



658.4 KOO/E
CASMTVK Books
138

Harold Koontz
Heinz Weihrich

ESSENTIALS OF MANAGEMENT

An International and Leadership Perspective



Brief Contents

International Perspective: Apple's Global Products	444
International Perspective: Wipro—A Global IT Provider	458
International Perspective: Mobile Phone Services—Global Expansion	460
International Perspective: The Role of the Internet in Global Business	462
International Perspective: Leading the Transformation from Industry 2.0 to Industry 4.0	464
International Perspective: Volkswagen's Tightening Control over Its Global Operations	466
International Perspective: How an Information System Facilitates Operations	485
International Perspective: The Role of the Internet in Global Business	486
International Perspective: Quality Control in Japan	488
International Perspective: Managing Quality for Success	490
International Perspective: Making the Transition from Analog to Digital and Cloud	492
International Perspective: The Internet's Impact on Global Management	494

Chapter 12	504
Leadership Perspective: Google's Governance	504
Leadership Perspective: What Really Is a Good Company?	506
Leadership Perspective: Progress toward Sustainability—How? What? Why?	511

Chapter 13	511
International Perspective: Cross-Cultural Business	511
Leadership Perspective: Google's Approach to Hiring Artists	513
Leadership Perspective: Lack of Upward Communication Can Be Deadly	515
Leadership Perspective: Can a Person Earned of Public Speaking Become the Leader of a Large Publicly Owned Corporation?	517
International Perspective: Country Differences in Export and Import Controls	519
Leadership Perspective: Leaders in the Global Environment Need to Be Multi-lingual	520
Leadership Perspective: Learning from Newsletters	521

Chapter 14	521
International Perspective: Special Considerations in Controlling International Companies	521
International Perspective: Examples of Feedback Systems	523
International Perspective: Planning and Controlling in Group Meetings	525

Chapter 15	525
International Perspective: Planning and Control in Engineering	525
International Perspective: Will China Assume the Role of India as It Develops?	527
International Perspective: ITIS—How Management Information Technology Will Revolutionize the World	529
Leadership Perspective: Pathways—the Product for Difficult Economic Times?	531
International Perspective: LinkedIn's Approach to "Connections"	533

Brief Contents

International Perspective: Google's Governance	504
Leadership Perspective: What Really Is a Good Company?	506
Leadership Perspective: Progress toward Sustainability—How? What? Why?	511
International Perspective: Cross-Cultural Business	511
Leadership Perspective: Google's Approach to Hiring Artists	513
Leadership Perspective: Lack of Upward Communication Can Be Deadly	515
Leadership Perspective: Can a Person Earned of Public Speaking Become the Leader of a Large Publicly Owned Corporation?	517
International Perspective: Country Differences in Export and Import Controls	519
Leadership Perspective: Leaders in the Global Environment Need to Be Multi-lingual	520
Leadership Perspective: Learning from Newsletters	521
Chapter 14	521
International Perspective: Special Considerations in Controlling International Companies	521
International Perspective: Examples of Feedback Systems	523
International Perspective: Planning and Controlling in Group Meetings	525
Chapter 15	525
International Perspective: Planning and Control in Engineering	525
International Perspective: Will China Assume the Role of India as It Develops?	527
International Perspective: ITIS—How Management Information Technology Will Revolutionize the World	529
Leadership Perspective: Pathways—the Product for Difficult Economic Times?	531
International Perspective: LinkedIn's Approach to "Connections"	533

Brief Contents

About the Authors	v
Preface	ix
List of Figures	xiii
List of Tables	xvii
List of Perspectives	xix

PART 1: THE BASIS OF GLOBAL MANAGEMENT THEORY AND PRACTICE

1. Management: Science, Theory, and Practice	2
2. Management and Society: The External Environment, Social Responsibility, and Ethics	36
3. Global, Comparative, and Quality Management	59

PART 2: PLANNING

4. Essentials of Planning and Managing by Objectives	92
5. Strategies, Policies, and Planning Premises	113
6. Decision-Making	135

Part 2 Closing: Major Principles or Guides for the Managerial Function of Planning 156

PART 3: ORGANIZING

7. The Nature of Organizing, Entrepreneurship, and Reengineering	160
8. Organization Structure: Departmentation	178
9. Line/Staff Authority, Empowerment, and Decentralization	194
10. Effective Organizing and Organization Culture	208

Part 3 Closing: Major Principles or Guides for the Managerial Function of Organizing 224

PART 4: STAFFING

11. Human Resource Management and Selection	228
12. Performance Appraisal and Career Strategy	260

13. Managing Change through Manager and Organization Development	285
<i>Part 4 Closing: Major Principles or Guides for the Managerial Function of Staffing</i>	<i>308</i>

PART 5: LEADING

14. Human Factors and Motivation	312
15. Leadership	338
16. Committees, Teams, and Group Decision-Making	363
17. Communication	379

<i>Part 5 Closing: Major Principles or Guides for the Managerial Function of Leading</i>	<i>402</i>
--	------------

PART 6: CONTROLLING

18. The System and Process of Controlling	406
19. Control Techniques and Information Technology	429
20. Productivity, Operations Management, and Total Quality Management	457

<i>Part 6 Closing: Major Principles or Guides for the Managerial Functions of Controlling</i>	<i>479</i>
---	------------

Name Index	483
Product and Organization Index	487
Subject Index	491

Contents

<i>About the Authors</i>	v
<i>Preface</i>	ix
<i>List of Figures</i>	xiii
<i>List of Tables</i>	xvii
<i>List of Perspectives</i>	xix

PART 1: THE BASIS OF GLOBAL MANAGEMENT THEORY AND PRACTICE

1. Management: Science, Theory, and Practice	2
Definition of Management: Its Nature and Purpose	3
Managing: Science or Art?	10
The Evolution of Management Thought	10
Patterns of Management Analysis: A Management Theory Jungle	15
The Systems Approach to the Management Process	21
The Functions of Managers	26
The Systems Model of Management and the Organization of this Book	28
Summary	29
Key Ideas and Concepts for Review	29
For Discussion	30
Exercises/Action Steps	30
Internet Research	30
International Case: Apple's iPad 2—The Tablet to Beat?	31
Legends	33
References	33
2. Management and Society: The External Environment, Social Responsibility, and Ethics	36
Operating in a Pluralistic Society	38
The Technological Environment	38
The Ecological Environment	39
The Social Responsibility of Managers	41
Ethics in Managing: An Integrative Approach	46
Trust as the Basis for Change Management	53
Summary	53
Key Ideas and Concepts for Review	54
For Discussion	54

Exercises/Action Steps 54
Internet Research 55
International Case: Spirituality in the Workplace 55
References 56

3. Global, Comparative, and Quality Management 59
 International Management and Multinational Corporations 59
 Country Alliances and Economic Blocs 66
 International Management: Cultural and Country Differences 69
 Porter's Competitive Advantage of Nations 77
 Gaining a Global Competitive Advantage through Quality Management 78
Summary 83
Key Ideas and Concepts for Review 83
For Discussion 84
Exercise/Action Steps 84
Internet Research 84
Leadership Case: Starbucks—The Leadership of Howard Schultz 85
References 86

PART 2: PLANNING

4. Essentials of Planning and Managing by Objectives 92
 Types of Plans 93
 Steps in Planning 96
 Objectives 101
 Evolving Concepts in Management by Objectives 106
Summary 109
Key Ideas and Concepts for Review 109
For Discussion 110
Exercise/Action Steps 110
Internet Research 110
International Case: Developing Verifiable Goals 111
References 111

5. Strategies, Policies, and Planning Premises 113
 The Nature and Purpose of Strategies and Policies 114
 The Strategic Planning Process 115
 The TOWS Matrix: A Modern Tool for Analysis of the Situation 119
 Blue Ocean Strategy: In Pursuit of Opportunities in Uncontested Markets 122
 The Portfolio Matrix: A Tool for Allocating Resources 124
 Major Kinds of Strategies and Policies 125
 Hierarchy of Company Strategies 127
 Porter's Industry Analysis and Generic Competitive Strategies 127
 Premising and Forecasting 129
Summary 130
Key Ideas and Concepts for Review 131
For Discussion 131

Exercises/Action Steps 131
Internet Research 132
International Case: TATA's \$2,500 People's Car is Here 132
References 132

6. Decision-Making 135
 The Importance and Limitations of Rational Decision-Making 135
 Development of Alternatives and the Limiting Factor 137
 Evaluation of Alternatives 138
 Selecting an Alternative: Three Approaches 140
 Programmed and Non-programmed Decisions 143
 Decision-Making under Certainty, Uncertainty, and Risk 144
 Creativity and Innovation 147
Summary 151
Key Ideas and Concepts for Review 152
For Discussion 152
Exercise/Action Steps 152
Internet Research 153
International Case: Carrefour—Which Way to Go? 153
References 153

Part 2 Closing: Major Principles or Guides for the Managerial Function of Planning 156

PART 3: ORGANIZING

7. The Nature of Organizing, Entrepreneurship, and Reengineering 160
 Formal and Informal Organization 161
 Organizational Division: The Department 162
 Organizational Levels and the Span of Management 163
 An Organizational Environment for Entrepreneurship and Intrapreneuring 166
 Reengineering the Organization 169
 The Structure and Process of Organizing 172
 Basic Questions for Effective Organizing 173
Summary 173
Key Ideas and Concepts for Review 174
For Discussion 174
Exercises/Action Steps 175
Internet Research 175
International Case: Reengineering the Business Process at Proctor & Gamble 175
References 176

8. Organization Structure: Departmentation 178
 Departmentation by Enterprise Function 178
 Departmentation by Territory or Geography 179
 Departmentation by Customer Group 181
 Departmentation by Product 182
 Matrix Organization 184
 Strategic Business Units 185

Organization Structures for the Global Environment 187
 The Virtual Organization 188
 The Boundaryless Organization 188
 Choosing the Pattern of Departmentation 189
 Summary 190
 Key Ideas and Concepts for Review 191
 For Discussion 191
 Exercises/Action Steps 191
 Internet Research 192
 International Case: GM—General Motors, Generous Motors, Government Motors 192
 References 193

9. Line/Staff Authority, Empowerment, and Decentralization 194
 Authority and Power 194
 Empowerment 195
 Line/Staff Concepts and Functional Authority 196
 Decentralization of Authority 198
 Delegation of Authority 199
 The Art of Delegation 199
 Recentralization of Authority and Balance as the Key to Decentralization 201
 Summary 202
 Key Ideas and Concepts for Review 203
 For Discussion 203
 Exercises/Action Steps 203
 Internet Research 204
 International Case: How the Lexus Was Born—and Continued Its Success in the United States, but will Lexus Succeed in Japan? 204
 References 206

10. Effective Organizing and Organization Culture 208
 Avoiding Mistakes in Organizing by Planning 208
 Avoiding Organizational Inflexibility 209
 Making Staff Work Effective 210
 Avoiding Conflict by Clarification 212
 Ensuring Understanding of Organizing 215
 Promoting an Appropriate Organization Culture 216
 Summary 220
 Key Ideas and Concepts for Review 221
 For Discussion 221
 Exercise/Action Steps 221
 Internet Research 221
 International Case: Restructuring at Korea's Daewoo 222
 References 223

Part 3 Closing: Major Principles or Guides for the Managerial Function of Organizing 224

PART 4: STAFFING

11. Human Resource Management and Selection 228
 Definition of Staffing 229
 The Systems Approach to Human Resource Management:
 An Overview of the Staffing Function 229
 Situational Factors Affecting Staffing 235
 Selection: Matching the Person with the Job 241
 The Systems Approach to Selection: An Overview 241
 Position Requirements and Job Design 243
 Skills and Personal Characteristics Needed in Managers 245
 Matching Qualifications with Position Requirements 247
 Selection Process, Techniques, and Instruments 248
 Orienting and Socializing New Employees 253
 Managing Human Resources While Moving Toward 2020 254
 Summary 255
 Key Ideas and Concepts for Review 255
 For Discussion 256
 Exercises/Action Steps 256
 Internet Research 257
 International Case: Recruiting Talents at Infosys 257
 References 258

12. Performance Appraisal and Career Strategy 260
 Choosing Appraisal Criteria 261
 Appraising Managers against Verifiable Objectives 261
 Appraising Managers as Managers: A Suggested Program 266
 A Team Evaluation Approach 268
 Application of Performance Review Software 269
 Rewards and Stress of Managing 269
 Formulating the Career Strategy 273
 Summary 279
 Key Ideas and Concepts for Review 279
 For Discussion 279
 Exercises/Action Steps 280
 Internet Research 280
 Global Car Industry Case: Career Paths of CEOs at Toyota, Volkswagen (VW), Ford, and General Motors (GM) 280
 References 282

13. Managing Change through Manager and Organization Development 285
 Manager Development Process and Training 286
 Approaches to Manager Development: On-the-Job Training 289
 Approaches to Manager Development: Internal and External Training 291
 Evaluation and Relevance of Training Programs 295
 Managing Change 296
 Organizational Conflict 298

Organization Development 299
 The Learning Organization 301
 Summary 303
 Key Ideas and Concepts for Review 303
 For Discussion 304
 Exercises/Action Steps 304
 Internet Research 304
 Leadership Case: Jack Welch Leading Organizational Change at GE 304
 References 306

Part 4 Closing: Major Principles or Guides for the Managerial Function of Staffing 308

PART 5: LEADING

14. Human Factors and Motivation 312
 Human Factors in Managing 313
 Motivation 314
 An Early Behavioral Model: McGregor's Theory X and Theory Y 315
 Maslow's Hierarchy of Needs Theory 317
 Alderfer's ERG Theory 318
 Herzberg's Motivation-Hygiene Theory 319
 The Expectancy Theory of Motivation 320
 Equity Theory 322
 Goal Setting Theory of Motivation 323
 Skinner's Reinforcement Theory 324
 McClelland's Needs Theory of Motivation 325
 Special Motivational Techniques 326
 Job Enrichment 330
 A Systems and Contingency Approach to Motivation 332
 Summary 332
 Key Ideas and Concepts for Review 333
 For Discussion 334
 Exercises/Action Steps 334
 Internet Research 334
 International Case: Managing the Hewlett-Packard Way—Will It Continue? 335
 References 335

15. Leadership 338
 Defining Leadership 339
 Ingredients of Leadership 340
 Trait Approaches to Leadership 341
 Charismatic Leadership Approach 342
 Leadership Behavior and Styles 343
 Situational or Contingency Approaches to Leadership 349
 Transactional and Transformational Leadership 354

Summary 356
 Key Ideas and Concepts for Review 356
 For Discussion 357
 Exercises/Action Steps 357
 Internet Research 358
 Leadership Case: Profiles of Two Visionaries—Bill Gates and Steve Jobs 358
 References 360

16. Committees, Teams, and Group Decision-Making 363

The Nature of Committees and Groups 363
 Reasons for Using Committees and Groups 365
 Disadvantages and Misuse of Committees 367
 Successful Operation of Committees and Groups 368
 Additional Group Concepts 370
 Teams 372
 Conflict in Committees, Groups, and Teams 374
 Summary 374
 Key Ideas and Concepts for Review 374
 For Discussion 375
 Exercises/Action Steps 375
 Internet Research 376
 Leadership Case: Could the Challenger Accident Have Been Avoided? 376
 References 377

17. Communication 379

The Purpose of Communication 379
 The Communication Process 380
 Communication in the Organization 383
 Barriers and Breakdowns in Communication 388
 Toward Effective Communication 393
 Electronic Media in Communication 396
 Summary 398
 Key Ideas and Concepts for Review 399
 For Discussion 399
 Exercises/Action Steps 399
 Internet Research 400
 Leadership Case: Transformational Communication by American Presidents 400
 References 400

Part 5 Closing: Major Principles or Guides for the Managerial Function of Leading 402

PART 6: CONTROLLING

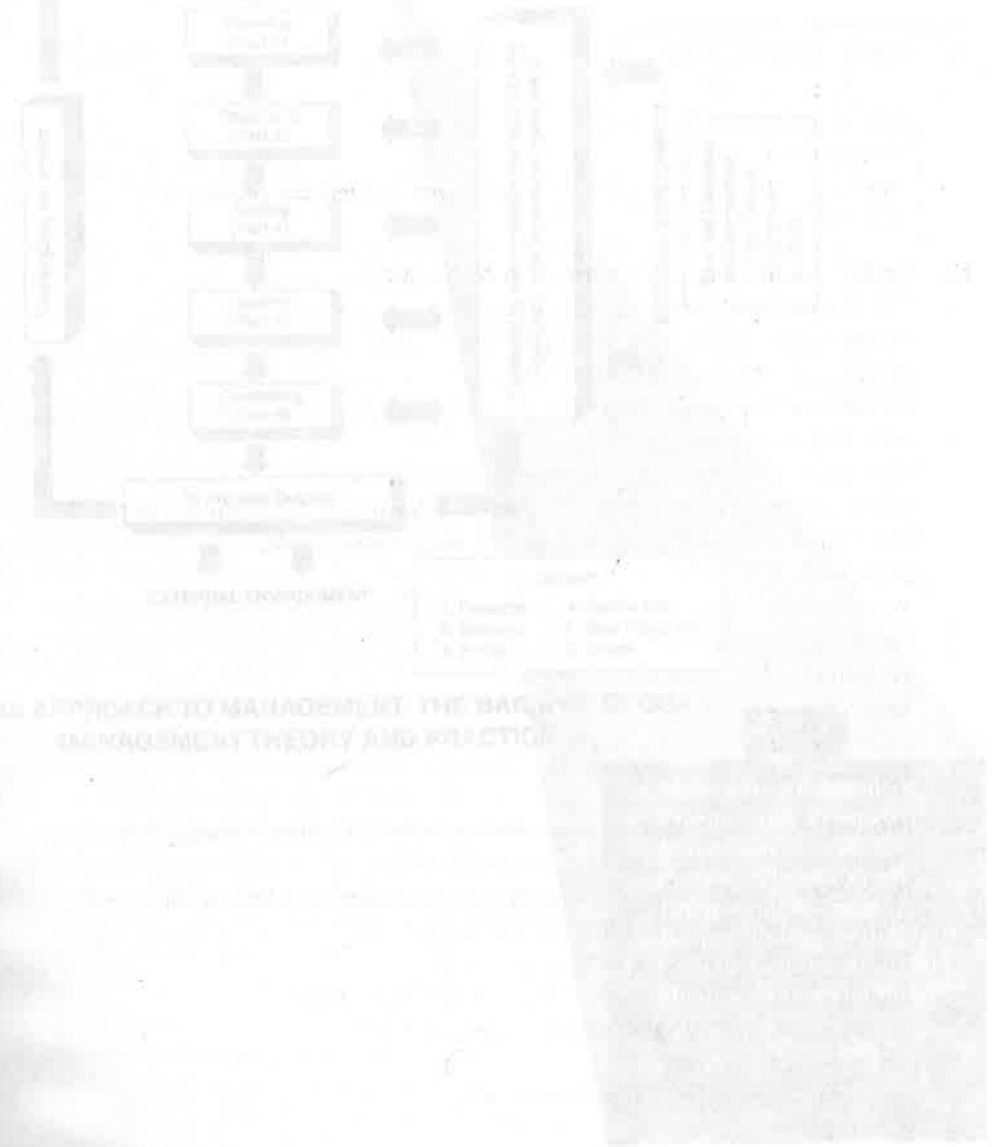
18. The System and Process of Controlling 406
 The Basic Control Process 406
 Critical Control Points, Standards, and Benchmarking 408

Organization Structure	412
The Virtual Organization	413
The Boundaries of the Organization	417
Choosing an Organization Structure	418
Summary	418
Key Ideas and Concepts for Review	418
For Discussion	420
Exercises/Action Steps	420
Internet Research	420
International Case: Wal-Mart in America and around the Globe	423
References	423
19. Control Techniques and Information Technology	429
The Budget as a Control Device	429
Traditional Nonbudgetary Control Devices	430
Time-Event Network Analyses	431
Analytics in Managing	435
Information Technology	435
The Use of Computers in Handling Information	438
Opportunities and Challenges Created by Information Technology	441
The Digital Economy, e-Commerce, and m-Commerce	447
Summary	451
Key Ideas and Concepts for Review	452
For Discussion	453
Exercises/Action Steps	453
Internet Research	453
International Case: Amazon.com—America's Biggest Online Retailer	453
References	454
20. Productivity, Operations Management, and Total Quality Management	457
Productivity Problems and Measurement	457
Production and Operations Management: Manufacturing and Service	459
Quality Measurement in the Information Age	460
The Operations Management System	460
Tools and Techniques for Improving Productivity	466
Supply Chain and Value Chain Management	474
Summary	475
Key Ideas and Concepts for Review	476
For Discussion	476

Exercises/Action Steps	477
Internet Research	477
International Case: Which Future Car Do You Want?	477
References	478

Part 6 Closing: Major Principles or Guides for the Managerial Functions of Controlling 479

Name Index	483
Product and Organization Index	487
Subject Index	491



to do with recognizing the points to be watched, while the exception principle is concerned with watching the size of deviations at these points.

C12. *Principle of flexibility of controls.* If controls are to remain effective despite failure or unforeseen changes of plans, flexibility is required in their design.

C13. *Principle of action.* Control is justified only if indicated or actual deviations from plans are corrected through appropriate planning, organizing, staffing, and leading.

According to the flexibility principle, controls must not be so inflexibly tied in with a plan as to be useless if the entire plan fails or is suddenly changed. Note that this principle applies to failure of plans, not failure of people operating under plans.

There are instances in practice in which this simple truth is forgotten: control is a wasteful use of managerial and staff time unless it is followed by action, as the principle of action stresses. If deviations are found in actual or projected performance, action is indicated, in the form of either redrawing plans or making additional plans to get back on course. The situation may call for reorganization. It may require replacing subordinates or training them to do the task required or it may indicate that the fault is a lack of direction and leadership in getting a subordinate to understand the plans or in motivating him or her to accomplish them. In any case, action is implied.



Name Index

Pxxx Page numbers prefixed by the alphabet 'P' indicates that the corresponding entry appears in a Perspective.
Fxxx Page numbers prefixed by the alphabet 'F' indicates that the corresponding entry appears in a Figure.
Txxx Page numbers prefixed by the alphabet 'T' indicates that the corresponding entry appears in a Table.
Cxxx Page numbers prefixed by the alphabet 'C' indicates that the corresponding entry appears in a Case.

- Adams, J. Stacy, 335
- Adler, Nancy J., 401
- Akio Toyoda, 280
- Alan, Rugman M., 34
- Alan Mulally, 234, 280
- Alderfer, Clayton P., 318, 336
- Alfred Sloan, 147
- Anderson, Joseph V., 154
- Aquilano, Nicholas J., 478
- Aranda, Eileen, 377
- Argyris, Chris, 206
- Armstrong, Arthur, 454
- Arthur Andersen, 419
- Asch, S. E., P371
- Azim H. Premji, 64

- Bailey, Jeff, 206
- Barak Obama, 44
- Barker, J. R., 377
- Barnard, Chester I., T11, 176
- Barsoux, Jean-Louis, 88
- Bean, L. L., 301
- Behar, Richard, 401
- Belardo, Anthony, W., 57
- Belardo, Salvatore, 57
- Bell, Arthur H., 401
- Berkowitz, L., 336
- Blake, Robert R., T11, 347
- Bowen, Howard R., 56
- Brady, Diane, 306
- Brenner, Steven, M., 57
- Brockmann, Erich, 377
- Broida Judith, K., 193
- Bronstein, Howard, 377
- Brown, Eryn, 223, 401
- Burger King, 32

- Burke Charles, J., 428
- Bussgang, Jeffrey J., 454
- Byrne, John A., 57

- Cahan, Vicky, 337
- Calori Roland, 88
- Camp, Robert, C. 427
- Campion, Michael, A., 283
- Capwell, D., 336
- Carlos Ghosn, 62
- Cascio, Wayne, F., 133, 378
- Caston, Art, 401
- Caudron, S., 206
- Champy, James, 170, 177
- Chase, Richard B., 478
- Chemers, Martin M., 361
- Chen, Melton, 282
- Chesbrough, W. Henry, 193
- Chew Bruce, W., 457
- Clayton Joy, 401
- Cohen Susan, G., 377
- Cosier, Richard A., 336
- Cothrel Joseph, 454
- Cox Taylor, 223
- Crandall, Robert L. (American Airlines), 456

- Dale, Ernest, T11
- Dalton, Dan R., 336
- Dangdang, C453
- Daniel F. Akerson, 280
- Danneels, Erwin, 478
- David, Fred R., 132
- David Axelrod, 6
- David Packard, 53
- Davis, Keith, T11, 13, 56, 401
- Dawley, Heidi, 35

Dean, James W., 206
 Delbecq, Andre L., 58, 223
 Demarie, Samuel, M., 377
 Deming, Edward W., T11
 Deng Xiaoping, 45
 Dess, Gregory, G., 193
 Donaldson Brown, 147
 Donnellon, Ann, 377
 Drucker, Peter F., T12, 14, 34, 56, 112, 168, 176, 455
 Dumaine, Brian, 177
 Dutour, Bruno, 88

Eccles, Tony, 206
 Écoles, 70
 Einhorn, Bruce, 223
 Elliott, Robert Allinson, 401
 Elmer-DeWitt, Philip, 361
 Elsass Pricilla M., 401
 Ernest M. Von Simson, 206
 Evans James, R., 206

Fayol, Henri, T10, 11
 Feeny, David, F., 428
 Fiedler, Fred E., 361
 Filley, Alan C., 361
 Follett, Mary Parker, T11
 Ford, Robert C., 206
 Fottler Myron, D., 206
 Frank Blake, 6
 Frederick, William C., 56
 French, John R. P. Jr., 206
 Frost, Peter J., 56
 Fry, Art, P169

Galpin, Timothy, J., 306
 Gantt, Henry L., T10
 Garvin David, 301
 Gates, Bill, 4
 Ghorpade, Jai, 282
 Gilbreths, T10
 Glaberson, William B., 337
 Gorman, Phillip, 133
 Grant, Linda, 88
 Greg, Bruns, 35
 Grutchfeild Richard, S., 377
 Guzzardi, Walter, 337

Hackman, Richard J. 336
 Hagel, John, 454
 Hall, Douglas T., 318, 337
 Hall, Raymond, 248, 258
 Hamel, Gary, 132
 Hammer, Michael, 170, 193
 Handrickson, Anthony R., 377
 Handy, Charles, 193
 Hatfield, John D., 336

Heenan, David B., 86
 Henderson, Bruce D., 133
 Herzberg, Frederick, T11, 309, 310, 331, 336
 Hitt, Michael A., 32
 Hodgetts, Richard M., 33
 Horner, Larne Tone, 193
 House, Robert J., 353
 Huseman, Richard C., 336
 Hutton, E. F., 385

Iacocca, Lee, P292, 340
 Inkpen, Andrew, C., 133
 Issacson Walter, 361

Jack Grubman, 46
 Jack Welch, 459, 468
 Jeroen Van Der Veer, 6
 Jim Sinegal, 6
 Jobs, Steve, C358
 Jones, Dancel, T., 478
 Juran, Joseph M., 14

Kahn, Robert L., 401
 Kao, John, 151
 Kaplan, Robert S., 428
 Katz, Robert L., 33
 Katzenbach Jon, R. 377
 Kelleher, Herbert, P261
 Kerr, Steven, 271
 Khermouch, Gerry, 132
 Kleiner, Art, 307
 Koontz, Harold, T11, 35, 361
 Kotter, John, P., P167, 176, 206
 Krech, David, 377
 Krietner, Robert, 337
 Krishnan, M. S., 478
 Krough, Lester C., 176

Laeity Mary, C., 428
 Land, Edwin H., 219
 Landerman, Jeffrey M., 337
 Laura Arrillaga-Andreessen, 42
 Lawler, Edward E., III, 318, 321, 336
 Lawrence, Anne T., 56
 Lawrence, Peter, 88
 Lee, Kun-Hee, 114, P115
 Levine, Jonathan B., 337
 Levinson, Harry, 283
 Lewin, Kurt, 306
 Likert, Rensis, T11
 Lipman, Bluman, Jean, 377
 Lorsch, Jay W., 317, 336
 Louis Gerstner, 144
 Luthans, Fred, 337

Mahar, Linda, 361
 Malos, Stanley, B., 283
 Mankin Don, 377
 Manmohan Singh, 68
 Marc Andreessen, 42, 166
 March, James G., 153
 Marisa Bellisario, 189
 Mark Hurd, 6
 Maroney, Tyler, 456
 Martin Michael, 456
 Martin Winterkorn, 280
 Maslow, Abraham H., T10, 309, 317-318
 Mausner, Bernard, 336
 Mayo, Elton, T11, 11, 34
 McCarthy Daniel, J., 306, 478
 McClelland, David C., 325, 337
 McDonald's, 30
 McGregor, Douglas, T11, 316, 336
 McLaughlin, Kevin, 193
 Miles, Edward W., 336
 Miller J. D., 401
 Miner, John B., 56
 Mintzberg, Henry, 15, 133, 478
 Mitchell, Terence R., 361
 Mitchell, Vance F., 56
 Morse, John J., 317, 336
 Morton Thiokol, 51, 406
 Mother Teresa, 220
 Mouton, Jane S., 346
 Muley Paul, W., 401
 Munsterberg, Hugo, T11

Nadler, David A., 336
 Nahavandi, Afsaneh, 377
 Naisbett, John, 442
 Narayana Murthy, 42
 Natemeyer, Walter E., 206
 Newstrom, John W., 401
 Nocera, David Joseph, 258
 Nord Walter R., 56
 Norton David P., 428
 Nougaim, Khalil, 318, 336

Odiorne, George, P316
 Orsburn Jack, D., 307
 Osborn, Alex F., 149, 154
 Ouchi, William G., T11, 14
 O'Donnell, Cyril, 361
 Paluszek, John L., 56
 Pareto, Vilfredo, T11
 Penney, J. C., 474
 Perlmutter, Howard V., 86
 Peter Laurence J., T11, 13, 248, 258
 Peters, Thomas J., T11, 13, 33, 213

Peterson, Robert A., 336
 Phatak, Aravind, V., 258, 401
 Phillips, Nicola, 377
 Pinchot, Gifford, III, 183
 Pollock, Timothy, 133
 Porter, Lyman W., 321, 336
 Porter, Michael E., 88, 133, 478
 Post, James, 56
 Power, Christopher, 337
 Prahlad, C. K., 132, 187, 193, 468
 Priem Richard, L., 193
 Procter, William Cooper, 219
 Puffer, Sheila M., 306

Quinn, James Brian, 133, 478

Rajendra Prasad, 220
 Ramaswamy, Venkatram, 193
 Rasheed, Abdul, 193
 Ray, Darrel, 377
 Richard, Ross B., 307
 Richard R Floersch, 328
 Richard Wagoner Jr., 40
 Robberts, Charlotte, 307
 Robbins, Stever, 401
 Robertson, Tracy Kramer, 132, 206, 223, 283
 Roethlisberger, F. J., T10
 Roos, Daniel, 478
 Roosevelt, Franklin Delano, 349
 Rosener, Judy, B., 361
 Rosenzweig, Philip, 361

Satoru Iwata, 6
 Schein, Edgar H., 307
 Schiller, Zachary, 283
 Scott, Walter Dill, T10
 Selye, Hans, 283
 Senge, Peter, 300
 Serapio, G., 133
 Shaw, Petre, 258
 Shetty, Y. Krishna, 428
 Simon, Herbert A., T10, 136, 153
 Skinner, B. F., 324
 Smart, Tim, 478
 Smith, Bryan, J., 307
 Smith, Douglas, K., 377
 Snyderman, Barbara B., 336
 Solomaon, Marmercharline, 223
 Spar, Debora, 454
 Stein, Nicholas, 258
 Steiner, John, F., 56
 Stenier, George A., T11, 56
 Steve, Lovett, 57
 Stewart, Thomas A., 154, 176
 Stogdill, Ralph M., 342, 360

Strickland, A. J., 132, 206, 223, 283
 Strunk, William, 401
 Sudh* Murthy, 42
 Suttle, Lyod J., 318

Takeo Fukui, 6
 Tannen, Deborah, 401
 Tannenbaum, Robert, 347
 Tapscott, Don, 401
 Taylor, Frederick W., T11
 Teal, Thomas T., 206
 Teece, David, J., 193
 Thomas, Howard, 133
 Thompson, Arthur A., 132, 133, 206, 223, 283
 Toffler, Alvin, 442
 Townsend, Anthony M., 377
 Treybig, Jim, 219
 Tse-tung, Mao, 349
 Tyabji, Hatim, P217

Urwick, Lyndall, T11

Vail, Theodore, 333
 Veiga, John, 401
 Verity, John, 428
 Von Simson, Ernest, 206

Vroom, Victor H., 336

Wagner, Helmut, 257
 Walton, Clarence D., 57
 Wardell, Charles, 377
 Warner, Melanie, 223
 Warrick, D. D., 307
 Waterman, Robert H Jr., T11, 17, 33, 206, 223, 401
 Weber, Max, T10
 Weihrich, Heinz, 88, 133, 306, 361
 Weirs, Gary, 337
 Welch, Jack, 193, 253, 340, P459, 478
 Welles Chris, 337
 Whetten David A., 223
 White, E. B., 401
 Wiley, Carolyn, 283
 Willcocks, Leslie P., 428
 William, Ruth, J., 454
 Williams, Ron, 377
 Wokutch, Richard E., 56
 Womack James, P., 478, 479
 Woodruff, David, 193
 Woolard, 219
 Worthy, Ford S., 112
 Wozniak, Steve, 167



Product and Organization Index

Pxxx Page numbers prefixed by the alphabet 'P' indicates that the corresponding entry appears in a Perspective.
 Fxxx Page numbers prefixed by the alphabet 'F' indicates that the corresponding entry appears in a Figure.
 Txxx Page numbers prefixed by the alphabet 'T' indicates that the corresponding entry appears in a Table.
 Cxxx Page numbers prefixed by the alphabet 'C' indicates that the corresponding entry appears in a Case.

3M, P149

ABB, 218
 ABC, P396
 ABSEL, 294
 Academy of Management, C55
 Acer Inc., P218
 AEG, C192
 Aeon Co., C302
 Alaska Airlines, 451
 Aldi Einkauf, P302
 Alibaba.com, P8
 Amazon, 448
 Amazon.com, 453
 American Airlines (formerly United Airlines), P383, 449, 451
 American Aluminum (ALCOA), 331
 American Online (AOL), 397
 American Telephone and Telegraph (AT&T), 250, C281, 291, 331, 354, 397
 America Online, 397
 Antioch University, C55
 Apple Computer Inc., 3, C132, 167, 168, C357, C358, 359, C444, 468, P475
 Apple's iPad 2, 31
 Apple's iPhone, 444
 Asda, P302
 Asea Brown Boveri India, P8
 ASEAN, 66
 Association for Business Simulation and Experiential Learning (ASBEL), 294

Bajaj Auto Ltd, 62
 Bank of America, P385
 BASF, 292
 BellSouth, 449

Bertelsmann, C499
 Best Western, 451
 Blackboard, 294
 BMW, P100, C204, C470
 Body Shop International, P345
 Boeing, P143, P222, 373
 Boston Consulting Group, 119, 124
 BP (British Petroleum), 63
 British Airways, 450
 Builders Square, 118

Calvin Klein, P222
 Canon, 117
 Capital One, 292
 Cardean University, 294
 Carnegie Mellon University, 294
 Carrefour, 153
 Carrefour SA, P302
 CarShare, P124
 Case Western University, 95
 Caterpillar Company, 117, 128, 218, P222
 CBS, P396
 Chery Automobile Co., 62
 Chevrolet Volt, 40, 145
 Chevron, 63
 Children's Hospital, 270
 Chrysler Corporation, P315, 340, 468, 470
 Cipla Pharmaceuticals, P8
 Circuit City, 294
 Cisco, 253, 295, 443
 Cisco Systems Inc., 3, P254, 449, 451
 Citigroup, 46
 Columbia Business School, P355
 Columbia University, 138, 294
 Compaq, C376
 CompuServe, 443

- ConocoPhillips, 63
 Continental Airlines, 449
 Cornell University, 269
 Costco, C427
 Covisint, 449
 Cray Research Inc, 128
 Cybercash, 444
- Daewoo, P222
 Daimler, P473
 Daimler-Benz, C192, 364
 DaimlerChrysler, 63, 355, 449, 464, 475
 Dayton-Hudson, 72
 Dell Computer, P218, C376, 448, 449
 Delta Airlines, 218, 449, 451
 Department of Defence (DOD), 442
 Designer Depot, 118
 Deutsche Bank, P390
 Disneyland, P146
 Disneyland Paris, P146
 Disney World, P146
 DLF, P8
 DoCoMo, P449
 Dow Chemical, 243
 Dow Corning, P149
 Dragon, Naturally Speaking, 138
 Dreyer's, P85
 Du Pont Company, 94, 218, 219, 418
- Earthlink, 391, 442
 eBay, P65, 449, P454
 Emery Air Freight Corporation, 325
 Enron, 46, 118, 364, 420
 Equal Employment Opportunity Commission, 260
 Ericsson, 449
 Euro Disney, P146
 Euro Park, 147
 European Foundation for Quality Management (EFQM), 82
 European Particle Physics Laboratory, 444
 Expedia, 449, 451
 Exxon, 94, 389
 Exxon Mobil, 63, 65, 201, 389
- Federal Aviation Administration, 137
 Federal Polytechnic School, 45
 Federal Reserve Bank, U.S., 447
 FedEx, 292, P439
 Fiat, P365
 Ford, 65, 447, 448, 449
 Ford Motor Company, 3, 63, 64, P95, 192, 234, 281, P315
 French Renault, 62
 FTAA, 67
- GE Medical Systems, 270
 General Dynamics, P96
 General Electric (GE), 3, P15, 63, 75, 148, P149, 168, 185, 188, 218, 253, 270, C271, C281, 292, 304, C305, 340, P355, 422, 437, 449, 459
 General Motors (GM), P14, 40, 63, 65, 77, 106, 118, 147, 192, C205, 211, 280, 331, 448, 468, C477
 Great Wall, 62
 Grupo Modelo, P417
 GTE Corporation, 170
- Harvard Business School, 151
 Harvard Divinity School, C55
 Hewlett-Packard (HP), 53, 69, 144, 149, C335, C376, C383
 Hindustan Motors, P100
 Hindustan Zinc, P8
 Honda, P100
 Honda Siel Cars, P100
 Hyundai Company, 118
 Hyundai Motor, P99
- IBM, 118, 144, 188, 292, 294, 358
 Indian Center for Encouraging Excellence, C55
 Indian Institute of Management, Bangalore, 64
 Indian Institute of Technology, 64, 68, 343
 Infosys, 42, 234, 257
 Intel, P15, 292
 Internal Revenue Service, P470
 International Business Machines (IBM), 39, 75, P144, P219, C281, 294, C376, 437
 ITALTEL, C76, 189, C281, C349
 ITT, 79
- Jaguar, C205
 JetBlue, 450
 Johnson Controls, 468
- Kaiser Permanente, 441
 Kindle, 454
 KLM Royal Dutch Airlines, 218
 Kmart, 111, C427
 Kodak, 468
 Komatsu, 117
 Kraft Foods, C85
 Kraft General Foods, C85
- La Quinta Inns, 128
 Lexus, C204, 477
 Liebherr, P355
 Lincoln Electric Company, P271, 329
 Logan, 62
 London School of Economics, 294

- Lucent Technologies, 448
- Mahindra & Mahindra Ltd., 62
 Marriott, C85, 450
 Martin Marietta, 79
 Massachusetts Institute of Technology, 472
 Mazda, 65
 McDonald's, C31-33, C55, 292, 293, 421
 McKinsey & Co., F19
 McKinsey, C55, C356
 Mercedes, C204, C464, C477
 Mercedes-Benz, C192, 364, 422
 Merck, P149
 Mercosur, 67
 Merry Maids, C55
 Metro, C427
 Microsoft, 3, 168, 187, 188, C358, 449
 Minnesota Mining & Manufacturing (3M), P149
 Motorola, 422, 449, 470
 MSN (a Microsoft company), 397
- National Aeronautics and Space Administration (NASA), 94, P385, C400
 NBC, P396
 Nestle, C85
 Netscape, 444
 Netscape Communications Corporation, 42, 166
 New United Motor Manufacturing, Inc. (NUMMI), C477
 New York University, 79
 Nike, 467
 Nissan, P105, P106, 449, P471
 Nissan-Renault, P99
 Nissan Motors Co., 62, 145
 Nokia, 420, 449
 Northwest, 449
 NTT DoCoMo, 7
 Nuance Communications, 138
- Occidental Chemical Company, 185
 Open University, 188
 Oracle Inc., P235
 Orbitz.com, 449
 Orient Lines, 294
- Pacific Bell, 442
 Packard Hewlett, 53
 Palm Pilot, 449
 PayLess Drug Stores, 118
 PepsiCo Inc., C85, 397
 Personal Digital Assistants, (PDAs), 449
 Peugeot Citroen, C477
 Pittsburg State University, P275
 Pizza Hut, 32, C55
 PointCast Software, 444
- Polaroid, 219
 Porsche, 128
 Pratt & Whitney, 473
 Presbyterian Medical Center, 468
 Priceline, 448
 PriceWaterhouseCoopers (PWC), C55, P228
 Procter & Gamble (P&G), 52, C86, 175, 219, 331, 468, 470
 Project Gutenberg, 138
 Public Service Company of New Mexico, 372
- Quaker Oats, 52
 Qualcomm, 449
- RAND Corporation, 130
 Renault, P106, C464
 Renault-Nissan, 62
 Renault/Nissan, 449
 Ritz-Carlton Hotel, P196
 Roman Catholic Church, 3
 Royal Dutch Shell, 63
 Rubbermaid, P149
- Saab, 331
 Samsung, 114
 Santa Clara University, C55
 SAP, 292
 Sears, 218
 Securities and Exchange Commission, 52
 Seiyu Ltd., P302
 ServiceMaster, C55
 Shell Group, 63
 Siebel Systems Inc., 450
 Siemens (India), P6
 Siemens, 66
 Silicon Valley, 42
 Singularity University, 293
 Sony, 74
 South Asian Association for Regional Cooperation, 68
 Southwest Airlines, P253, C339, 451
 Standard & Poor's Compustat, P6
 Stanford University, 294
 Starbucks, C32, C85, 171
 Sun Inc., P235
 Sun Microsystems, C376
 Supreme Court, 366
- Taco Bell, C55
 Tandem, 219
 Tata Group, P125, P352
 TATA Motors, 62, P100, C131
 Tata Steel, 75
 Tech Mahindra, P8
 Terminix, C55

Tesla Motors, 145
 Tesla Roadster, 145
 Thrifty Car Rental, 294
 Toyota, 63, C100, 118, C204, 280, C464, 467
 Travelocity, 449, 451
 TruGreen, C55
 Twitter, 266, 440
 Tyco, P364

U.S. Defense Department, P96
 U.S. Department of Defense, 443
 U.S. Federal Government, P49
 U.S. Federal Reserve Board, 447
 U.S. Internal Revenue Service, 294
 U.S. Justice Department, 449
 U.S. Navy, 433
 Union Carbide, P39, 170
 Unitech, P8
 United Airlines, C85, P383
 United Parcel Service Inc. (UPS), P439
 University of Applied Sciences, 292
 University of Bath, C55
 University of California, Los Angeles, 292
 University of Chicago, 294
 University of Denver, C55
 University of Illinois, 167, 444
 University of Maryland, 138
 University of New Haven, C55
 University of Phoenix, 294
 University of Scranton, C55
 University of Southern California, C55
 University of St. Thomas, C55

University of Texas, 167

Volkswagen P100, 355, 390, 408, 463, 464, 475
 Volvo, 331
 VW, P355

Wal-Mart 63, P275, P302, P408, C424, 448, 449, 460, 472, P475
 Waldon Book Company, 118
 Walt Disney, 450
 Watson, 138
 WebCT, 294
 WeCar, P124
 Wells Fargo Bank, C85
 Wendy's, C32
 Western Electric Company, 13
 Westinghouse Hanford Company, 51
 Wikipedia, 138
 WiMax, 446
 Wipro, P64, P342, 343
 Wireless Access Protocol, 449
 Woolworth's, 469
 World Book Encyclopedia, 138
 WorldCom, 46, P364
 World Trade Organization, 8
 World Wide Web, 444

Xerox, 40

Yahoo, 444, C453

Zipcar, 124



Subject Index

Pxxx Page numbers prefixed by the alphabet 'P' indicates that the corresponding entry appears in a Perspective.
Fxxx Page numbers prefixed by the alphabet 'F' indicates that the corresponding entry appears in a Figure.
Txxx Page numbers prefixed by the alphabet 'T' indicates that the corresponding entry appears in a Table.
Cxxx Page numbers prefixed by the alphabet 'C' indicates that the corresponding entry appears in a Case.

Achievement, need for, 325
 Affiliation, need for, 325
 Alternative strategies, 119
 Alternatives:
 cost effectiveness analysis, 140
 evaluating, 138
 marginal analysis, 140
 qualitative factors and, 138-139
 quantitative factors and, 138-139
 selecting from, 140
 bases for, F140
 experience and, 140-141
 experimentation and, 141-142
 research and analysis and F140, 140
 Appraising managers as managers, 266
 Approaches to management, 15
 Assessment centers, 250
 problems in, 251
 Authority:
 decentralization of (see Decentralization of authority)
 defined, 195
 delegation of (see Delegation of authority)
 recentralization of, 201
 understanding relationships, 211
 Autocratic leader, 343, F343

Barriers and breakdowns in communication, 389
 distrust, threat and fear, 391
 impersonal communication, 391
 influence of attitude, 392
 informal overload, 392
 insufficient period for adjustment to change, 392
 in the international environment, 389
 lack of planning, 388
 loss by transmission, 390
 poor listening, 391

poor retention, 391
 premature evaluation, 391
 selective perception, 392
 semantic distortion, 389
 unclarified assumptions, 389
 varying communication patterns, P390

Bases of power, 195
 Behavior modification of motivation, 324
 Behavioral sciences, T11
 Benchmarking, 410
 management, 411
 operational, 411
 strategic, 411
 Bhopal plant in India and Union Carbide, P39
 Blue Ocean Strategy, 122
 Bounded rationality, 136
 Budgets, 93
 concept of, 430
 defined, 430
 quantifying program, F97
 revenue and expense, 430
 types of, 430
 zero-base, 430
 Business ethics, (See also Ethics in managing)
 Business simulation, 294

Career strategy:
 analysis of the environment: threats and opportunities, 275
 consistency testing and, 276
 contingency plans and, F274, 277
 dual career couples and, 278
 formulation of, F274
 implementation of the career plan, 277
 long-range personal and professional goals, 273
 monitoring progress and, 277
 personal profile, 273, F275

- personal strengths and weaknesses and, 275
- short-range career objectives and 276
- strategic career alternatives, *F274*, 276
- strategic choices and, 276
- Case approach to management, 26
- Centralization, 198
 - different kinds of, 198
- Chaebol, 72
- Change:
 - field force theory and, 296
 - manager and organization development and, 296
 - moving an organizational equilibrium, *F297*
 - driving forces, *F297*
 - intervention, *F297*
 - moving or changing *F297*
 - refreezing, *F297*
 - unfreezing, *F297*
 - resistance forces, *F297*
 - resistance to, 297
 - techniques for initiating, 296
- Change management, 52
 - trust as the basis for, 52
- Code of ethics (*See also* Ethics in managing)
- Codetermination, 71
- Coercive power, 195
- Committees:
 - defined, 363
 - disadvantages and misuse of, 367
 - functions and formality of, 364
 - increased complexity of relationships through increase in group size, *F368*
 - nature of, 363
 - plural executive, 364
 - reasons for using, 365
 - avoidance of action, 370
 - consolidation of authority, 367
 - coordination of departments, plans and policies, 366
 - fear of too much authority in a single person, 366
 - group deliberation and judgment, 366
 - motivation through participation, 367
 - representation of interested groups, 366
 - transmission and sharing of information, 367-368
 - successful operation of:
 - authority, 368
 - committees, 368
 - chairperson, 369
 - cost effectiveness, 369
 - membership, 369
 - minutes, 369
 - size, 369
 - subject matter, 369
- Communication:
 - barriers and breakdowns in (*see* Barriers and break-downs in communication)
 - channels of, 381
 - characteristics of managers and, 246
 - computers and, 397-398
 - cross-cultural barriers, 382
 - crosswise, 386
 - departmental levels and, 664
 - downward, *F384*
 - electronic media, in, 396
 - feedback in, 382
 - flow of, 384
 - guidelines for improving, 393
 - information flow in an organization, *F384*
 - diagonal, *F384*
 - downward, *F384*
 - horizontal, *F384*
 - upward, *F384*
 - lack of upward communication can be disastrous, *P385*
 - listening and, 394-395
 - manager's need to know and, 383-384
 - model of, *F381*
 - networking, 397
 - noise, 382
 - non-verbal, 386
 - ombudsperson and, 385
 - oral, 386
 - process of, 380
 - receiver of the message and, 381
 - sender of the message and, 381
 - situational and organizational factors in, 382-383
 - telecommunication, 396-397
 - teleconferencing, 397
 - toward effective communication, 393
 - upward, *F384*, 385
 - use of computers for information handling and networking, 397-398
 - written, 386
- Computer aided design (CAD), 472
- Computer-aided manufacturing (CAM), 432
- Computers:
 - application of, 441
 - challenges created, 441
 - resistance to, 441
 - speech recognition devices, 441-442
 - telecommuting, 442
 - networks, 442-443
- Conceptual skills, 4
- Contingency approach to management, *F22*
- Contingency plans, 277
 - career profile and, 277
- Contingency theory of leadership, 12
 - leader-member relations and, 321-322
 - position power and, 349
 - task structure and, 349
- Control/controlling, *F4*
 - as a feedback system, 411
 - basic process of, 406-407
 - budgets and correction of deviations and, 407

- critical point control and (*see* Critical point control)
- defined, 406
- economy of, 422
- feedback loop of management control, *F412*
- feed forward, (*see* Feed forward control)
- fitting the system to the organizational culture, 422
- flexibility of, 421
- individual managers, 420
- information indigestion, 439
- information technology, 435
 - digital economy, 447
 - E-Commerce, 447
 - M-Commerce, 447
- intelligence services, 447
- tailoring controls to, 420
- management information systems, 436
- measurement of performance and, 407
- objectivity of, 421
- preventive (*see* Preventive control)
- profit and loss (*see* Profit and loss control)
- real-time information and, 412
- requirements for effective, 415
 - achieving economy of controls, 415
 - designing controls to point up exceptions at critical points, 420-421
 - ensuring flexibility of controls, 421
 - establishing controls that lead to corrective action, 422
 - fitting the control system to the organizational culture, 422
 - seeking objectivity of controls, 421
 - tailoring controls to individual managers, 420
 - tailoring controls to plans and positions, 420
- return on investment and (*see* Return on investment (ROI))
- standards and (*see* Standards)
- use of computers, 438
 - mainframe, 438
 - microcomputer, 438
 - minicomputer, 438
- Cooperative special systems approach to management, *F22*
- Coordination, 27
- Coordination of short and long range plans, 101
- Continuous Replenishment Programmed (CRP), *C175*
- Cost effectiveness analysis, 140
 - brainstorming and, 148
 - defined, 140
 - innovation, 147
 - insight and, 147
 - intuition and, 147
 - limitations of traditional group discussion, 147
 - logical formulation and, 147
 - process of, 146
 - unconscious scanning and, 147
- Critical-point control:
 - defined, 409
 - designing controls pointing up exceptions at, 420-421
 - principle of, 409
 - standards and, 409
 - types of critical point standards, 409
 - Culture (*See also* Organizational culture)
 - Customer departmentation, 181-182
 - Customer relationship management, 450-452
- Decentralization of authority:
 - advantages of, *T202*
 - balance as the key to, 201
 - centralization and, 198
 - defined, 198
 - delegation of authority (*see* delegation of authority)
 - limitations of, *T202*
 - nature of, 198
 - philosophy & policy, as a 198
 - bounded rationality, 136
- Decision making:
 - defined, 137
 - development of alternatives and the limiting factor, 137
 - evaluating alternatives (*see* Alternatives evaluating)
 - limiting factor and, 137
 - nature of problems and, *F144*
 - non-programmed, *F144*
 - programmed, *F144*
 - rationality in, 136
 - satisficing in, 136
 - selecting an alternative (*see* Alternatives, selecting from)
 - structured, *F144*
 - unstructured decisions, *F144*
 - under certainty, 144
 - uncertainty and risk, 144
- Decision theory approach to management, *F16*,
- Delegation of authority
 - art of, 199
 - clear delegation to undertake well-defined tasks, 165
 - guides for overcoming weak, 201
 - personal attitudes toward, 199
 - process of, 199
- Delphi Technique, 129
- Departmentation:
 - achieving objectives, the aim, 189
 - by enterprise function, 182
 - by matrix organization (*see* matrix organization)
 - by product, 182
 - by strategic business units, *F186*
 - by territory or geography, *F179*
 - choosing the pattern of, 189
 - customer, 181
 - defined, 179
 - functional, *F180*
 - mixing types of, 190

Design skill, *F5*, 5
 Differentiation strategy, 128
 Dissatisfiers, 309
 Distribution logistics, *F461*

Effectiveness, 3, 8
 Efficiency, 3, 4, 8
 Electronic commerce (E-Commerce) 449
 Empirical approach management, *F16*, 18
 Empowerment, *P196*
 defined, 195
 requirements for effective, 195
 Enterprise profile, 115
 Entrepreneur, 166
 requirements to become an, 167
 Entrepreneurship, 168
 creating an environment for, 166
 innovation and, 168
 Equal Employment Opportunity (EEO) Commission, 7237, 254
 Equity theory of motivation, 322, 323
 Ethics in managing:
 and a model for political
 behavior decisions,
 business ethics, 46
 code of ethics, 48, 49, *P49*
 factors that raise ethical standards, 50
 institutionalizing ethics, 48
 European management model, *P71*
 Exception principle, 421
 Expectancy theory of motivation:
 defined, 320
 expectancy and, 320
 force and, 320
 theory and practice of, 320
 valence and, 320
 Experiential exercises, 294
 Expertness, power of, 195
 External environment:
 ethics (*see Ethics in managing*)
 social responsibility (*see social responsibility of managers*)

Feedback, *F412*
 Feedforward control,
 comparison of simple feedback and feedforward
 systems, *F415*
 feedback versus, 414
 in human systems, 414
 in management, 414
 requirements for, 415
 system for inventory control, *F416*
 techniques of future-directed control, 413
 Field force theory, 296
 Flexible budgets, 388
 Focused strategy, 128
 Forecasting, 128
 environmental, 129

values and areas of forecasting, 129
 with the Delphi technique, 129

Formal organization, *F161*
 Functional authority,
 defined, 197
 delegation of, 199
 Functional departmentation, 178-179

Gantt charts, *T11*
 Geographic departmentation (*see Territorial departmentation*)
 Global corporation, 64
 Globalization, 9
 Goals, 4, (*see also Objectives*)
 Goal attainment, 265
 Grapevine, 239
 Group decision making, 364
 committees, 364
 teams, 363
 Groups in managing:
 characteristics of, 370-373
 group defined, 370
 focus group, 371
 functions and advantages, 372
 norms, 345
 Group behavior approach to management, *F18*

Hawthorne effect, 13
 Hierarchy of needs theory, 317
 questioning the, 318
 two-factor theory compared to, 318
 Human resource accounting, 228
 Human resources management:
 external and internal information sources and,
 232-233
 management inventory, 233
 other aspects of, 234
 staffing and, 234
 systems approach to, 234
 Human skill, 4, *F4*

Informal organization, 161-162
 Information technology, 8
 B2B, 8, 448
 B2C, 448
 C2B, 448
 C2C, 448
 challenges created by, 441
 computers and (*see Computers*)
 electronic commerce (e-commerce), 8
 expanding basic data, 436
 information indigestion, 437
 intelligence services, 437
 internet service (I-mode), 8
 internet, 8
 management information systems, 436
 m-commerce, 8

third generation wireless technology, 8
 wireless commerce, 8

Innovation, 168
 inputs, 9
 and claimants, 22
 composite input, 9
 Intangible factors, 138
 International business:
 illustrated, 61
 nature and purpose of, 60-61
 potentials for conflict, 62-63
 unifying effects, 62
 (*See also Multinational corporations (MNCs)*)
 International management:
 explained, 60
 forms of international business, *F61*
 in France, 70, 71
 in Germany, 71
 in Japan (*see Japanese management*)
 Korean management, 72-73
 multinational corporations (*see multinational corporations*) [MNCs] 63
 nature and purpose of, 60
 potential for conflicts, 62-63
 selected factors in influencing managing in other
 countries, 71
 unifying effects, 62
 Interpersonal behavior approach, *F18*
 Intuition, 140
 Inventory control model, *F466*

Japanese management:
 are Japanese workers happy? *P74-75*
 decision making in Japan, 75
 lifetime employment, 73
 Theory Z and, 75

Job design, 243
 factors influencing, 245
 for individuals and work teams, 244
 managerial skills required by 244
 position requirements and, 243

Job enrichment:
 defined, 331
 limitations of, 331
 making it effective, 332

Joint ventures, 61
 Just-in-time (JIT) inventory system, 467

Leadership:
 approach, 20
 authority and, 340
 behavior and styles, 343
 contingency theory of (*see Contingency theory of leadership*)
 as a continuum, 347
 defined, 339
 Fiedler's model, 352
 flow of influence and, *F343*

followership, 339
 leader behavior, 354
 achievement-oriented leadership, 354
 instrumental leadership, 354
 participative leadership, 354
 supportive leadership, 353
 ingredients of, 340
 power, 340
 fundamental understanding of people, 340
 inspire followers, 340
 management by walking around, *P383*
 managerial grid, 345
 four extreme styles, 347
 grid dimensions, 346
 path-goal approach to, 353
 principle of, 341
 situational approaches to, 349
 styles based on use on authority, 343
 autocratic, *F343*, *F344*
 democratic, *F343*
 styles suggested by Fiedler, 350
 supportive leadership style, 394
 transactional leadership, 355
 transformational leadership, 354
 trait approaches to, 341

Leading, 2, *F4*, 27
 Lean manufacturing, 472-473
 Learning organization, 300
 Legitimate power, 194
 Licensing agreement, 61
 Line and staff authority:
 authority and power, 196
 career goals, *P197*
 functional authority and (*see Functional authority*)
 nature of, 197
 relationships or
 scalar principle and, 196
 staff (*see Staff*)

McClelland's needs theory of motivation, 325
 McKinsey's 7-S framework for management, *F19*, *F22*
 Management:
 approaches to, 15, *F19*, *F21*
 art, 10
 decision roles of, 20
 defined, 3
 effectiveness and, 9
 efficiency and, 9
 ethics and (*see Ethics in managing*)
 fourteen principles of management, *T11*
 functions of (*See also Managerial functions*), 26
 global theory of (*see Global theory of management*)
 informational roles of, 20
 inputs and claimants, 22
 interpersonal roles of, 20
 productivity and, 9
 women in, 236

- Management analysis:
approaches to, 289
- Management by objectives (MBO), 103-109
benefits of, 108
checklist for manager objectives, T106
failure of MBO, 108
guidelines for setting objectives, 106
non-verifiable objectives, T105
qualitative and quantitative objectives, 104
recommendations for improving, 103
systems approach to, F103
verifiable objectives, T105
weaknesses of, 108
- Management by processes:
business process system F172
human system, F172
information handling system, F172
management system, F172
reenergizing the system F172
technology system, F172
transformation process, F172
- Management by walking around (MBWA), P383
- Management contracts, 61
- Management inventory, 233
- Management inventory chart, F231
- Management process approach, 16, F17, 21
- Management science, as an approach to management, 21
- Management theory jungle, 11
- Manager development:
approaches to, 289
business simulations, 294
change and, 296
conference programs, 291
defined, 285
evaluation and transfer, 295
experiential exercises, 294
future needs, 288
management development process and training, 286
next job and, 288
on-the-job training (see On-the-job training)
organizational development (OD) 285, F286
present job, 287
process of, F286
readings, television and video instructions, 293
special training programs, 294-295
training needs analysis, F287
- Managerial functions:
controlling, 3, F4
coordination, 2, F4, 27
leading, F4, 27
organizing, F4, 26
planning, F4, 26
staffing, F4, 27
time spent in carrying out, F4
- Managerial roles approach to management, F19
decision roles, 20
informational roles, 20
interpersonal roles, 20
- Managerial skills, 5, F5
conceptual skill, F5
design skill, F5
human skill, F5
technical skill, F5
and the organizational hierarchy, 4
- Managerial training, (see also Manager development)
- Managerial transformation process, 23
- Managers:
analytical and problem-solving abilities of, 245-246
appraising managers as, 266
communication skills of, 246
desire to manage, 246
developing (see Developing excellent managers)
disillusioned middle managers, P314
empathy of, 246
integrity and honesty, 246
past performance of, 246
performance appraisal of (see Performance appraisal)
Peter principle, 248
recruitment of, 247
rewards and, 269
selection, placement and promotion, 246
stress and, 269
- Management science approach, 16, F17, F22
- Managing 313
human factor in, 313
multiplicity of roles, 313
no average person, 313
the importance of personal dignity, 313-314
consideration of the whole person, 314
science or art? 10.
- Mathematical approach to management, F16
- Matrix organization:
advantages, F184
defined, 184
disadvantages, F184
guidelines for effective, 184
- McDonald's P31-33
- McKinsey's 7-S Framework F19
- Max Weber, T11
- Mobile-Commerce (M-Commerce) 8
- Modern operational management theory, 10
- Motivation, 312
behavior modification theory of, 324
defined, 315
ERG theory, 318
equity theory of, 322
expectancy theory of (see Expectancy theory of motivation)
hierarchy 318
hierarchy of needs theory, 317
questioning the needs hierarchy, 318
job enrichment as (see Job enrichment)

- McClelland's needs theory of motivation, 325
applicability to managers, 326
need for achievement, 325
need for affiliation, 325
need for power, 325
- motivation-hygiene theory, 309
- motivators and, 309
- Porter and Lawler model, 321
implications for practice, 322
- positive reinforcement theory of, 324
rewards, 322
equitable rewards, F323
extrinsic, 322
inequitable rewards, F323
- special techniques of,
money, 327
participation, 329
quality of work life (QWL), 329
job enrichment, 331
systems and contingency approach to, 332
- two-factor theory, 309
dissatisfiers, 309
satisfiers, 309
- Motivation-hygiene theory, 309
- Motivators, 309
- Multinational corporations (MNCs), 63
advantages of, 63
challenges for, 64
ethnocentric outlook, 63
from multinational to global, or transnational corporations, 64-65
geocentric outlook, 63
global corporation, 64
polycentric outlook, 62-63
regiocentric outlook, 63
- Needs hierarchy (see Hierarchy of needs theory)
- Objectives, 92
bottom up approach, F103
goal attainment, 265
hierarchy of, F103
how to set, 104
management by (see Management by objectives (MBO))
multiplicity of, 103
nature of, 104
nonverifiable, T105
organizational hierarchy and, F103
performance appraisal and, 261
quantitative and qualitative, 104
topdown approach, F103
verifiable, 101, T104, 261, 265, 266
- Ombudsperson, 385
- On-the-job training:
"assistant-to" positions, 290
coaching, 289
committees and junior boards, 296
planned progression, 289
temporary promotions, 290
- Operational approach to management, F19, 21, 22
- Operations management, 459-465
defined, 459
examples of, 460
illustrated, F461
information system, 464
operations management systems, F461, 466
controlling operations with emphasis on information systems, 405
operating the system, 463
planning operations, 462
special interest in a product decision 462
product and production decision, 462
systems decision, 463
- Operations research, F461
computer-aided design, 473
computer-aided manufacturing, 473
economic order quantity, 467
inventory planning and control, 466
just-in-time inventory system, 467
lean manufacturing, 473
linear programming, F461
material requirement planning, 467
orientation, 253
quality circle, 469-470
total quality management, 472
value engineering, 469
work simplification, 469
- Organizational charts:
advantages of, 213
limitations of, 213
position descriptions, 214
- Organizational conflict, 298
managing, 298-299
sources of, 298
- Organizational culture:
creating a value based organization, P217
defined, 218
illustrations of, T217
influence of the leader on, 219
- Organizational development (OD):
change and, 296
defined, 299
interventions, 300
process of, 299
organizational diagnosis, F299
- Organizational equilibrium, F297
- Organizational hierarchy:
Organizational inflexibility, 209
avoiding through reorganization, 209-210
need for readjustment and change, 210
- Organizational socialization, 253
- Organizations, 3
defined, 161
entrepreneur, 166
formal, 161

- formal and informal, *F213*
- informal, *F161, 162*
- informational organization, *F213*
- intrapreneur, 166
- levels of (see *Span of management*)
- organization structures for the global environment, 187
- organizational division: the department, 162
- re-engineering the, 168
- virtual organization, 187
- Organizing, 161
 - avoiding conflicts by clarification, 212
 - avoiding mistakes in, 208
 - modification for the human factor, 209
 - planning for the ideal, 208–209
 - basic questions for effective, 173
 - departments and, 162
 - ensuring understanding of:
 - grapevine, 215
 - recognizing the importance of informal organization and the grapevine, 215
 - teaching the nature of organization, 215
 - informal organization and, 161
 - logic of, 172
 - making staff work effective and, 210
 - misconceptions, 172
 - modification for the human factor, 209
 - organizational role, 160
 - process of, *F172*
 - span of management and (see *Span of management*)
 - structure and process of, 172
- Overall cost leadership strategies, 128
- Outputs, 9, 25
- Outsourcing, 467
- Path-goal approach to leadership, 353
- Performance appraisal:
 - in accomplishing goals, 261
 - choosing the criteria, 261
 - management by objectives and, 265
 - as a manager, 261
 - process of, 263, 269
 - suggested program for, 266
 - team evaluation approach, 268
 - using verifiable objectives (see *Verifiable objectives, appraisal using*)
- Peter principle (Peter and Hall), 248
- Planning, 3, 26, 92, 100
 - budgets, 93
 - close relationship of planning and control, 93
 - control and, 93
 - goals, 93
 - major principles of:
 - planning premises, 98
 - management by objectives and, 97, 265, 278, 394
 - objectives, 93
 - policies, 93
 - procedures, 93
 - programs, 93
 - purposes or missions, 93
 - relationship with control illustration, *F93*
 - rules, 93
 - steps in, 96
 - strategies, 93
 - synergy, 94
- Planning premises, 128
 - principle of, 98
- Planning steps:
 - being aware of opportunities, 97
 - determining alternative courses, *F97, 99*
 - developing premises, 98
 - establishing objectives, 97
 - evaluating alternative courses, *F75, 99*
 - formulating derivative plans, 100
 - illustrated, *F97*
 - numberizing plans by budgeting, *F97, 100*
 - selecting a course, *F97, 100*
- Pluralistic society, 38
- Porter and Lawler model of motivation, 321
- Porter's competitive advantage of nations, 77
- Portfolio matrix, 124, *F124*
- Power, 194
 - bases of, 194
 - coercive, 195
 - expertness, 195
 - legitimate, 195
 - referent, 195
 - defined, 194
- Premises (see *Planning premises*)
- proaction, 42
- Procedures, 95
- Product departmentation 182
- Product management, (See also *Operations management*)
- Productivity, 9
 - CAD/CAM and, *F461, 473*
 - defined, 458
 - inventory control model, *F466*
 - just in time, 467
 - lean manufacturing, 472–473
 - outsourcing, 467
 - problems and measurement, 457
 - productivity problems, 457, 458
 - quality circles, 469–470
 - tools and techniques for improving, 466
 - inventory planning and control, 466
 - economic order quantity, 467
 - just in time, 466
 - value engineering, 469
 - total quality management (TQM) 471, 472
 - value engineering and, 469
 - work simplification and, 469
 - (See also *Operations management, operations research*)
- Programs, 93

- Quality circle (QCs), 469
 - in Japan, *P469*
- Quality of Work Life (QWL), 329, *P336*
- Rationality in decision making, 135
 - limited or 'bounded' rationality, 136
- Recentralization of authority, 201
 - defined, 201
- Re-engineering approach, *F17, F22*
 - defined 169
 - key aspects of, 169
- Reinforcement theory of motivation, 324
- Responsibility, 17
- Rewards:
 - extrinsic, *F321*
 - managerial reward systems,
 - of managing, 270
 - pay for performance, 270
 - power of,
 - rules imposed by the outside, *P95–96*
- Satisficing, 136
- Scientific approach (See also *Management science*)
- Scientific management, *T11*
- Selection:
 - analytical and problem solving abilities of managers and, 245–246
 - Equal Employment Opportunity (EEO), *T237*
 - major federal laws governing *T237*
 - external environment and, 236
 - identifying job requirements and, 243
 - information sources, 232–233
 - job design and, 244
 - limitations of, 252
 - matching qualifications with position requirements, 247
 - orientation and, 253–254
 - personal characteristics of managers and, 246
 - personnel actions based on manager supply and demand, *F234*
 - Peter principle and, 248
 - position requirements and job design, 244
 - process of (see *Selection process*)
 - socializing, 253
 - systems approach to, 253
 - illustrated, *F243*
- Selection process:
 - assessment centers and, 250
 - problems in, 251
 - interviews and, 249
 - semi-structured, 249
 - structured, 249
 - unstructured, 249
 - limitations of, 251
 - reliability and, 248
 - tests and, 250
 - intelligence tests, 250
 - personality tests, 250
- proficiency and aptitude tests, 250
- vocational tests, 250
- Self-actualization, 25
- Socialization, 253
- Social responsibility, 41
 - and social responsiveness, 41
 - in pluralistic society, 38
 - of managers, 40
 - reaction or proaction, 41
 - role of government, 43
- Sociotechnical systems approach to management, *F18*
- Span of management:
 - factors determining, 165
 - narrow spans, *T165*
 - wide spans, *T165*
 - need for balance, 165
 - operational-management position: a situational approach, 164
 - organization levels and, 164
 - organizations with narrow and wide spans, *F164*
 - principle of, 163
 - problems with organization levels, 164
- Staff:
 - making staff work effective, 210
 - keeping staff informed, 211
 - making line listen to staff, 211
 - making staff work as a way of organizational life, 212
 - requiring completed staff work, 212
 - understanding authority relationships, 211
 - defined, 229
 - external environment and, 236
 - internal environment and, 239
 - in the international environment, 238
 - host country nationals, 239
 - third country nationals, 239
 - matching the person with the job, 241
 - open competition policy, 240
 - promotion from within, 240
 - responsibility for, 241
 - selection (see *Selection*),
 - situational factors affecting, 235
 - systems approach, 229, *F230, 234*
 - top management support for,
- Standards:
 - benchmarking, 401, 410
 - capital, 409
 - correction of deviation, 407
 - cost, 409
 - critical control points, 409
 - questions for selecting, 409
 - types of, 409
 - establishment of, 407
 - goals as, 410
 - intangible, 410
 - physical, 409
 - program, 409
 - revenue, 409

- stockless production, 467
- strategic control, 410
- strategic alliances, 117
- Strategic business units (SBUs) 185
 - criteria for, 185
 - defined, 185
 - potential problems with, 187
- Strategic planning process, 115
 - alternative strategies, 119
 - contingency planning, 118
 - contingency testing, 118
 - joint ventures, 118
 - liquidation strategy, 118
 - retrenchment strategy, 118
 - strategic alliances, 118
 - enterprise profile, 115
 - evaluation and choice of strategies, 118
 - industry analysis, 115
 - inputs, 115
 - internal environment, 117
 - medium- and short-range planning and implementation, 119
 - mission (purpose), major objectives, 117
 - orientation of executives, values and vision, 117
 - present and future external environment, 117
 - re-engineering of the organization strategies, leadership and control, 119
- Strategic intent, P117
- Strategies:
 - defined, 113
 - differentiation, 128
 - focused, 128
 - hierarchy of company strategies, 127
 - major kinds of, 125
 - marketing, 125
 - overall cost leadership, 128
 - policy and, 113
 - products, 125
 - services, 125
 - tactics and, TOWS matrix and, 121
- Stress:
 - defined, 271
 - effects of, 271
 - physical, 271
 - psychological, 271
- Surplus, 4
- Systems approach to operational management, F17, F22, F24
- communication system, 23
 - described, 21
 - external variables, 25
 - input-output model, F23
 - inputs and claimants, 22
 - managerial transformation process, 23
 - outputs, 25
 - reenergizing the system, 25
- Systems theory, T11
- Team:
 - defined, 364
 - group processes in, 363
 - nature of, 363
 - reasons for using, 365
- Technical skills, 5
- Technology (see information technology)
- Territorial departmentation, 129
- Theory X and Theory Y, 316
- Theory Z, 14
- Time-event network, F461
- Transfer pricing, P408
- Transnational corporations, 64
- Total quality management approach, F19, F22, 471
- TOWS matrix, 121
 - four alternative strategies, 119
 - dynamics of, F121
 - time dimension and, 121
- Two-factor theory of motivation, 309
- Unity of command, principle of, 12
- Utilitarian theory of ethics, 48
- Value engineering, 464
- Verifiable objectives, appraisal using,
 - appraisal process, 262
 - comprehensive reviews and, 263, F264
 - continuous monitoring and, 263
 - progress on periodic reviews and, 263
 - strengths of, 265
 - weaknesses of, 265
- Women in management, 236
- Work simplification, 469
- World Trade Organization, 9
- World Wide Web, 9
- Zero-base budgets, 430
- Zero inventory, 467



ESSENTIALS OF MANAGEMENT

An International and Leadership Perspective



The ninth edition of this well known text continues to integrate theory with practice. As in the previous editions, the systems model serves as the framework and integrates five constituent management functions – Planning, Organizing, Staffing, Leading, and Controlling. This new edition comes with a greater emphasis on leadership while retaining the international view of managing. The readers would find examples from top companies and renowned individuals which would not only help them deliberate upon but explore new vistas in management.

www.mhhe.com/wehrich9e

**Mc
Graw
Hill**
Education | Higher
Education

ISBN-13: 978-1-25-900512-1
ISBN-10: 1-25-900512-7



9 781259 005121