Take It to the Net 341, Self-Assessment 341, Group Exercise 342, Ethical Dilemma 344, Video Case 345

CHAPTER 11
Managing Individual Differences & Behavior 346

11.1 Values, Attitudes, & Behavior 348
Organizational Behavior: Trying to Explain & Predict Workplace Behavior 348
Values: What Are Your Consistent Beliefs & Feelings about *All* Things? 348
Attitudes: What Are Your Consistent Beliefs & Feelings about *Specific* Things? 349
Behavior: How Values & Attitudes Affect People's Actions & Judgments 351

11.2 Work-Related Attitudes & Behavior Managers Need to Deal With 352
Work-Related Attitudes: Job Satisfaction, Job Involvement, & Organizational Commitment 352
Important Workplace Behaviors 353

11.3 Personality & Individual Behavior 354
The Big Five Personality Dimensions 354
Four Traits Important in Organizations 356

11.4 Perception & Individual Behavior 358
The Four Steps in the Perceptual Process 358
Three Distortions in Perception 359
The Self-Fulfilling Prophecy, or Pygmalion Effect 361
Causal Attributions 362

11.5 Understanding Stress & Individual Behavior 364
What Is Stress? 364
The Sources of Job-Related Stress: Individual Tasks & Roles, Groups, Organizations, & Nonwork Factors 365
The Consequences of Stress 366
Reducing Stressors in the Organization 367

Learning Portfolio
Key Terms Used in This Chapter 368, Summary 368, Management in Action 370, Take It to the Net 371, Self-Assessment 371, Group

CHAPTER 12
Motivating Employees: Achieving Superior Performance in the Workplace 376

12.1 Motivating for Performance 378
Motivation: What It Is, Why It's Important 378
The Three Major Perspectives on Motivation: Overview 379

12.2 Need-Based Perspectives on Employee Motivation 380
Maslow's Hierarchy of Needs Theory: Five Levels of Human Needs 380
Herzberg's Two-Factor Theory: From Dissatisfying Factors to Satisfying Factors 382
McClelland's Acquired Needs Theory: Achievement, Affiliation, & Power 384

12.3 Process Perspectives on Employee Motivation 386
Expectancy Theory: How Much Do You Want & How Likely Are You to Get It? 386
Equity Theory: How Fairly Do You Think You're Being Treated in Relation to Others? 388
Goal-Setting Theory: Objectives Should Be Specific & Challenging but Achievable 390

12.4 Reinforcement Perspectives on Motivation 392
The Four Types of Reinforcement: Positive, Negative, Extinction, & Punishment 392
Using Reinforcement to Motivate Employees 394

12.5 Motivation Through Job Design 396
Fitting Jobs to People 396
The Job Characteristics Model: Five Job Attributes for Better Work Outcomes 397

12.6 Using Compensation & Other Rewards to Motivate 400
Motivation & Compensation 400
Nonmonetary Ways of Motivating Employees 402

Learning Portfolio
Key Terms Used in This Chapter 404, Summary 404, Management in Action 407, Take It to the Net 408, Self-Assessment 408, Group Exercise 409, Ethical Dilemma 411

CHAPTER 13
Groups & Teams: From Conflict to Cooperation 412

13.1 Managing Conflict 414
The Nature of Conflict: Disagreement Is Normal 414
Can Too Little or Too Much Conflict Affect Performance? 415
Seven Causes of Conflict 416
How to Stimulate Constructive Conflict 418

13.2 Teamwork: Cornerstone of Progressive Management 420
More Teamwork: The Change Today's Employees Need to Make 420
Why Teamwork Matters 421

13.3 Groups versus Teams 422
Groups & Teams: How Do They Differ? 422
Formal versus Informal Groups 423
Work Teams for Four Purposes: Advice, Production, Project, & Action 424
Two Types of Teams in Action: Quality Circles Compared with Self-Managed Teams 425

13.4 Stages of Group & Team Development 428
Stage 1: Forming—"Why Are We Here?" 428
Stage 2: Storming—"Why Are We Fighting Over Who Does What & Who's in Charge?" 428
Stage 3: Norming—"Can We Agree on Roles & Work as a Team?" 429
Stage 4: Performing—"Can We Do the Job Properly?" 429
Stage 5: Adjourning—"Can We Help Members Transition Out?" 429

13.5 Building Effective Teams 430
1 Performance Goals & Feedback 430
2 Motivation through Mutual Accountability 431
3 Size: Small Teams or Large Teams? 431
4 Roles: How Team Members Are Expected to Behave 432
5 Norms: Unwritten Rules for Team Members 433
6 Cohesiveness: The Importance of Togetherness 435
7 Groupthink: When Peer Pressure Discourages "Thinking Outside the Box" 435

7 Groupthink: When Peer Pressure Discourages "Thinking Outside the Box" 435

Learning Portfolio
Key Terms Used in This Chapter 438, Summary 438, Management in Action 440, Take It to the Net 441, Self-Assessment 441, Group Exercise 443, Ethical Dilemma 444

CHAPTER 14
Power, Influence, & Leadership: From Becoming a Manager to Becoming a Leader 446

14.1 The Nature of Leadership: Wielding Influence 448
Managers & Leaders: Not Always the Same 448
Five Sources of Power 450
Leadership & Influence: Using Persuasion to Get Your Way at Work 452
Four Approaches to Leadership 453

14.2 Trait Approaches: Do Leaders Have Distinctive Personality Characteristics? 454
Kouzes & Posner's Research: Is Honesty the Top Leadership Trait? 454
Bossidy's Observations: A Working CEO Tells How to Find & Develop Great Leaders 455
Goleman's Concepts of "Emotional Intelligence": Do Moods Make a Leader? 456
Gender Studies: Do Women Have Traits That Make Them Better Leaders 457?

14.3 Behavioral Approaches: Do Leaders Show Distinctive Patterns of Behavior? 458
The University of Michigan Leadership Model & the *Ohio State Leadership Model* 458
Blake & Mouton's *Managerial/Leadership Grid®* Model: Concern for Both Production & People 460

14.4 Contingency Approaches: Does Leadership Vary with the Situation? 462
1 The Contingency Leadership Model: Fiedler's Approach 462
2 The Path-Goal Leadership Model: House's Approach 464
3 The Situational Leadership Theory Model: Hersey & Blanchard's Approach 466

14.5 Emerging Approaches to Help Develop Your Leadership Skills 468
Moving Beyond the Transactional Leader: Motivating People to Perform What's Expected 468
The Charismatic Leader: Motivating People to Perform Above & Beyond What's Expected 469
Servant Leadership: Meeting the Goals of Followers & the Organization, Not of Oneself 471
Leading for Loyalty: Six Principles for Generating Faithful Employees, Customers, & Investors 472

Learning Portfolio
Key Terms Used in This Chapter 474, Summary 474, Management in Action 477, Take It to the Net 478, Self-Assessment 478, Group Exercise 479, Ethical Dilemma 481

CHAPTER 15
Interpersonal & Organizational Communication 482

15.1 The Communication Process: What It Is, How It Works 484
Communication Defined: The Transfer of Information & Understanding 484
How the Communication Process Works 485
Selecting the Right Medium for Effective Communication 486

15.2 Barriers to Communication 488
1 Physical Barriers: Sound, Time, Space, & So On 488
2 Semantic Barriers: When Words Matter 489
3 Personal Barriers: Individual Attributes That Hinder Communication 491
Nonverbal Communication 492
Gender-Related Communication Differences 494

15.3 How Managers Fit into the Communication Process 496
Formal Communication Channels: Up, Down, Sideways, & Outward 496
Informal Communication Channels 498

15.4 Communication in the Information Age 500
Communications Tools of Information Technology: Offspring of the Internet 500
Dealing with Information Overload 503

15.5 Improving Communication Effectiveness 504
Being an Effective Listener 504
Being an Effective Reader 506

Learning Portfolio
Key Terms Used in This Chapter 510, Summary 510, Management in Action 512, Take It to the Net 513, Self-Assessment 514, Group Exercise 516, Ethical Dilemma 518, Video Case 519

part six Control

CHAPTER 16
Control Techniques for Enhancing Organizational Effectiveness 520

16.1 Managing for Productivity 522
What Is Productivity? 523
Why Increasing Productivity Is Important 523

16.2 Control: When Managers Monitor Performance 524
Why Is Control Needed? 525
Steps in the Control Process 526
Types of Control: Feedforward, Concurrent, & Feedback 529

16.3 Levels, Areas, & Styles of Control 530
Levels of Control: Strategic, Tactical, & Operational 530
Areas of Control: Physical, Human, Informational, & Financial 531
Styles of Implementing Controls: Bureaucratic, Market, & Clan 532

16.4 Some Financial Tools for Control 534
Budgets: Formal Financial Projections 534
Financial Statements: Summarizing the Organization's Financial Status 536
Ratio Analysis: Indicators of an Organization's Financial Health 536
Audits: External versus Internal 537

16.5 Total Quality Management 538
Core TQM Principles: Deliver Customer Value & Strive for Continuous Improvement 538
Some TQM Techniques 540

16.6 Managing Control Effectively 544
The Keys to Successful Control 544
Barriers to Control Success 545

Learning Portfolio
Key Terms Used in This Chapter 548, Summary 548, Management in Action 550, Take It to the Net 551, Self-Assessment 552, Group Exercise 553, Ethical Dilemma 555, Video Case 556

appendix a1

chapter notes cn1

glossary g1

credits cr1

name index I1

company & organization index I5

subject index I9