## Contents

### Preface

#### Part One

**Foundations of Management**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Managing and Performing</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Management Connection Manager's Brief</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Managing in the New Competitive Landscape</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Globalization</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Technological Change</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Knowledge Management</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Collaboration across &quot;Boundaries&quot;</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Managing for Competitive Advantage</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Innovation</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Quality</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Speed</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Cost Competitiveness</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Sustainability</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Delivering All Types of Performance</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>The Functions of Management</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Planning: Delivering Strategic Value</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Organizing: Building a Dynamic Organization</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Leading: Mobilizing People</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Controlling: Learning and Changing</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Performing All Four Management Functions</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Management Connection Progress Report</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Key Terms</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Summary of Learning Objectives</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Discussion Questions</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>EXPERIENTIAL EXERCISES</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>CONCLUDING CASE: A New Manager at USA Hospital Supply</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Appendix A: The Evolution of Management</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Key Terms</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Discussion Questions</td>
<td>43</td>
</tr>
<tr>
<td>II</td>
<td>Chapter 2: The External and Internal Environments</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Management Connection Manager's Brief</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>A Look Ahead</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>The Macroevironment</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>The Economy</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Technology</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Laws and Regulations</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Demographics</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>Social Issues</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>The Natural Environment</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>The Competitive Environment</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Competitors</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>New Entrants</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Substitutes and Complements</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>Suppliers</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Customers</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>Management Connection Progress Report</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Environmental Analysis</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>Environmental Scanning</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>Scenario Development</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Forecasting</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Benchmarking</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Responding to the Environment</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Changing the Environment You Are In</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>Influencing Your Environment</td>
<td>68</td>
</tr>
</tbody>
</table>
Adapting to the Environment: Changing Yourself 69
Choosing a Response Approach 71
The Internal Environment of Organizations: Culture and Climate 72
Organization Culture 72
Organizational Climate 77
Management Connection Onward 77
Key Terms 78
Summary of Learning Objectives 79
Discussion Questions 80
EXPERIENTIAL EXERCISES 80
CONCLUDING CASE: Wild Water Gets Soaked 83

Chapter 3
Managerial Decision Making 84
Management Connection Manager’s Brief 85
Characteristics of Managerial Decisions 86
Lack of Structure 87
Uncertainty and Risk 87
Conflict 89
The Stages of Decision Making 89
Identifying and Diagnosing the Problem 89
Generating Alternative Solutions 90
Evaluating Alternatives 91
Management Connection Progress Report 93
Making the Choice 94
Implementing the Decision 95
Evaluating the Decision 96
The Best Decision 96
Barriers to Effective Decision Making 97
Psychological Biases 97
Time Pressures 98
Social Realities 100
Decision Making in Groups 100
Potential Advantages of Using a Group 100
Potential Problems of Using a Group 101
Managing Group Decision Making 102
Leadership Style 102
Constructive Conflict 103
Encouraging Creativity 103
Brainstorming 105
Organizational Decision Making 105
Constraints on Decision Makers 105
Organizational Decision Processes 106
Decision Making in a Crisis 107
Management Connection Onward 109
Key Terms 110
Summary of Learning Objectives 110
Discussion Questions 111
EXPERIENTIAL EXERCISES 111
CONCLUDING CASE: The Wallingford Bowling Center 112
Part One Supporting Case: SSS Software In-Basket Exercise 113

Part Two
Planning: Delivering Strategic Value

Chapter 4
Planning and Strategic Management 126
Management Connection Manager’s Brief 127
An Overview of Planning Fundamentals 128
The Basic Planning Process 128
Levels of Planning 133
Strategic Planning 133
Tactical and Operational Planning 134
Management Connection Progress Report 135
Aligning Tactical, Operational, and Strategic Planning 136
Strategic Planning 138
Step 1: Establishment of Mission, Vision, and Goals 139
Step 2: Analysis of External Opportunities and Threats 141
Step 3: Analysis of Internal Strengths and Weaknesses 143
Step 4: SWOT Analysis and Strategy Formulation 146
Step 5: Strategy Implementation 153
Step 6: Strategic Control 154
Management Connection Onward 155
Key Terms 156
Summary of Learning Objectives 156
Discussion Questions 157
EXPERIENTIAL EXERCISES 157
CONCLUDING CASE: Custom Coffee and Chocolate 162
Part Three
Organizing: Building a Dynamic Organization

Chapter 8
Organization Structure 282
Management Connection Manager’s Brief 283
Fundamentals of Organizing 284
Differentiation 285
Integration 285
The Vertical Structure 287
Authority in Organizations 287
Hierarchical Levels 289
Span of Control 289
Delegation 290
Decentralization 292
The Horizontal Structure 294
The Functional Organization 295
The Divisional Organization 296
The Matrix Organization 299
The Network Organization 302
Management Connection Progress Report 303
Organizational Integration 305
Coordination by Standardization 305
Coordination by Plan 306
Coordination by Mutual Adjustment 306
Coordination and Communication 306
Looking Ahead 309
Management Connection Onward 309
Key Terms 310
Summary of Learning Objectives 310
Discussion Questions 311
EXPERIENTIAL EXERCISES 312
CONCLUDING CASE: Stanley Lynch Investment Group 313

Chapter 9
Organizational Agility 316
Management Connection Manager’s Brief 317
The Responsive Organization 318
Strategy and Organizational Agility 320
Organizing around Core Capabilities 320
Strategic Alliances 321
The Learning Organization 322
The High-Involvement Organization 323
Organizational Size and Agility 324
The Case for Big 324
The Case for Small 325
Being Big and Small 326
Management Connection Progress Report 328
Customers and the Responsive Organization 329
Customer Relationship Management 330
Total Quality and Six Sigma 332
ISO 9001 334
Reengineering 335
Technology and Organizational Agility 336
Types of Technology Configurations 336
Organizing for Flexible Manufacturing 337
Organizing for Speed: Time-Based Competition 340
Final Thoughts on Organizational Agility 343
Management Connection Onward 344
Key Terms 345
Summary of Learning Objectives 345
Discussion Questions 345
EXPERIENTIAL EXERCISES 346
CONCLUDING CASE: DIY Stores 347

Chapter 10
Human Resources Management 350
Management Connection Manager’s Brief 351
Strategic Human Resources Management 352
The HR Planning Process 354
Staffing the Organization 358
Recruitment 358
Selection 359
Management Connection Progress Report 364
Workforce Reductions 365
Developing the Workforce 369
Training and Development 369
Performance Appraisal 372
What Do You Appraise? 372
Who Should Do the Appraisal? 374
How Do You Give Employees Feedback? 375
Designing Reward Systems 376
Pay Decisions 376
Incentive Systems and Variable Pay 378
Chapter 11
Managing the Diverse Workforce 392

Management Connection Manager's Brief 393
Diversity: A Brief History 395
Diversity Today 396

Part Four
Leading: Mobilizing People

Chapter 12
Leadership 430

Management Connection Manager's Brief 431
What Do We Want from Our Leaders? 432
Vision 434
Leading and Managing 435
Leading and Following 436
Power and Leadership 437
Sources of Power 437
Traditional Approaches to Understanding Leadership 439
Leader Traits 439
Management Connection Progress Report 440
Leader Behaviors 441
Situational Approaches to Leadership 444
Contemporary Perspectives on Leadership 451
Charismatic Leadership 451
Transformational Leadership 452
Authenticity 454
Opportunities for Leaders 455
A Note on Courage 456
Developing Your Leadership Skills 457
How Do I Start? 457
What Are the Keys? 458
Management Connection Onward 459
Key Terms 460
Summary of Learning Objectives 460
Discussion Questions 461
EXPERIENTIAL EXERCISES 461
CONCLUDING CASE: The Law Offices of Jeter, Jackson, Guidry, and Boyer 465

Chapter 13
Motivating for Performance 468

Management Connection Manager's Brief 469
Motivating for Performance 470
Setting Goals 471
Part Five
Controlling: Learning and Changing

Chapter 16
Managerial Control 564
Management Connection Manager’s Brief 565
Bureaucratic Control Systems 567
The Control Cycle 568
Approaches to Bureaucratic Control 572
Management Audits 575
Budgetary Controls 576
Financial Controls 579
The Downside of Bureaucratic Control 582
Designing Effective Control Systems 584
Management Connections Progress Report 588
The Other Controls: Markets and Clans 590
Market Control 590
Clan Control: The Role of Empowerment and Culture 592
Management Connection Onward 594
Key Terms 595
Summary of Learning Objectives 595
Discussion Questions 596
EXPERIENTIAL EXERCISES 597
CONCLUDING CASE: The Grizzly Bear Lodge 598

Chapter 17
Managing Technology and Innovation 600
Management Connection Manager’s Brief 601
Technology and Innovation 602
Technology Life Cycle 604
Diffusion of Technological Innovations 605
Technological Innovation in a Competitive Environment 606
Technology Leadership 607
Technology Followership 609
Assessing Technology Needs 610
Measuring Current Technologies 610
Assessing External Technological Trends 611
Key Factors to Consider in Technology Decisions 612
Anticipated Market Receptiveness 612
Technological Feasibility 613
Economic Viability 614
Anticipated Competence Development 616
Organizational Suitability 616
Management Connection Progress Report 617
Sourcing and Acquiring New Technologies 618
Internal Development 619
Purchase 619
Contracted Development 619
Licensing 619
Technology Trading 620
Research Partnerships and Joint Ventures 620
Acquisition of an Owner of the Technology 620
Technology and Managerial Roles 621
Organizing for Innovation 623
Unleashing Creativity 623
Bureaucracy Busting 625
Implementing Development Projects 626
Technology, Job Design, and Human Resources 626
Management Connection Onward 628
Key Terms 628
Summary of Learning Objectives 629
Discussion Questions 629
EXPERIENTIAL EXERCISES 630
CONCLUDING CASE: Worldwide Games 630
Appendix D: Operations Management in the New Economy 632
Key Terms 639
Discussion Questions 639

Chapter 18
Creating and Leading Change 640
Management Connection Manager’s Brief 641
Becoming World Class 642
Sustainable, Great Futures 642
The Tyranny of the Or 643
The Genius of the And 643
Organization Development 644
Achieving Greatness 645