Learning Outcomes

After studying this chapter, you should be able to:

1. Understand how historical forces influence the practice of management.
2. Identify and explain major developments in the history of management thought.
3. Describe the major components of the classical and humanistic management perspectives.
4. Discuss the quantitative perspective and its current use in organizations.
5. Explain the major concepts of systems thinking, the contingency view, and total quality management.
6. Name contemporary management tools and some reasons management trends change over time.
7. Describe the management changes brought about by a technology-driven workplace, including the role of customer relationship management, outsourcing, and supply chain management.

Chapter Outline

Are You a New-Style or an Old-Style Manager?
Management and Organization
Classical Perspective
Scientific Management
Bureaucratic Organizations
Administrative Principles
Humanistic Perspective
Early Advocates
Human Relations Movement
Human Resources Perspective
New Manager Self-Test: Evolution of Style
Behavioral Sciences Approach
Quantitative Perspective
Recent Historical Trends
Systems Thinking
Contingency View
Total Quality Management
Innovative Management Thinking for a Changing World
Contemporary Management Tools
Managing the Technology-Driven Workplace
The Evolution of Management Thinking

Are You a New-Style or an Old-Style Manager?1

The following are various behaviors in which a manager may engage when relating to subordinates. Read each statement carefully and rate each one Mostly True or Mostly False to reflect the extent to which you would use that behavior.

<table>
<thead>
<tr>
<th>Mostly True</th>
<th>Mostly False</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Closely supervise my subordinates in order to get better work from them.</td>
<td></td>
</tr>
<tr>
<td>2. Set the goals and objectives for my subordinates and sell them on the merits of my plans.</td>
<td></td>
</tr>
<tr>
<td>3. Set up controls to ensure that my subordinates are getting the job done.</td>
<td></td>
</tr>
<tr>
<td>4. Make sure that my subordinates’ work is planned out for them.</td>
<td></td>
</tr>
<tr>
<td>5. Check with my subordinates daily to see if they need any help.</td>
<td></td>
</tr>
<tr>
<td>6. Step in as soon as reports indicate that the job is slipping.</td>
<td></td>
</tr>
<tr>
<td>7. Push my people to meet schedules if necessary.</td>
<td></td>
</tr>
<tr>
<td>8. Have frequent meetings to learn from others what is going on.</td>
<td></td>
</tr>
</tbody>
</table>

Scoring and Interpretation: Add the total number of Mostly True answers and mark your score on the scale below. Theory X tends to be “old-style” management and Theory Y “new-style,” because the styles are based on different assumptions about people. To learn more about these assumptions, you can refer to Exhibit 2.4 and review the assumptions related to Theory X and Theory Y. Strong Theory X assumptions are typically considered inappropriate for today’s workplace. Where do you fit on the X–Y scale? Does your score reflect your perception of yourself as a current or future manager?

X–Y Scale

| Theory X | 10 | 5 | 0 | Theory Y |

What do managers at U.S. based companies such as Cisco Systems and Goldman Sachs have in common with managers at India’s Tata Group and Infosys Technologies? One thing is an interest in applying a new concept called jugaad (pronounced joo-gaardh). Jugaad perhaps will be a buzzword that quickly fades from managers’ vocabularies, but it could also become as ubiquitous in management circles as terms such as total quality or kaizen. Jugaad basically refers to an innovation mindset, used widely by Indian companies, that strives to meet customers’ immediate needs quickly and inexpensively. With research and development budgets strained in today’s economy, it’s an approach U.S. managers are picking up on, and the term jugaad has been popping up in seminars, academia, and business consultancies.

Managers are always on the lookout for fresh ideas, innovative management approaches, and new tools and techniques. Management philosophies and organizational forms change over time to meet new needs. The questionnaire at the beginning of this chapter describes two differing philosophies about how people should be managed, and you will learn more about these ideas in this chapter.

If management is always changing, why does history matter to managers? The workplace of today is different from what it was 50 years ago—indeed, from what it was even 10 years ago. Yet today’s managers find that some ideas and practices from the past are still highly relevant. For example, certain management practices that seem modern, such as open-book management or employee stock ownership, have actually been around for a long time. These techniques have repeatedly gained and lost popularity since the early twentieth century.
Part 1
Introduction to Management

Century because of shifting historical forces. A historical perspective provides a broader way of thinking, a way of searching for patterns and determining whether they recur across time periods. It is a way of learning from others’ mistakes so as not to repeat them; learning from others’ successes so as to repeat them in the appropriate situation; and most of all, learning to understand why things happen to improve our organizations in the future.

This chapter provides a historical overview of the ideas, theories, and management philosophies that have contributed to making the workplace what it is today. The final section of the chapter looks at some recent trends and current approaches that build on this foundation of management understanding. This foundation illustrates that the value of studying management lies not in learning current facts and research but in developing a perspective that will facilitate the broad, long-term view needed for management success.

Management and Organization

Studying history doesn’t mean merely arranging events in chronological order; it means developing an understanding of the impact of societal forces on organizations. Studying history is a way to achieve strategic thinking, see the big picture, and improve conceptual skills. Let’s begin by examining how social, political, and economic forces have influenced organizations and the practice of management.

Social forces refer to those aspects of a culture that guide and influence relationships among people. What do people value? What do people need? What are the standards of behavior among people? These forces shape what is known as the social contract, which refers to the unwritten, common rules and perceptions about relationships among people and between employees and management.

One social force is the changing attitudes, ideas, and values of Generation Y employees (sometimes called Millennials). These young workers, the most educated generation in the history of the United States, grew up technologically adept and globally conscious. Unlike many workers of the past, they typically are not hesitant to question their superiors and challenge the status quo. They want a work environment that is challenging and supportive, with access to cutting-edge technology, opportunities to learn and further their careers and personal goals, and the power to make substantive decisions and changes in the workplace. In addition, Gen Y workers have prompted a growing focus on work/life balance, reflected in trends such as telecommuting, flextime, shared jobs, and organization-sponsored sabbaticals.

Political forces refer to the influence of political and legal institutions on people and organizations. One significant political force is the increased role of government in business after the collapse of companies in the financial services sector and major problems in the auto industry. Some managers expect increasing government regulations in the coming years. Political forces also include basic assumptions underlying the political system, such as the desirability of self-government, property rights, contract rights, the definition of justice, and the determination of innocence or guilt of a crime.

Economic forces pertain to the availability, production, and distribution of resources in a society. Governments, military agencies, churches, schools, and business organizations in every society require resources to achieve their goals, and economic forces influence the allocation of scarce resources. Companies in every industry have been affected by the recent financial crisis that was the worst since the Great Depression of the 1930s. Reduced consumer spending and tighter access to credit have curtailed growth and left companies scrambling to meet goals with limited resources. Although liquidity for large corporations showed an increase in early 2010, smaller companies continued to struggle to find funding. Another economic trend that affects managers worldwide is the growing economic power of countries such as China, India, and Brazil.

Take a Moment
Go to the Small Group Breakout on pages 55–56 that pertains to how historical events and forces shape the lives of individuals.
Management practices and perspectives vary in response to these social, political, and economic forces in the larger society. Exhibit 2.1 illustrates the evolution of significant management perspectives over time. The timeline reflects the dominant time period for each approach, but elements of each are still used in today’s organizations.8

EXHIBIT 2.1 Management Perspectives over Time

<table>
<thead>
<tr>
<th>Period</th>
<th>Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870-1880</td>
<td>Classical Perspective</td>
</tr>
<tr>
<td>1880-1890</td>
<td>Humanistic Perspective</td>
</tr>
<tr>
<td>1890-1910</td>
<td>Quantitative (Management Science) Perspective</td>
</tr>
<tr>
<td>1910-1940</td>
<td>Contingency View</td>
</tr>
<tr>
<td>1940-2000</td>
<td>Systems Thinking</td>
</tr>
<tr>
<td>2000-2010</td>
<td>Open (Collaborative) Innovation</td>
</tr>
<tr>
<td>2010-</td>
<td>The Technology-Driven Workplace</td>
</tr>
</tbody>
</table>

Remember This

- Managers are always on the lookout for new techniques and approaches to meet shifting organizational needs.
- Looking at history gives managers a broader perspective for interpreting and responding to current opportunities and problems.
- Management and organizations are shaped by forces in the larger society.
- Social forces are aspects of a society that guide and influence relationships among people, such as their values, needs, and standards of behavior.
- Political forces relate to the influence of political and legal institutions on people and organizations.
- The increased role of government in business is one example of a political force.
- Economic forces affect the availability, production, and distribution of a society’s resources.

Classical Perspective

The practice of management can be traced to 3000 B.C., to the first government organizations developed by the Sumerians and Egyptians, but the formal study of management is relatively recent.9 The early study of management as we know it today began with what is now called the classical perspective.

The classical perspective on management emerged during the nineteenth and early twentieth centuries. The factory system that began to appear in the 1800s posed challenges that earlier organizations had not encountered. Problems arose in tooling the plants,
organizing managerial structure, training employees (many of them non-English-speaking immigrants), scheduling complex manufacturing operations, and dealing with increased labor dissatisfaction and resulting strikes.

These myriad new problems and the development of large, complex organizations demanded a new approach to coordination and control, and a “new sub-species of economic man—the salaried manager”—was born. Between 1880 and 1920, the number of professional managers in the United States grew from 161,000 to more than 1 million. These professional managers began developing and testing solutions to the mounting challenges of organizing, coordinating, and controlling large numbers of people and increasing worker productivity. Thus began the evolution of modern management with the classical perspective.

This perspective contains three subfields, each with a slightly different emphasis: scientific management, bureaucratic organizations, and administrative principles.

**Scientific Management**

**Scientific management** emphasizes scientifically determined jobs and management practices as the way to improve efficiency and labor productivity. In the late 1800s, a young engineer, Frederick Winslow Taylor (1856–1915), proposed that workers “could be retooled like machines, their physical and mental gears recalibrated for better productivity.”

Taylor insisted that improving productivity meant that management itself would have to change and, further, that the manner of change could be determined only by scientific study; hence, the label scientific management emerged. Taylor suggested that decisions based on rules of thumb and tradition be replaced with precise procedures developed after careful study of individual situations.

The scientific management approach is illustrated by the unloading of iron from rail cars and reloading finished steel for the Bethlehem Steel plant in 1898. Taylor calculated that with correct movements, tools, and sequencing, each man was capable of loading 47.5 tons per day instead of the typical 12.5 tons. He also worked out an incentive system that paid each man $1.85 a day for meeting the new standard, an increase from the previous rate of $1.15. Productivity at Bethlehem Steel shot up overnight.

Although known as the father of scientific management, Taylor was not alone in this area. Henry Gantt, an associate of Taylor’s, developed the Gantt chart—a bar graph that measures planned and completed work along each stage of production by time elapsed. Two other important pioneers in this area were the husband-and-wife team of Frank B. and Lillian M. Gilbreth. Frank B. Gilbreth (1868–1924) pioneered time and motion study and arrived at many of his management techniques independently of Taylor. He stressed efficiency and was known for his quest for the one best way to do work. Although Gilbreth is known for his early work with bricklayers, his work had great impact on medical surgery by drastically reducing the time patients spent on the operating table. Surgeons were able to save countless lives through the application of time and motion study. Lillian M. Gilbreth (1878–1972) was more interested in the human aspect of work. When her husband died at the age of 56, she had 12 children ages 2 to 19. The undaunted “first lady of management” went right on with her work. She presented a paper in place of her late husband, continued their seminars and...
consulting, lectured, and eventually became a professor at Purdue University. She pioneered in the field of industrial psychology and made substantial contributions to human resource management.

Exhibit 2.2 shows the basic ideas of scientific management. To use this approach, managers should develop standard methods for doing each job, select workers with the appropriate abilities, train workers in the standard methods, support workers and eliminate interruptions, and provide wage incentives.

The ideas of scientific management that began with Taylor dramatically increased productivity across all industries, and they are still important today. Indeed, the idea of engineering work for greater productivity has enjoyed a renaissance in the retail industry. Supermarket chains such as Meijer Inc. and Hannaford, for example, use computerized labor waste elimination systems based on scientific management principles. The system breaks down tasks such as greeting a customer, working the register, scanning items, and so forth, into quantifiable units and devises standard times to complete each task. Executives say the computerized system has allowed them to staff stores more efficiently because people are routinely monitored by computer and are expected to meet the strict standards.

A recent Harvard Business Review article discussing innovations that shaped modern management puts scientific management at the top of its list of 12 influential innovations. Indeed, the ideas of creating a system for maximum efficiency and organizing work for maximum productivity are deeply embedded in our organizations. However, because scientific management ignores the social context and workers’ needs, it can lead to increased conflict and clashes between managers and employees. The United Food and Commercial Workers Union, for instance, has filed a grievance against Meijer in connection with its cashier-performance system. Under such performance management systems, workers often feel exploited—a sharp contrast from the harmony and cooperation that Taylor and his followers had envisioned.

### Bureaucratic Organizations

A systematic approach developed in Europe that looked at the organization as a whole is the bureaucratic organizations approach, a subfield within the classical perspective. Max Weber (1864–1920), a German theorist, introduced most of the concepts on bureaucratic organizations.

During the late 1800s, many European organizations were managed on a personal, family-like basis. Employees were loyal to a single individual rather than to the organization or its mission. The dysfunctional consequence of this management practice was that resources were used to realize individual desires rather than organizational goals.

---

**EXHIBIT 2.2**

Characteristics of Scientific Management

<table>
<thead>
<tr>
<th>General Approach</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Developed standard method for performing each job</td>
<td></td>
</tr>
<tr>
<td>• Selected workers with appropriate abilities for each job</td>
<td></td>
</tr>
<tr>
<td>• Trained workers in standard methods</td>
<td></td>
</tr>
<tr>
<td>• Supported workers by planning their work and eliminating interruptions</td>
<td></td>
</tr>
<tr>
<td>• Provided wage incentives to workers for increased output</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contributions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Demonstrated the importance of compensation for performance</td>
<td></td>
</tr>
<tr>
<td>• Initiated the careful study of tasks and jobs</td>
<td></td>
</tr>
<tr>
<td>• Demonstrated the importance of personnel selection and training</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criticisms</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Did not appreciate the social context of work and higher needs of workers</td>
<td></td>
</tr>
<tr>
<td>• Did not acknowledge variance among individuals</td>
<td></td>
</tr>
<tr>
<td>• Tended to regard workers as uninformed and ignored their ideas and suggestions</td>
<td></td>
</tr>
</tbody>
</table>
Employees in effect owned the organization and used resources for their own gain rather than to serve customers. Weber envisioned organizations that would be managed on an impersonal, rational basis. This form of organization was called a *bureaucracy*. Exhibit 2.3 summarizes the six characteristics of bureaucracy as specified by Weber.

Weber believed that an organization based on rational authority would be more efficient and adaptable to change because continuity is related to formal structure and positions rather than to a particular person, who may leave or die. To Weber, rationality in organizations meant employee selection and advancement based not on whom you know, but rather on competence and technical qualifications, which are assessed by examination or according to training and experience. The organization relies on rules and written records for continuity. In addition, rules and procedures are impersonal and applied uniformly to all employees. A clear division of labor arises from distinct definitions of authority and responsibility, legitimized as official duties. Positions are organized in a hierarchy, with each position under the authority of a higher one. The manager depends not on his or her personality for successfully giving orders but on the legal power invested in the managerial position.

The term *bureaucracy* has taken on a negative meaning in today’s organizations and is associated with endless rules and red tape. We have all been frustrated by waiting in long lines or following seemingly silly procedures. However, rules and other bureaucratic procedures provide a standard way of dealing with employees. Everyone gets equal treatment, and everyone knows what the rules are. This foundation enables many organizations to become extremely efficient. Consider United Parcel Service (UPS), sometimes called *Big Brown*.

**EXHIBIT 2.3** Characteristics of Weberian Bureaucracy

Administrative Principles

Another major subfield within the classical perspective is known as the administrative principles approach. Whereas scientific management focused on the productivity of the individual worker, the administrative principles approach focused on the total organization. The major contributor to this approach was Henri Fayol (1841–1925), a French mining engineer who worked his way up to become head of a large mining group known as Comambault. Parts of Comambault survive today as a division of Usinor, a French government-owned metallurgical group. In his later years, Fayol wrote down his concepts on administration, based largely on his own management experiences.

In his most significant work, *General and Industrial Management*, Fayol discussed 14 general principles of management, several of which are part of management philosophy today. For example:

- **Unity of command.** Each subordinate receives orders from one—and only one—superior.
- **Division of work.** Managerial work and technical work are amenable to specialization to produce more and better work with the same amount of effort.
- **Unity of direction.** Similar activities in an organization should be grouped together under one manager.
- **Scalar chain.** A chain of authority extends from the top to the bottom of the organization and should include every employee.

Fayol felt that these principles could be applied in any organizational setting. He also identified five basic functions or elements of management: planning, organizing, commanding, coordinating, and controlling. These functions underlie much of the general approach to today’s management theory.

The overall classical perspective as an approach to management was very powerful and gave companies fundamental new skills for establishing high productivity and effective treatment of employees. Indeed, the United States surged ahead of the world in management techniques, and other countries, especially Japan, borrowed heavily from American ideas.
Part 1  Introduction to Management

Humanistic Perspective

The humanistic perspective on management emphasized the importance of understanding human behaviors, needs, and attitudes in the workplace as well as social interactions and group processes. There are three primary subfields based on the humanistic perspective: the human relations movement, the human resources perspective, and the behavioral sciences approach.

Early Advocates

Two early advocates of a more humanistic approach were Mary Parker Follett and Chester Barnard. Mary Parker Follett (1868–1933) was trained in philosophy and political science at what today is Radcliffe College. She applied herself in many fields, including social psychology and management. She wrote of the importance of common superordinate goals for reducing conflict in organizations. Her work was popular with businesspeople of her day but was often overlooked by management scholars. Follett’s ideas served as a contrast to scientific management and are re-emerging as applicable for modern managers dealing with rapid changes in today’s global environment. Her approach to leadership stressed the importance of people rather than engineering techniques. She offered the pithy admonition, “Don’t hug your blueprints,” and analyzed the
dynamics of management-organization interactions. Follett addressed issues that are timely today, such as ethics, power, and how to lead in a way that encourages employees to give their best. The concepts of empowerment, facilitating rather than controlling employees, and allowing employees to act depending on the authority of the situation opened new areas for theoretical study by Chester Barnard and others.24

Chester I. Barnard (1886–1961) studied economics at Harvard but failed to receive a degree because he lacked a course in laboratory science. He went to work in the statistical department of AT&T and in 1927 became president of New Jersey Bell. One of Barnard’s significant contributions was the concept of the informal organization. The informal organization occurs in all formal organizations and includes cliques and naturally occurring social groupings. Barnard argued that organizations are not machines and stressed that informal relationships are powerful forces that can help the organization if properly managed. Another significant contribution was the acceptance theory of authority, which states that people have free will and can choose whether to follow management orders. People typically follow orders because they perceive positive benefit to themselves, but they do have a choice. Managers should treat employees properly because their acceptance of authority may be critical to organization success in important situations.25

Human Relations Movement

The human relations movement was based on the idea that truly effective control comes from within the individual worker rather than from strict, authoritarian control.26 This school of thought recognized and directly responded to social pressures for enlightened treatment of employees. The early work on industrial psychology and personnel selection received little attention because of the prominence of scientific management. Then a series of studies at a Chicago electric company, which came to be known as the Hawthorne studies, changed all that.

Beginning about 1895, a struggle developed between manufacturers of gas and electric lighting fixtures for control of the residential and industrial market.27 By 1909, electric lighting had begun to win, but the increasingly efficient electric fixtures used less total power. The electric companies began a campaign to convince industrial users that they needed more light to get more productivity. When advertising did not work, the industry began using experimental tests to demonstrate their argument. Managers were skeptical about the results, so the Committee on Industrial Lighting (CIL) was set up to run the tests. To further add to the tests’ credibility, Thomas Edison was made honorary chairman of the CIL. In one test location—the Hawthorne plant of the Western Electric Company—some interesting events occurred.
The major part of this work involved four experimental and three control groups. In all, five different tests were conducted. These pointed to the importance of factors other than illumination in affecting productivity. To more carefully examine these factors, numerous other experiments were conducted. The results of the most famous study, the first Relay Assembly Test Room (RATR) experiment, were extremely controversial. Under the guidance of two Harvard professors, Elton Mayo and Fritz Roethlisberger, the RATR studies lasted nearly six years (May 10, 1927 to May 4, 1933) and involved 24 separate experimental periods. So many factors were changed and so many unforeseen factors uncontrollable that scholars disagree on the factors that truly contributed to the general increase in performance over that time period. Most early interpretations, however, agreed on one thing: Money was not the cause of the increased output. It was believed that the factor that best explained increased output was human relations. Employees performed better when managers treated them in a positive manner. Recent re-analyses of the experiments have revealed that a number of factors were different for the workers involved, and some suggest that money may well have been the single most important factor. An interview with one of the original participants revealed that just getting into the experimental group had meant a huge increase in income.

These new data clearly show that money mattered a great deal at Hawthorne. In addition, worker productivity increased partly as a result of the increased feelings of importance and group pride employees felt by virtue of being selected for this important project. One unintended contribution of the experiments was a rethinking of field research practices. Researchers and scholars realized that the researcher can influence the outcome of an experiment by being too closely involved with research subjects. This phenomenon has come to be known as the Hawthorne effect in research methodology. Subjects behaved differently because of the active participation of researchers in the Hawthorne experiments.

From a historical perspective, whether the studies were academically sound is of less importance than the fact that they stimulated an increased interest in looking at employees as more than extensions of production machinery. The interpretation that employees’ output increased when managers treated them in a positive manner started a revolution in worker treatment for improving organizational productivity. Despite flawed methodology or inaccurate conclusions, the findings provided the impetus for the human relations movement. This approach shaped management theory and practice for well over a quarter-century, and the belief that human relations is the best approach for increasing productivity persists today.

**Human Resources Perspective**

The human relations movement initially espoused a dairy farm view of management—contented cows give more milk, so satisfied workers will give more work. Gradually, views with deeper content began to emerge. The human resources perspective maintained an interest in worker participation and considerate leadership but shifted the emphasis to consider the daily tasks that people perform. The human resources perspective combines prescriptions for design of job tasks with theories of motivation. In the human resources view, jobs should be designed so that tasks are not perceived as dehumanizing or demeaning but instead allow workers to use their full potential. Two of the best-known contributors to the human resources perspective were Abraham Maslow and Douglas McGregor.

Abraham Maslow (1908–1970), a practicing psychologist, observed that his patients’ problems usually stemmed from an inability to satisfy their needs. Thus, he generalized
Evolution of Style

This questionnaire asks you to describe yourself. For each item, give the number “4” to the phrase that best describes you, “3” to the item that is next best, and on down to “1” for the item that is least like you.

1. My strongest skills are:
   _____ a. Analytical skills
   _____ b. Interpersonal skills
   _____ c. Political skills
   _____ d. Flair for drama

2. The best way to describe me is:
   _____ a. Technical expert
   _____ b. Good listener
   _____ c. Skilled negotiator
   _____ d. Inspirational leader

3. What has helped me the most to be successful is my ability to:
   _____ a. Make good decisions
   _____ b. Coach and develop people
   _____ c. Build strong alliances and a power base
   _____ d. Inspire and excite others

4. What people are most likely to notice about me is my:
   _____ a. Attention to detail
   _____ b. Concern for people
   _____ c. Ability to succeed in the face of conflict and opposition
   _____ d. Charisma

5. My most important leadership trait is:
   _____ a. Clear, logical thinking
   _____ b. Caring and support for others
   _____ c. Toughness and aggressiveness
   _____ d. Imagination and creativity

6. I am best described as:
   _____ a. An analyst
   _____ b. A humanist
   _____ c. A politician
   _____ d. A visionary

Interpretation: New managers typically view their world through one or more mental frames of reference. (1) The structural frame of reference sees the organization as a machine that can be economically efficient and that provides a manager with formal authority to achieve goals. This manager frame became strong during the era of scientific management and bureaucratic administration. (2) The human resource frame sees the organization as people, with manager emphasis given to support, empowerment, and belonging. This manager frame gained importance with the rise of the humanistic perspective. (3) The political frame sees the organization as a competition for resources to achieve goals, with manager emphasis on negotiation and hallway coalition building. This frame reflects the need within systems theory to have all parts working together. (4) The symbolic frame of reference sees the organization as theater—a place to achieve dreams—with manager emphasis on symbols, vision, culture, and inspiration. This manager frame is important for learning organizations.

Which frame reflects your way of viewing the world? The first two frames of reference—structural and human resource—are more important for new managers. These two frames usually are mastered first. As new managers gain experience and move up the organization, they should acquire political skills and also learn to use symbols for communication. It is important for new managers not to be stuck for years in one way of viewing the organization because their progress may be limited. Many new managers evolve through and master each of the four frames as they become more skilled and experienced.

Scoring: Higher score represents your way of viewing the organization and will influence your management style. Compute your scores as follows:

\[ ST = 1a + 2a + 3a + 4a + 5a + 6a = \]_____

\[ HR = 1b + 2b + 3b + 4b + 5b + 6b = \]_____

\[ PL = 1c + 2c + 3c + 4c + 5c + 6c = \]_____

\[ SY = 1d + 2d + 3d + 4d + 5d + 6d = \]_____

his work and suggested a hierarchy of needs. Maslow’s hierarchy started with physiological needs and progressed to safety, belongingness, esteem, and, finally, self-actualization needs. Chapter 16 discusses his ideas in more detail.

Douglas McGregor (1906–1964) had become frustrated with the early simplistic human relations notions while president of Antioch College in Ohio. He challenged both the classical perspective and the early human relations assumptions about human behavior. Based on his experiences as a manager and consultant, his training as a psychologist, and the work of Maslow, McGregor formulated his Theory X and Theory Y, which are explained in Exhibit 2.4.

McGregor believed that the classical perspective was based on Theory X assumptions about workers. He also felt that a slightly modified version of Theory X fit early human relations ideas. In other words, human relations ideas did not go far enough. McGregor proposed Theory Y as a more realistic view of workers for guiding management thinking.

The point of Theory Y is that organizations can take advantage of the imagination and intellect of all their employees. Employees will exercise self-control and will contribute to organizational goals when given the opportunity. A few companies today still use Theory X management, but many are using Theory Y techniques. Consider how Cisco Systems applies Theory Y assumptions to tap into employee creativity and mind power.

Perhaps surprisingly for an innovative technology company, Cisco Systems started out as a typical hierarchical organization with a command-and-control mindset. That all changed after the dot-com bubble burst in the early 2000s. Cisco’s stock dropped 86 percent virtually overnight. CEO John Chambers believed the company needed a new approach to management if it was to survive. He knew collaboration and teamwork would be required to get the company growing again. In addition, Chambers thought employees would be more creative, more productive, and more committed to rebuilding the organization if they had more autonomy and fewer limitations. So, he essentially threw out the old structures and controls.

Now, rather than having proposals and suggestions sent to top executives for approval, a network of councils and boards that cross functional, departmental, and hierarchical lines are empowered to launch new businesses. One board made up of volunteer self-identified “sports freaks” built a product called StadiumVision, which allows venue owners to push video and digital content such as advertising to fans in the stadium. Now a multibillion-dollar business, Stadium Vision came together in less than four months, without the CEO ever being involved in the decision.

Command and control is a thing of the past, Chambers asserts, with the future belonging to those companies that build leadership throughout the organization. The Theory Y approach helped Cisco emerge from the dot-com crisis more profitable than ever and the company has since outperformed many technology rivals.

Behavioral Sciences Approach

The behavioral sciences approach uses scientific methods and draws from sociology, psychology, anthropology, economics, and other disciplines to develop theories about human behavior and interaction in an organizational setting. This approach can be seen in practically every organization. When a company such as Zappos.com conducts research to determine the best set of tests, interviews, and employee profiles to use when selecting new employees, it is using behavioral science techniques. When Best Buy electronics stores train new managers in the techniques of employee motivation, most of the theories and findings are rooted in behavioral science research.
Chapter 2  The Evolution of Management Thinking

Introduction

One specific set of management techniques based in the behavioral sciences approach is organization development (OD). In the 1970s, organization development evolved as a separate field that applied the behavioral sciences to improve the organization’s health and effectiveness through its ability to cope with change, improve internal relationships, and increase problem-solving capabilities.

The techniques and concepts of organization development have since been broadened and expanded to address the increasing complexity of organizations and the environment, and OD is still a vital approach for managers. OD will be discussed in detail in Chapter 11. Other concepts that grew out of the behavioral sciences approach include matrix organizations, self-managed teams, ideas about corporate culture, and management by wandering around. Indeed, the behavioral sciences approach has influenced the majority of tools, techniques, and approaches that managers have applied to organizations since the 1970s.

All the remaining chapters of this book contain research findings and management applications that can be attributed to the behavioral sciences approach.

Assumptions of Theory X

- The average human being has an inherent dislike of work and will avoid it if possible.
- Because of the human characteristic of dislike for work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
- The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.

Assumptions of Theory Y

- The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work.
- External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. A person will exercise self-direction and self-control in the service of objectives to which he or she is committed.
- The average human being learns, under proper conditions, not only to accept but to seek responsibility.
- The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly distributed in the population.
- Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.


One specific set of management techniques based in the behavioral sciences approach is organization development (OD). In the 1970s, organization development evolved as a separate field that applied the behavioral sciences to improve the organization’s health and effectiveness through its ability to cope with change, improve internal relationships, and increase problem-solving capabilities. The techniques and concepts of organization development have since been broadened and expanded to address the increasing complexity of organizations and the environment, and OD is still a vital approach for managers. OD will be discussed in detail in Chapter 11. Other concepts that grew out of the behavioral sciences approach include matrix organizations, self-managed teams, ideas about corporate culture, and management by wandering around. Indeed, the behavioral sciences approach has influenced the majority of tools, techniques, and approaches that managers have applied to organizations since the 1970s.

All the remaining chapters of this book contain research findings and management applications that can be attributed to the behavioral sciences approach.

Remember This

- The humanistic perspective emphasized understanding human behavior, needs, and attitudes in the workplace.
- Mary Parker Follett and Chester Barnard were early advocates of a more humanistic approach to management.
- Follett emphasized worker participation and empowerment, shared goals, and facilitating rather than controlling employees. Barnard’s contributions include the acceptance theory of authority.
- The human relations movement stresses the satisfaction of employees’ basic needs as the key to increased productivity.
- The Hawthorne studies were important in shaping ideas concerning how managers should treat workers.
- The human resources perspective suggests that jobs should be designed to meet people’s higher-level needs by allowing employees to use their full potential.
- The behavioral sciences approach draws from psychology, sociology, and other social sciences to develop theories about human behavior and interaction in an organizational setting.
- Many current management ideas and practices can be traced to the behavioral sciences approach.
Part 1
Introduction to Management

Quantitative Perspective

World War II caused many management changes. The massive and complicated problems associated with modern global warfare presented managerial decision makers with the need for more sophisticated tools than ever before. The quantitative perspective, also referred to as management science, provided a way to address those problems. This view is distinguished for its application of mathematics, statistics, and other quantitative techniques to management decision making and problem solving. During World War II, groups of mathematicians, physicists, and other scientists were formed to solve military problems that frequently involved moving massive amounts of materials and large numbers of people quickly and efficiently. Managers soon saw how quantitative techniques could be applied to large-scale business firms.

Management scholar Peter Drucker’s 1946 book Concept of the Corporation sparked a dramatic increase in the academic study of business and management. Picking up on techniques developed for the military, scholars began cranking out numerous mathematical tools for corporate managers, such as the application of linear programming for optimizing operations, statistical process control for quality management, and the capital asset pricing model.

These efforts were enhanced with the development and perfection of the computer. Coupled with the growing body of statistical techniques, computers made it possible for managers to collect, store, and process large volumes of data for quantitative decision making, and the quantitative approach is widely used today by managers in a variety of industries. Let’s look at three subsets of the quantitative perspective.

Operations research grew directly out of the World War II military groups (called operational research teams in Great Britain and operations research teams in the United States). It consists of mathematical model building and other applications of quantitative techniques to managerial problems.

Operations management refers to the field of management that specializes in the physical production of goods or services. Operations management specialists use quantitative techniques to solve manufacturing problems. Some commonly used methods are forecasting, inventory modeling, linear and nonlinear programming, queuing theory, scheduling, simulation, and break-even analysis.

Information technology (IT) is the most recent subfield of the quantitative perspective, which is often reflected in management information systems designed to provide relevant information to managers in a timely and cost-efficient manner. Information technology has
evolved to include intranets and extranets, as well as various software programs that help managers estimate costs, plan and track production, manage projects, allocate resources, or schedule employees. Most of today’s organizations have information technology specialists who use quantitative techniques to solve complex organizational problems.

However, as recent events in the mortgage and finance industries show, relying too heavily on quantitative techniques can cause problems for managers. Mortgage companies used quantitative models that showed their investments in subprime mortgages would be okay even if default rates hit historically high proportions. However, the models didn’t take into account that no one before in history had thought it made sense to give $500,000 loans to people making minimum wage.41 “Quants” also came to dominate organizational decisions in other financial firms. The term quants refers to financial managers and others who base their decisions on complex quantitative analysis, under the assumption that using advanced mathematics and sophisticated computer technology can accurately predict how the market works and help them reap huge profits. The virtually exclusive use of these quantitative models led aggressive traders and managers to take enormous risks. When the market began to go haywire as doubts about subprime mortgages grew, the models went haywire as well. Stocks predicted to go up went down, and vice versa. Events that were predicted to happen only once every 10,000 years happened three days in a row in the market madness. Scott Patterson, a Wall Street Journal reporter and author of the recent book, The Quants: How a New Breed of Math Whizzes Conquered Wall Street and Nearly Destroyed It, suggests that the financial crisis is partly due to the quants’ failure to observe market fundamentals, pay attention to human factors, and heed their own intuition.42

**Remember This**

- The quantitative perspective on management became popular based on its successful application in solving military problems during World War II.
- The quantitative perspective uses mathematics, statistical techniques, and computer technology to facilitate management decision making, particularly for complex problems.
- Three subsets of the quantitative approach are operations research, operations management, and information technology.
- Quants have come to dominate decision making in financial firms, and the Wall Street meltdown in 2007–2008 shows the danger of relying too heavily on a quantitative approach.
- Management scholar Peter Drucker’s classic 1946 book Concept of the Corporation sparked a dramatic increase in the academic study of business and management.

**Recent Historical Trends**

Despite recent heavy use of the quantitative approach by some managers, among the approaches we’ve discussed so far the humanistic perspective has remained most prevalent from the 1950s until today. The post–World War II period saw the rise of new concepts, along with a continued strong interest in the human aspect of managing, such as team and group dynamics and other ideas that relate to the humanistic perspective. Three new concepts that appeared were systems thinking, the contingency view, and total quality management.

**Systems Thinking**

Systems thinking is the ability to see both the distinct elements of a system or situation and the complex and changing interaction among those elements. A system is a set of
interrelated parts that function as a whole to achieve a common purpose. Subsystems are parts of a system, such as an organization, that depend on one another. Changes in one part of the system (the organization) affect other parts. Managers need to understand the synergy of the whole organization, rather than just the separate elements, and to learn to reinforce or change whole system patterns. Synergy means that the whole is greater than the sum of its parts. The organization must be managed as a coordinated whole. Managers who understand subsystem interdependence and synergy are reluctant to make changes that do not recognize subsystem impact on the organization as a whole.

Many people have been trained to solve problems by breaking a complex system, such as an organization, into discrete parts and working to make each part perform as well as possible. However, the success of each piece does not add up to the success of the whole. In fact, sometimes changing one part to make it better actually makes the whole system function less effectively. For example, a small city embarked on a road-building program to solve traffic congestion without whole-systems thinking. With new roads available, more people began moving to the suburbs. Rather than reduce congestion, the solution actually increased traffic congestion, delays, and pollution by enabling suburban sprawl.

It is the relationship among the parts that form a whole system—whether a community, an automobile, a nonprofit agency, a human being, or a business organization—that matters. Systems thinking enables managers to look for patterns of movement over time and focus on the qualities of rhythm, flow, direction, shape, and networks of relationships that accomplish the performance of the whole. When managers can see the structures that underlie complex situations, they can facilitate improvement. But it requires a focus on the big picture.

An important element of systems thinking is to discern circles of causality. Peter Senge, author of The Fifth Discipline, argues that reality is made up of circles rather than straight lines. For example, Exhibit 2.5 shows circles of influence for producing new products. In the circle on the left, a high-tech firm grows rapidly by pumping out new products quickly. New products increase revenues, which enable the further increase of the R&D budget to add more new products.

But another circle of causality is being influenced as well. As the R&D budget grows, the engineering and research staff increases. The burgeoning technical staff becomes increasingly hard to manage. The management burden falls on senior engineers, who provide less of their time for developing new products, which slows product development time. The slowing of product development time has a negative impact on new products, the very thing that created organizational success. Maintaining product development time in the face of increasing management complexity depends upon senior engineers’ management ability. Thus, understanding the circle of causality enables leaders to allocate resources to the training and development of engineering leadership as well as directly to new products. Without an understanding of the system, top managers would fail to understand why increasing R&D budgets can actually increase product development time and reduce the number of new products coming to market.
Contingency View

A second recent extension to management thinking is the **contingency view**. The classical perspective assumed a **universalist view**. Management concepts were thought to be universal; that is, whatever worked—management style, bureaucratic structure—in one organization would work in another. In business education, however, an alternative view exists. In this **case view**, each situation is believed to be unique. Principles are not universal, and one learns about management by experiencing a large number of case problem situations. Managers face the task of determining what methods will work in every new situation.

To integrate these views the contingency view emerged, as illustrated in Exhibit 2.6. Here neither of the other views is seen as entirely correct. Instead, certain contingencies, or variables, exist for helping management identify and understand situations. The contingency view tells us that what works in one setting might not work in another. Contingency means that one thing depends on other things and a manager’s response to a situation depends on identifying key contingencies in an organizational situation.

One important contingency, for example, is the industry in which the organization operates. The organizational structure that is effective for an Internet company such as Google would not be successful for a large auto manufacturer such as Ford. A management-by-objectives (MBO) system that works well in a manufacturing firm, in turn, might not be right for a school system. When managers learn to identify important patterns and characteristics of their organizations, they can then fit solutions to those characteristics.

Total Quality Management

The theme of quality is another concept that permeates current management thinking. The quality movement is strongly associated with Japanese companies, but these ideas emerged partly as a result of American influence after World War II. The ideas of W. Edwards Deming, known as the “father of the quality movement,” were initially scoffed at in the United States, but the Japanese embraced his theories and modified them to help rebuild their industries into world powers. Japanese companies achieved a significant departure from the American model by gradually shifting from an inspection-oriented approach to quality control toward an approach emphasizing employee involvement in the prevention of quality problems.

During the 1980s and into the 1990s, **total quality management (TQM)**, which focuses on managing the total organization to deliver better quality to customers, moved to the forefront in helping U.S. managers deal with global competition. The approach infuses high-quality values throughout every activity within a company, with front-line workers intimately involved in the process. Four significant elements of quality management are employee involvement, focus on the customer, benchmarking, and continuous improvement, often referred to as *kaizen*.

*Employee involvement* means that achieving better quality requires companywide participation in quality control. All employees are *focused on the customer*; companies find out what customers want and try to meet their needs and expectations. *Benchmarking* refers to an approach emphasizing employee involvement in the prevention of quality problems.

**EXHIBIT 2.6** Contingency View of Management

---

*Contingency View*

Organizational phenomena exist in logical patterns. Managers devise and apply similar responses to common types of problems.

*Case View*

“Every situation is unique.”

*Universalist View*

“There is one best way.”
to a process whereby companies find out how others do something better than they do and then try to imitate or improve on it. Continuous improvement is the implementation of small, incremental improvements in all areas of the organization on an ongoing basis. TQM is not a quick fix, but companies such as General Electric, Texas Instruments, Procter & Gamble, and DuPont achieved astonishing results in efficiency, quality, and customer satisfaction through total quality management. TQM is still an important part of today’s organizations, and managers consider benchmarking in particular a highly effective and satisfying management technique.

Some of today’s companies pursue highly ambitious quality goals to demonstrate their commitment to improving quality. For example, Six Sigma, popularized by Motorola and General Electric, specifies a goal of no more than 3.4 defects per million parts. However, the term also refers to a broad quality control approach that emphasizes a disciplined and relentless pursuit of higher quality and lower costs. TQM will be discussed in detail in Chapter 19.

The inclusion of Hyundai Motor Company’s Elantra SE and Santa Fe in the 2008 top ten autos by Consumer Reports shows how commitment to total quality management can improve a company’s products and market position. When Hyundai entered the U.S. market in 1999, its autos got low quality ratings from consumers. First, managers increased the quality team from 100 to 865 people and held quality seminars to train employees. They also benchmarked products, using vehicle lifts and high-intensity spotlights to compare against competing brands. Within five years Hyundai earned quality ratings comparable to Honda and just behind Toyota.

Copyright 2011 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part. Due to electronic rights, some third party content may be suppressed from the eBook and/or eChapter(s). Editorial review has deemed that any suppressed content does not materially affect the overall learning experience. Cengage Learning reserves the right to remove additional content at any time if subsequent rights restrictions require it.
Innovative Management Thinking for a Changing World

All of the ideas and approaches discussed so far in this chapter go into the mix that makes up modern management. Dozens of ideas and techniques in current use can trace their roots to these historical perspectives. In addition, innovative concepts continue to emerge to address management challenges in today’s turbulent world.

Contemporary Management Tools

Recall from the beginning of this chapter our discussion of *jugaad*, an approach to innovation management used in India that many U.S. managers are trying. Management fads and fashions come and go, but managers are always looking for new techniques and approaches that more adequately respond to customer needs and the demands of the environment.

Managers especially tend to look for fresh ideas to help them cope during difficult times. For instance, consider that in 2002, surveys noted a dramatic increase in the variety of techniques and ideas managers were trying, reflecting the turbulence of the environment following the crash of the dot-coms, the 2001 terrorist attacks in the United States, and a series of corporate scandals such as Enron. Similarly, recent challenges such as the tough economy and volatile stock market, environmental and organizational crises, lingering anxieties over war and terrorism, and public suspicion and skepticism resulting from the crisis on Wall Street, have left today’s executives searching for any management tool—new or old—that can help them get the most out of limited resources. The Manager’s Shoptalk lists a wide variety of ideas and techniques used by today’s managers. Management idea life cycles have been growing shorter as the pace of change has increased. A study by professors at the University of Louisiana at Lafayette found that, from the 1950s to the 1970s, it typically took more than a decade for interest in a popular management idea to peak. Now, the interval has shrunk to fewer than three years, and some trends come and go even faster.

Managing the Technology-Driven Workplace

Three popular recent trends that have shown some staying power, as reflected in the Shop-talk Box, are customer relationship management, outsourcing, and supply chain management. These techniques are related to the shift to a technology-driven workplace. Today, many employees perform much of their work on computers and may work in virtual teams, connected electronically to colleagues around the world. Even in factories that...
Contemporary Management Tools

Over the history of management, many fashions and fads have appeared. Critics argue that new techniques may not represent permanent solutions. Others feel that managers adopt new techniques for continuous improvement in a fast-changing world.

In 1993, Bain and Company started a large research project to interview and survey thousands of corporate executives about the 25 most popular management tools and techniques. The list for 2009 and their usage rates are below. How many tools do you know? For more information on specific tools, visit the Bain website: http://www.bain.com/management_tools/home.asp.

**Fashion.** In the 2009 survey, benchmarking became the most popular tool for the first time in more than a decade, reflecting managers’ concern with efficiency and cost-cutting in a difficult economy. Three tools that ranked high in both use and satisfaction were strategic planning, customer segmentation, and mission and vision statements, tools that can guide managers thinking on strategic issues during times of rapid change.

**Global.** North American executives were using cost-cutting tools, especially downsizing, more than were managers in other parts of the world in 2008–2009. Latin American companies were the heaviest users of outsourcing. In the Asia-Pacific region, Chinese companies report the greatest use of benchmarking, strategic planning, supply chain management, and total quality management, whereas companies in India are more satisfied with strategic alliances and collaborative innovation than are other Asia-Pacific executives.

produce physical goods, machines have taken over much of the routine and uniform work, freeing workers to use more of their minds and abilities. Moreover, companies are using technology to keep in touch with customers and collaborate with other organizations on an unprecedented scale.

**Customer Relationship Management** One of today’s most popular applications of technology is for customer relationship management. **Customer relationship management (CRM)** systems use the latest information technology to keep in close touch with customers and to collect and manage large amounts of customer data. These data can help employees and managers act on customer insights, make better decisions, and provide superior customer service.

There has been an explosion of interest in CRM. In the Manager’s Shoptalk, 63 percent of surveyed managers reported their companies used CRM in 2008, whereas only 35 percent of companies reported using this technique in 2000. Meeting customer needs and desires is a primary goal for organizations, and using CRM to give customers what they really want provides a tremendous boost to customer service and satisfaction.

**Outsourcing** Information technology has also contributed to the rapid growth of outsourcing, which means contracting out selected functions or activities to other organizations that can do the work more cost efficiently. The Bain survey indicates that the use of outsourcing increased as the economy declined. Outsourcing requires that managers not only be technologically savvy but that they learn to manage a complex web of relationships. These relationships might reach far beyond the boundaries of the physical organization; they are built through flexible e-links between a company and its employees, suppliers, partners, and customers.

**Supply Chain Management** Supply chain management refers to managing the sequence of suppliers and purchasers, covering all stages of processing from obtaining raw materials to distributing finished goods to consumers. Exhibit 2.7 illustrates a

---

**EXHIBIT 2.7** Supply Chain for a Retail Organization

![Supply Chain Diagram](http://www.gscg.org:8080/opencms/export/sites/default/gscg/images/supplychain_simple.gif (accessed February 6, 2008)).
Basic supply chain model. A supply chain is a network of multiple businesses and individuals that are connected through the flow of products or services. Today, many organizations manage the supply chain with sophisticated electronic technology. In India, for example, Walmart managers have invested in an efficient supply chain that electronically links farmers and small manufacturers directly to the stores, maximizing value for both ends. Supply chain management will be discussed in detail in Appendix.

Remember This

- Modern management is a lively mix of ideas and techniques from varied historical perspectives, but new concepts continue to emerge.
- Managers tend to look for innovative ideas and approaches particularly during turbulent times.
- Many of today’s popular techniques are related to the transition to a technology-driven workplace.
- Customer relationship management systems use information technology to keep in close touch with customers, collect and manage large amounts of customer data, and provide superior customer value.
- Outsourcing, which means contracting out selected functions or activities to other organizations that can do the work more efficiently, has been one the fastest-growing trends in recent years.
- Supply chain management refers to managing the sequence of suppliers and purchasers, covering all stages of processing from obtaining raw materials to distributing finished goods to consumers.
- These new approaches require managers to think in fresh ways about managing their relationships with employees, customers, and business partners.

Discussion Questions

1. How do you think management practices might change in response to increasing government regulation in the banking and health care industries? What other recent political, social, or economic forces can you identify that might affect your job as a manager?
2. Can you think of potential drawbacks to retailers using labor-waste elimination systems based on scientific management principals, as described in the text? Despite their being about 100 years old, do you believe scientific management characteristics will ever cease to be a part of organizational life? Discuss.
3. A management professor once said that for successful management, studying the present was most important, studying the past was next, and studying the future was least important. Do you agree? Why?
4. As organizations become more technology-driven, which do you think will become more important—the management of the human element of the organization or the management of technology? Discuss.
5. Why do you think Mary Parker Follett’s ideas tended to be popular with business people of her day but were ignored by management scholars? Why are her ideas appreciated more today?
6. Explain the basic idea underlying the contingency view. How would you go about identifying key contingencies facing an organization?
7. Why can an event such as the Hawthorne studies be a major turning point in the history of management even if the idea is later shown to be in error? Discuss.
8. How would you apply systems thinking to a problem such as poor performance in your current academic studies? To a problem with a romantic partner or family member? Try to identify all the elements and their interdependencies.
9. Do you think management theory will ever be as precise as theories in the fields of finance, accounting, or experimental psychology? Why or why not?
10. The 2009 Bain survey of management tools found that overall tool use declined, decreasing to an average of 11 techniques, down from an average of 15 in 2007. If managers tend to look for new approaches to cope with environmental turbulence, why do you think tool use declined during this exceptionally turbulent time?

---

### Apply Your Skills: Experiential Exercise

#### Security or Autonomy

Respond to each statement below based on whether you Mostly Agree or Mostly Disagree with it.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mostly Agree</th>
<th>Mostly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I value stability in my job.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Rules, policies, and procedures generally frustrate me.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. I enjoy working for a firm that promotes employees based heavily on seniority.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. I’d prefer some kind of freelance job to working for the government.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I’d be proud to work for the largest and most successful company in its field.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Given a choice, I’d rather make $90,000 a year as a VP in a small company then $100,000 a year as a middle manager in a large company.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. I’d rather work directly for a single manager than on a team with shared responsibilities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. I generally prefer to multitask and be involved in multiple projects.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Good employee benefits are important to me.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Rules are made to be broken.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Scoring

Give yourself one point for each answer of Mostly Agree to the odd numbered questions and one point for each Mostly Disagree to the even numbered questions.

### Interpretation

Your answers determine whether your preferences would fit with a bureaucratic organization. If your score is 8–10, a large, formal company would be compatible with your style and wishes. A score of 4–7 suggests you would receive modest satisfaction from working within a bureaucratic organization. A score of 1–3 suggests you would likely be frustrated by working in a large bureaucracy.

A large, bureaucratic organization provides security, benefits, and certainty compared to smaller or entrepreneurial firms where freedom and autonomy are greater. Do you want to optimize security or autonomy in your career? Would you be more satisfied in a large formal organization or in an organization that emphasizes a human resources perspective? Compare your scores with other students’ scores and discuss any differences.

### Apply Your Skills: Small Group Breakout

#### Turning Points on the Road to Management

**Step 1.** Interview a manager you know at your university or place of employment, or a parent or friend who is a manager, with the following question: “What was a turning point in your life that led you to become the person, and manager, that you are today?” (A turning point could be an event such as a divorce, birth of a child, business failure loss of job, or a decision, such as to quit college and start a business, go back to school, get married, and so on.) Collect information on a second turning point if the interviewee has one to describe. Your goal is to learn the specifics about how each turning point led to the person’s current position in life.
Step 2. Divide into groups of four to six members. One person at a time, share what you learned about a manager’s career turning points. What themes or patterns characterize the turning points among the managers interviewed?

Step 3. Have you personally experienced any turning points in your life? Each group member should describe your personal turning point to the group. With the additional turning points, analyze again for themes and patterns across all the turning points.

Step 4. What lessons does your group learn from its analysis? How does history (events, decisions) play a role in the lives and careers of the managers interviewed, and in the lives of your group members?

Apply Your Skills: Ethical Dilemma

The Supervisor

Karen Lowry, manager of a social service agency in a midsized city in Illinois, loved to see her employees learn and grow to their full potential. When a rare opening for a supervising clerk occurred, Karen quickly decided to give Charlotte Hines a shot at the job. Charlotte had been with the agency for 17 years and had shown herself to be a true leader. Charlotte worked hard at being a good supervisor, just as she had always worked hard at being a top-notch clerk. She paid attention to the human aspects of employee problems and introduced modern management techniques that strengthened the entire agency.

However, the Civil Service Board decided that a promotional exam should be given to find a permanent placement for the supervising clerk position. For the sake of fairness, the exam was an open competition—anyone, even a new employee, could sign up and take it. The board wanted the candidate with the highest score to get the job but allowed Karen, as manager of the agency, to have the final say.

Because she had accepted the provisional opening and proved herself on the job, Charlotte was upset that the entire clerical force was deemed qualified to take the test. When the results came back, she was devastated. Charlotte placed twelfth in the field of candidates while one of her newly hired clerks placed first. The Civil Service Board, impressed by the high score, is urging Karen to give the new clerk the permanent supervisory job. Karen wonders whether it is fair to base her decision only on the results of a written test.

What Would You Do?

1. Ignore the test. Charlotte has proved herself and deserves the job.
2. Give the job to the candidate with the highest score. You don't need to make enemies on the Civil Service Board, and, after all, it is an objective way to select a permanent placement.
3. Devise a more comprehensive set of selection criteria—including test results as well as supervisory experience, ability to motivate employees, and knowledge of agency procedures—that can be explained and justified to the board and to employees.

Apply Your Skills: Case for Critical Analysis

SIA Corporation

In the early years of the new century, it wasn’t hard to see that SIA Corporation couldn’t keep doing business the old-fashioned twentieth-century way. Chief knowledge officer Jerry Seibert fully realized he owed his new position in the newly created knowledge management department to this challenge.

Headquartered in the Midwest, SIA was an umbrella organization offering a wide range of insurance products to commercial customers of all sizes throughout the country and, increasingly, to multinational corporations throughout the world. Over the years it had diversified into various types of insurance by absorbing smaller companies until it now consisted of more than 30 separate business units. Each had its own hierarchy, characterized by strong top-down administration and the well-defined rules and procedures typical of the insurance industry; virtually every employee possessed specialized knowledge about a narrowly defined market niche.

Upper-level management had given the matter considerable attention and concluded that SIA’s refined division of labor into technical specialists needed to give way to a collaborative learning organization, one where employee empowerment and open information made it possible for a single underwriter to be knowledgeable about a variety of products, Jerry’s knowledge management department, housed within human resources, could make a contribution toward this goal.

Jerry devised an elegant solution, if he did say so himself. He oversaw the development of software that allowed any SIA employee to post a query, have that question directed only to those employees with relevant expertise, and then receive an
answer, often in a matter of minutes and usually before the day was out. The only hitch was that hardly anyone was posting queries on the easy-to-use system.

Why? Rachel Greenwell, a veteran SIA underwriter, clued him in. Especially after weathering a turbulent period, one that had seen plenty of layoffs in the insurance industry, many employees viewed the restructuring as the first step in a process that would lead to pink slips landing on their desks. Some employees, in fact, saw their own highly specialized knowledge as a kind of job insurance policy. “I know that’s not what your knowledge-sharing efforts are about and that their fears are unfounded,” she reassured him. “But you’ve got about 9,999 other employees who are at least willing to entertain the possibility that sharing what they know isn’t in their best interests.”

Questions
1. What are some of the social, political, and economic forces that are influencing SIAs’s decision to become a learning organization?
2. If you were a specialist at SIA, how and why would you respond to the proposed changes? What steps would you suggest Jerry take to increase employee utilization of the knowledge-sharing system in particular? How can he encourage SIA employees to share information?
3. What general obstacles would you foresee in a company such as SIA trying to make the transition from a hierarchical, or bureaucratic, to a more collaborative organization? What are some general measures managers can take to smooth the way?

On the Job and BizFlix Video Cases

Students, to access the On the Job and BizFlix video cases for this and all chapters, visit the CourseMate website or, if you do not have access to CourseMate, ask your instructor for a copy of the cases.

Instructors, to access the On the Job and BizFlix video cases for this and all chapters, visit www.cengagebrain.com.

At the CengageBrain.com home page, search for the ISBN of your title (from the back cover of your book) using the search box at the top of the page. This will take you to the product page where free companion resources can be found. Please feel free to share the cases with your students for use in classroom discussion.
We live in turbulent times. Since the collapse of the U.S. housing market in 2008, the unemployment rate has more than doubled. Iconic American businesses have gone belly up or been bailed out with taxpayer money. Entire nations have teetered on the edge of bankruptcy. Yet, despite widespread turmoil, some organizations have actually defied the global recession—Walmart is a case in point.

During this same period of economic decline, Walmart increased profits, created thousands of new jobs annually, expanded its operations overseas, launched a sustainable-business revolution, extended health coverage to 1.2 million people, unveiled a hunger-relief program, developed 75 percent of store management from hourly associates, and saved the average American household $3,100 annually. In the words of the company motto, Walmart has helped people “Save money. Live better.”

As the world’s largest corporation and private employer, Walmart possesses a massive economic profile. In 2010, the Bentonville, Arkansas-based retailer hit No. 1 on the Fortune 500 list and was ranked among the Top-10 world’s most admired companies. Fiscal year sales reached $405 billion, and the company’s diverse workforce grew to more than 2 million people worldwide. The big-box leader operated 8,400 retail units in 15 countries, including 2,747 supercenters, 803 discount stores, and 596 Sam’s Clubs in the United States alone. It donated more than $400 million to charities and maintained partnerships with 61,000 suppliers. If Walmart were a country, its economy would rank among the top 25 nations, rivaling Saudi Arabia and Sweden.

The company’s recession-defying growth springs from a familiar-but-groundbreaking retail formula: unbeatable low prices made possible by high volume purchasing, ultra-efficient logistics, and advanced supply chain technology. Significant cost reductions from increased efficiencies and economies of scale enable Walmart to sell merchandise at rock-bottom prices and still make a profit. Walmart supercenters are the visual embodiment of such economies of scale: Spanning the length of multiple football fields, the massive one-stop marketplaces offer mountains of discounted brand name and private label merchandise across a range of categories, from groceries and electronics to housewares and automotive.

Walmart’s success traces back to a legendary American businessman, Sam Walton. Born in 1918 to a farm family in Kingfisher, Oklahoma, Walton recognized early in life that his ability to milk cows, deliver papers, and quarterback a team to a state football championship could lead to greater achievements. At college Walton was head of the ROTC, the founder of a newspaper delivery business, and class president. After finishing studies at the University of Missouri with a degree in economics, the young graduate went to work for J.C. Penney Co., where he learned retail sales and a technique called “management by walking around.”

After serving his country as a World War II Army captain, Walton began to realize his full entrepreneurial potential. Upon leaving the service in 1945, Walton became a franchisee of Ben Franklin Stores, where he honed his trademark strategy of purchasing in high volume while lowering markups. In 1950 he launched his own store—Walton’s Five and Dime—in Bentonville, Arkansas. The rest is history: Walton opened the first Walmart Discount City store in Rogers, Arkansas, in 1962, and in 1969 the business incorporated as Wal-Mart Stores, Inc. After growing his company regionally for two decades, the affable “Mr. Sam” transitioned to chairman of the board and set management’s sights on national and international expansion. Walmart opened its first supercenter in 1988, moved into all 50 states by 1995, spread to 15 countries by 2005, and planned a global 50th anniversary for 2012.

Samuel Moore Walton passed away in 1992, but his spirit lives on in the company. From the first moment Walmart opened as a single store in Rogers, Arkansas, the retail giant has borne the stamp of Walton’s industriousness and ambition. The company now boasts hundreds of millions of customers worldwide who save money by shopping for all their needs at one convenient location.

Today a new era of Walmart is emerging. While the retailer’s storied past was marked by relative tranquility and folksy Americana—“Mr. Sam,” the yellow “Smiley” mascot, and low prices sloganeering—being No. 1 has attracted powerful opposition from competitors, governments, unions, and special interests. Unlike the former halcyon days, the new age of Walmart is fraught with legal and political contests that threaten Walmart’s brand, attack its profitability, and undermine the cost-cutting formula on which the company is built. To reposition Walmart for the challenges of the twenty-first century, former CEO H. Lee Scott, Jr. commenced a companywide makeover at the midpoint of his ten-year tenure. After leading the
company’s disaster-relief effort following Hurricane Katrina in 2005, Scott and fellow executives infused Walmart with fresh initiatives that cast the company in a greener, more humanitarian light. The changes culminated in the acclaimed “Save money. Live better.” campaign—a campaign that has expanded under the leadership of new CEO Mike Duke. By 2015, Walmart plans to add 500,000 new jobs to the economy, tackle world hunger, create industry benchmarks for sustainable business, elevate working conditions for global workers, and roll back prices for increasingly cash-strapped global consumers.

If management pursues its ambitious, forward-looking agenda with the same drive and determination that animated founder Sam Walton, Walmart may be on the cusp of a new business revolution—one that holds maximum potential for people, profits, and the planet.

Questions

1. Why is innovative management important and how have Walmart’s leaders demonstrated innovation throughout the company’s history?


3. What social, political, and economic forces are shaping the practice of management at Walmart in the twenty-first century?

Chapter 1

1. This questionnaire is adapted from research findings reported in Linda A. Hill, Becoming a Manager: How New Managers Master the Challenges of Leadership, 2nd ed. (Boston, MA: Harvard Business School Press, 2003); and John J. Gaborro, The Dynamics of Taking Charge (Boston, MA: Harvard Business School Press, 1987).


21. Longenecker et al., “Causes and Consequences of Managerial Failure in Rapidly Changing Organizations.”


34. Erin White, “Learning to Be the Boss; Trial and Error Is the Norm as New Managers Figure Out How to Relate to Former Peers,” The Wall Street Journal, November 21, 2005.

35. This discussion is based on Linda A. Hill, Becoming a Manager: How New Managers Master the Challenges of Leadership, 2nd ed. (Boston, MA: Harvard Business School Press, 2003), pp. 6–8; and Hill, “Becoming the Boss.”

36. See also “Boss’s First Steps,” sidebar in White, “Learning to Be the Boss”; and Belker and Topchik, The First-Time Manager.


39. Ibid.


41. Mintzberg, Managing, pp. 17–41.


44. Spielberg, “The Cheesecake Factory.”


47. Valerie Darroch, “High Flyer with Feet on Home Ground; Gorbals-Born Stephen Baxter Combines His Role as Glasgow Airport Boss with Heading the City’s Chamber of Commerce,” Sunday Herald, February 6, 2005.


Chapter 2

1. This questionnaire is from William Pfeffer and John E. Jones, eds., "Supervisory Attitudes: The X–Y Scale," The 1972 Annual Handbook for Group Facilitators (New York: John Wiley & Sons, 1972), pp. 65–68. This material is used by permission of John Wiley & Sons, Inc. The X–Y scale was adapted from an instrument developed by Robert N. Ford of AT&T for in-house manager training.


12. The following is based on Wren, Evolution of Management Thought, chapters 4, 5; and Claude S. George, Jr., The History of Management Thought (Englewood Cliffs, NJ: Prentice-Hall, 1968), chapter 4.


15. Wren, Evolution of Management Thought, 171; and George, History of Management Thought, 103–104.


32. F. J. Roethlisberger and W. J. Dickson, Management and the Worker.


34. Tausky, Work Organizations: Major Theoretical Perspectives, p. 55.


44. This section is based on Peter M. Senge, The Fifth Discipline: The Art
588

Chapter 3


3. This section is based on Richard L. Daft, Organization Theory and Design, 10th ed. (Cincinnati, OH: South-Western, 2010), pp. 140–143.


8. Adapted from Don Hellriegel, Susan E. Jackson, and John W. Slocum Jr., Managing: A Competency-Based Approach (Mason, OH: Thompson South-Western, 2008), p. 73.


26. Aaron O. Patrick, Julie Jardon, Sky
24. Michael Bustillo and Jeffrey A.
23. Brian Stetler and Brad Stone, “Suc-
22. Daniel Ionescu, “Report: Hulu to
18. Andrew Adam Newman, “Media
17. Barney Gimbel, “Attack of the W al-
16. John Boudreau, “Is the CEO a My-
15. Thomas H. Davenport and Michael J.
14. Michael H. Drazin and John D. Haas,
13. John C. Williams and Lee J. Beck,
12. Michael E. Porter, “The Nine Life-
10. E. E. Rogers, Diffusion of Inno-
9. Ronald W. Huber, “The Value of C
7. Donald W. Hambrick and Barry D.
5. Janis L. news, “Conflict and Aggre-
4. John W. Alger and Cheryl D. Smith,
3. James Cross and J. Wirtz, “The Role
2. Ronald L. Ford, “Impacts of Market

Endnotes

17. Barney Gimbel, “Attack of the Wal-
18. Andrew Adam Newman, “Media
19. Dror Etzion, “Research on Organiza-
20. Elizabeth Weise and Doyle Rice, “E
21. Jessi Hempel, “The MySpace Gen-
22. Daniel Ionescu, “Report: Hulu to
23. Brian Steeler and Brad Stone, “Suc-
24. Michael Bustillo and Jeffrey A.
26. Aaron O. Patrick, Julie Jardon, Sky

Copyright 2011 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part. Due to electronic rights, some third party content may be suppressed from the eBook and/or eChapter(s).
Editorial review has deemed that any suppressed content does not materially affect the overall learning experience. Cengage Learning reserves the right to remove additional content at any time if subsequent rights restrictions require it.


49. Martin, Organizational Culture, pp. 71–72.

50. Terrence E. Deal and Allan A. Kennedy, Corporate Cultures: The Rites and Rituals of Corporate Life (Reading, MA: Addison-Wesley, 1982).


52. Patricia Jones and Larry Kahn, Say It and Live It: 50 Corporate Mission Statements That Hit the Mark (New York: Currency Doubleday, 1995).


71. Rosenthal and Maserech, “High-Performance Cultures.”


75. Jarnagin and Slocum, “Creating Corporate Cultures through Mythopoetic Leadership.”

Chapter 4


39. Ibid.


61. These components are from Earley and Mosakowski, “Cultural Intelligence.”


73. Dean, “The Yuan: Multinationals May Gain from Yuan.”


77. Easton, “Make the World Go Away.”


Chapter 5

25. Based on information in Vadim

24. Based on information in Constance E.

21. Linda K. Treviño and Katherine A.

23. Based on a question from a General

Endnotes

595


22. Jones, “Ethical Decision Making by Individuals in Organizations.”


47. Edelman survey, reported in Kauffeld et al., "Green Is a Strategy."


54. O'Sullivan, "Virtue Rewarded."


60. Treviño et al., "Managing Ethics and Legal Compliance."


65. Reported in Rosen, "A Measure of Success? Ethics after Enron."


Endnotes

71. Reported in Rosen, “A Measure of Success: Ethics after Enron.”
76. Verschoor and Murphy, “The Financial Performance of Large U.S. Firms.”
83. Adapted from Richard L. Daft and Dorothy Marcic, Understanding Management (Mason, OH: South-Western, 2008), 134.

Chapter 6


11. Study conducted by Yankelovich Partners, reported in Mark Henricks, “Type-Cast,” Entrepreneur (March 2000): 14–16.


15. Niela Bosma, Zelatan J. Ace, Ekkko Autio, Alicia Coduraz, and Jonathan Levine, Global Entrepreneurship Monitor 2008 Executive Report. Permission to reproduce a figure from the GEM 2008 Global Report, which appears here, has been kindly granted by the copyright holders. The GEM is an international consortium and this report was produced from data collected in, and received from, 43 countries in 2008. Our thanks go to the authors, national teams, researchers, funding bodies and other contributors who have made this possible.


31. This discussion is based on Charles R. Kueh and Peggy A. Lambing, Small Business: Planning and Management, 3rd ed. (Fr. Worth, TX: The Dryden Press, 1994).


44. Leslie Brokaw, "How to Start an Inc.


**Chapter 7**


4. Ibid.


34. See Mitroff and Alpaslan, “Preparing for Evil,” for a discussion of the “wheel of crises” outlining the many different kinds of crises organizations may face.

35. Harari, “Good/Bad News about Strategy.”


42. Based on Shel Horowitz, “Should Mary Buy Her Own Bonus?” Business Ethics (Summer 2005): 34.


Chapter 8

1. This questionnaire is adapted from Dorothy Marcic and Joe Seltzer, Organizational Behavior: Experiences and Cases (Cincinnati, OH: SouthWestern, 1998), pp. 284–287, and William


22. Byron, “P&G Razor Launches in Recession’s Shadow.”


60. This discussion is based on Eric Beaudan, “Creative Execution,” Ivey


Chapter 9


Endnotes


36. Richard L. Daft, Juhani Sormunen, and Don Parks, "Chief Executive Scanning, Environmental Characteristics,


52. Stoll et al., “A Saga of Decline and Denial.”


59. Wellner, “A Perfect Brainstorm”;


Endnotes


63. Doran and Gunn, “Decision Making in High-Tech Firms.”

64. Eisenhardt, “Strategy As Strategic Decision Making.”


70. Ibid.


73. Reported in Stuller, “The Need for Speed.”


76. Adapted from Rowe and Richard O. Mason, Managing with Style, pp. 40–41.

77. This approach to decision-making was developed by Robert P. Bostrom and Victoria K. Clawson of Bostrom and Associates, Columbia, Missouri, and this write-up is based on a case study appearing in Inside USAA, the company newsletter of USAA (September 11, 1996), pp. 8–10; and Victoria K. Clawson and Robert P. Bostrom, “Research-Driven Facilitation Training for Computer-Supported Environments,” Group Decision and Negotiation 5 (1996): 7–29.


79. D. Polly and P. Weber, “A Manager’s Dilemma: Who Gets the Project?” in J. K. Benson, ed., Journal of Critical Incidents (2008): 1, 15–17, as edited and presented in D. Hellriegel and J. Slocum, Organizational Behavior, 13th ed. (Cincinnati, OH: South-Western/Cengage), pp. 441–442. Presented to and accepted by the Society for Case Research. All rights reserved to SCR. This case was prepared by the authors and is intended to be used as a basis for class discussion. The views represented here are those of the case authors and do not necessarily reflect the views of the Society for Case Research. The authors’ views are based on their professional judgment. The names of the organization, individuals, and location have been disguised to preserve the organization’s anonymity. Used with permission.

Chapter 10


30. Anand and Daft, "What Is the Right Organization Design?"


33. Maisie O’Flanagan and Lynn K. Taliento, "Nonprofits: Ensuring That


47. These disadvantages are based on Michael Goold and Andrew Campbell, “Making Matrix Structures Work: Creating Clarity on Unit Roles and Responsibilities,” European Management Journal 21, no. 3 (June 2003): 351–363; and Sy and D’Annunzio, “Challenges and Strategies of Matrix Organizations.”


advantages of horizontal over vertical designs.


Chapter 11


5. Ibid.


Endnotes

50. Raisch, “Balanced Structures.”
52. Hoenig, “Skunk Works Secrets.”
72. David Kesmodel and Suzanne Vranica, “Unease Brewing at Anheuser..."


Chapter 12


17. Section 1604.1 of the EEOC Guidelines based on the Civil Rights Act of 1964, Title VII.


24. Based on Branham, “Planning to Become an Employer of Choice.”


26. Estimate from the Iowa Policy Project, reported in Coy et al., “The Disposable Worker.”

27. Ibid.


29. Coy et al., “The Disposable Worker.”


41. This discussion is based on Mathis and Jackson, Human Resource Management, chapter 4, pp. 49–60.
43. J. P. Wannous, Organizational Entry (Reading, MA: Addison-Wesley, 1980).
46. Boyle, “Enough to Make Monster Tremble.”


83. Ibid.


85. Bernardin and Beatty, Performance Appraisal.


98. Effective downsizing techniques are discussed in detail in Bob Nelson, “The Care of the Un-Downsized,” Training and Development (April 1997): 40–43; Shari Caudron,


Chapter 13


7. Caminiti, “The Diversity Factor.”


30. Ibid.


38. Cox and Beale, “Developing Competency to Manage Diversity,” p. 79.

39. Ibid., pp. 80–81.


41. Ibid., 26.


72. Alleyne and Richardson, “The 40 Best Companies for Diversity,” 100.
73. Morrison, “The New Leaders.”
75. Finnigan, “Different Strokes.”
78. Trot tman, “A Helping Hand.”
82. “Keeping Your Edge: Managing a Diverse Corporate Culture,” special advertising section, Fortune (June 3, 2001).
95. See Distefano and Maznevski, “Creating Value with Diverse Teams” for a discussion of the advantages of multicultural teams.
97. Distefano and Maznevski, “Creating Value with Diverse Teams.”
102. Finningan, “Different Strokes.”

Chapter 14

4. See Michael West, “Hope Springs,” People Management (October 2005): 38ff; and Mark C. Bolino, William
5. Reported in Del Jones, “Optimism Puts Rose-Colored Tint in Glasses of Top Execs; Or Do They Just Have a Feeble Grip on Reality?” USA Today, December 15, 2005.


35. Christie and Geis, Studies in Machiavellianism.
39. Reported in Cullen, “SATs for J-O-B-S.”
64. Reported in “Work Stress Is Costly,” *Morning Call*, October 18, 2005.
68. Hymowitz, “Bosses Have to Learn How to Confront Troubled Employees.”
Chapter 15


34. R. Likert, “From Production- and Employee-Centeredness to Systems 1–4.”


57. Rubin et al., “Leading from Within.”


61. Ibid., 117–118.


69. Ibid.


Chapter 16


3. Ibid.


24. Latham and Locke, "Enhancing the Benefits and Overcoming the Pitfalls of Goal Setting.


63. Soylar and Brusino, “Essentials of Engagement.”


68. This example is from Soylar and Brusino, “Essentials of Engagement.”


Chapter 17

11. Research reported in “E-mail Can’t Mimic Phone Calls,” Johnson City Press, September 17, 2000.
21. Ibid.
33. Ibid.
51. This discussion is based on Daft and Steers, Organizations.
Chapter 18


Endnotes


Copyright 2011 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part. Due to electronic rights, some third party content may be suppressed from the eBook and/or eChapter(s). Editorial review has deemed that any suppressed content does not materially affect the overall learning experience. Cengage Learning reserves the right to remove additional content at any time if subsequent rights restrictions require it.
15. Deborah L. Gladstein, “Groups in
12. “Why Some T eams Succeed (and So
11. Quoted in Jason Zweig, “Th e Intelli-
10. David H. Freedman, “The Idiocy of
9. Avan Jassawalla, Hemant Sashittal,
avinash Malh, ‘Students’
Perceptions of Social Leaﬁng: Its
Antecedents and Consequences in
Undergraduate Business Classroom
Teams,” Academy of Management
Learning and Education 8, no.1
(2009): 42-54; and Robert Albanese
and David D. Van Fleet, “Rational
Behavior in Groups: The Free-Riding
Tendency,” Academy of Management
10. David H. Freedman, “The Idiocy of
Crowds” (What’s Next column), Inc.
11. Quoted in Jason Zweig, “The Intellig-
ent Investor: How Group Decisions
End Up Wrong-Footed,” The Wall
12. “Why Some Teams Succeed (and So
Many Don’t);” Harvard Management
Update (October 2006): 3–4;
Frederick P. Morgeson, D. Scott
DeRue, and Elizabeth P. Karam,
“Leadership in Teams: A Functional
Approach to Understanding Leader-
sip Structure and Processes,” Journal
of Management 36, no. 1 (January
2010): 5–39; and Patrick Lencioni,
“Dissolve Dysfunction: Begin Build-
ing Your Dream Team,” Leadership
That Spell? Teamwork!” Fortune
(June 12, 2006): 65–66.
14. Eric Sundstrom, Kenneth P.
DeMeuse, and David Futrell,
“Work Teams,” American Psycholo-
gist 45 (February 1990): 120–133;
and Morgeson et al., “Leadership in
Teams.”
15. Deborah L. Gladstein, “Groups in
Context: A Model of Task Group
Effectiveness,” Administrative Science
Quarterly 29 (1984): 499–517. For
an overview of research on team ef-
effectiveness, see John Mathieu, M.
Travis Maynard, Tammy Rapp, and
Lucy Gilson, “Team Effectiveness
1997–2007: A Review of Recent
Advancements and a Glimpse into the
Future,” Journal of Management 34, no.
3 (June 2008): 410–476.
16. Sujin K. Horwitz and Irwin B.
Horwitz, “The Effects of Team
Diversity on Team Outcomes: A
Meta-Analytic Review of Team De-
mography,” Journal of Management 33,
no. 6 (December 2007): 987–1015;
Dora C. Lau and J. Keith Murnighan,
“Demographic Diversity and Fault-
lines: The Compositional Dynamics
of Organizational Groups,” Academy
of Management Review 23, no. 2
17. Based on J. Richard Hackman, Lead-
ing Teams: Setting the Stage for Great
Performances (Boston, MA: Harvard
Lee G. Bolman and Terrence E. Deal,
“What Makes a Team Work?” Organ-
izational Dynamics (August 1992):
34–44; Amy Edmondson, Richard
Boehmer, and Gary Pisano, “Speed-
ing Up Team Learning,” Harvard
Business Review (October 2001):
125–132; and Jeanne M. Wilson,
Jill George, and Richard S. Welling,
with William C. Byham, Leadership
Trapeze: Strategies for Leadership
in Team-Based Organizations (San
18. Aparna Joshi, Mila B. Lazarova,
and Hui Liao, “Getting Everyone
on Board: The Role of Inspirational
Leadership in Geographically Dis-
persed Teams,” Organization Science
20, no. 1 (January–February 2009):
240–252.
Meetings 101: Transform Them
from Dull to Dynamic,” Leadership
22. Dan Heath and Chip Heath, “Blow-
ing the Baton Pass,” Fast Company
23. Susanne G. Scott and Walter O.
Einstein, “Strategic Performance
Appraisal in Team-Based Organiza-
tions: One Size Does Not Fit All,”
Academy of Management Executive
24. Mathew Schwartz, “From Short
Stack to Competitive Advantage:
IHOP’s Pursuit of Data Quality,”
Business Intelligence Journal, vol. 11,
no. 3 (Third Quarter, 2006): 46–51.
25. John Murawski, “Cisco Unveils ‘Busi-
ness Tablet,” McClatchy-Tribune
26. James H. Shonk, Team-Based Orga-
nizations (Homewood, IL: Business
One Irwin, 1992); and John Hoerr,
“The Payoff from Teamwork,” Busi-
27. Ruth Wagman, “Critical Success
Factors for Creating Superb Self-
Managing Teams,” Organizational
Work Team,” Small Business Report
29. The discussion of virtual teams
is based on Phillip L. Hunsaker
and Johanna S. Hunsaker, “Virtual
Teams: A Leader’s Guide,” Team
Performance Management 14, no.
1–2 (2008): 86; Wayne F. Cascio
and Stan Shurygailo, "E-Leadership
and Virtual Teams," Organizational
Dynamics 31, no. 4 (2002):
362–376; Anthony M. Townsend,
Samuel M. DeMarie, and Anthony R.
Hendrickson, “Virtual Teams: Tech-
nology and the Workplace of the
Future,” Academy of Management
Executive 12, no. 3 (August 1998):
17–29; and Deborah L. Duarte and
Nancy Tennant Snyder, Master-
ing Virtual Teams (San Francisco:
30. Jessica Lipnack and Jeffrey Stamps,
“Virtual Teams: The New Way
to Work,” Strategy & Leadership
31. This discussion is based on Arvind
Malhotra, Ann Majchrzak, and
Benson Rosen, “Leading Virtual
Teams,” Academy of Management
Perspectives 21, no. 1 (February 2007):
60–69; Benson Rosen, Stacie Furst,
and Richard Blackburn, “Overcoming
Barriers to Knowledge Sharing in
Virtual Teams,” Organizational
Dynamics 36, no. 3 (2007): 259–273;
Marshall Goldsmith, “Crossing the
Cultural Chasm; Keeping Commu-
nication Clear and Consistent with
Team Members from Other COUN-
tries Isn’t Easy, Says Author Maya
Hu-Chan,” Business Week Online,
businessweek.com/careers/content
/may2007/ca20070530_521679
38. Carol Saunders, Craig Van Slyke, Charlene Marmer Solomon, “Build this discussion is based on Jeanne
Vijay Govindarajan and Anil K. Pete Engardio, “A Guide for Mul-
Gratton, “Working Together . . .” Ann Majchrzak, Arvind Malhotra,
Bradley L. Kirkman, Benson Rosen, and Simon O. McPherson, “Five
Challenges to Virtual Team Success: Lessons from Sabre, Inc.”, Academy
32. Darl G. Kolb, Greg Prussia, and Joline Francouer, “Connectivity and Leadership: The Influence of
Online Activity on Closeness and Effectiveness,” Journal of Leadership
33. Ann Majchrzak, Arvind Malhotra, Jeffrey Stamps, and Jessica Lipnack, “Can Absence Make a Team Grow
Challenges to Virtual Team Success.”
Learning How to Build a Productive Global Team,” Business Week
36. Vijay Govindarajan and Anil K. Gupta, “Building an Effective Global Business Team,” MIT Sloan Man-
38. Carol Saunders, Craig Van Slyke, and Douglas R. Vogel, “My Time or Yours: Managing Time Visions in
Global Virtual Teams,” Academy of Management Executive 18, no. 1
39. This discussion is based on Jeanne Brett, Kristin Behfar, and Mary C. Kern, “Managing Multicultural
Teams,” Harvard Business Review (November 2006): 84–91; and
Saunders et al., “My Time or Yours?”
www.cio.com/article/174750 /Global_Team_Management
41. Quoted in Phred Dvorak, “Frequent Contact Helps Bridge International Divide” (Theory & Practice column),
42. Dvorak, “Frequent Contact Helps Bridge International Divide.”
Siebdrat, Martin Hoegl, and Holger Ernst, “How to Manage Virtual
Teams,” MIT Sloan Management Review (Summer 2009): 63–68; and
44. Reported in Jia Lynn Yang, “The Power of Number 4.6,” part of a special series, “Secrets of Greatness:
Teamwork,” Fortune (June 12, 2006): 122.
46. For research findings on group size, see Erin Bradner, Gloria Mark, and Tammie D. Hertel, “Team Size
and Technology Fit: Participation, Awareness, and Rapport in Distrib-
uted Teams,” IEEE Transactions on Professional Communication 48, no. 1
(March 2005): 68–77; M. E. Shaw, Group Dynamics, 3rd ed. (New York:
McGraw-Hill, 1981); G. Manners, “Another Look at Group Size,
Group Problem-Solving and Member Consensus,” Academy of Management Journal 18 (1975): 715–724; and
Hoegl, “Smaller Teams—Better Teamwork.”
47. Bradner, Mark, and Hertel, “Team Size and Technology Fit: Participation, Awareness, and Rapport in Distrib-
uted Teams.”
51. Watson et al. “Cultural Diversity’s Impact on Interaction Process and Performance”; and D. C. Hambrick,
52. R. M. Belbin, Team Roles at Work (Oxford: Butterworth Heinemann, 1983); Tony Manning, R. Parker,
George Prince, “Recognizing Genuine Teamwork,” Supervisory Manage-
ment (April 1989): 25–36; and K. D. Benne and P. Sheats, “Func-
53. Robert A. Baron, Behavior in Organizations, 2nd ed. (Boston: Allyn & Bacon, 1986).
54. Ibid.
Connie J. G. Gersick, “Time and
Chapter 19

17. Braam and Nijsen, “Performance Effects of Using the Balanced Scorecard.”
29. Ibid.
31. Ibid.
50. Clifford, "Why You Can Safely Ignore Six Sigma"; and Hammer and Goding, "Putting Six Sigma in Perspective."
51. Syed Hasan Ijaffrey, "ISO 9001 Made Easy," *Quality Progress* 37, no. 5 (May 2004): 104; Frank C. Barnes, "ISO


56. Taub, "MVPs of MVA.”


Appendix


Endnotes


22. “ZDNet Definition for: RFID.”


35. Ibid.


Copyright 2011 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part. Due to electronic rights, some third party content may be suppressed from the eBook and/or eChapter(s). Editorial review has deemed that any suppressed content does not materially affect the overall learning experience. Cengage Learning reserves the right to remove additional content at any time if subsequent rights restrictions require it.


48. Ibid.


57. Turcotte et al. “Are You Ready for the E-Supply Chain?”


68. Straub and Klein, “E-Competitive Transformations.”