

Contemporary Management

[Second Canadian Edition]

Gareth R. Jones

Texas A&M University

Jennifer M. George

Rice University

Graham Fane

Capilano College



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To Matthew and Nicholas, students of business, and Meghan, a student of the arts.
G. F.

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**Contemporary Management
Second Canadian Edition**

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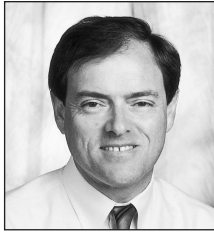
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Authors



Gareth R. Jones is a Professor of Management in the Lowry Mays College and Graduate School of Business at Texas A&M University. He received his B.A. in Economics/Psychology and his Ph.D. in Management from the University of Lancaster, U.K. He previously held teaching and research appointments at the University of Warwick, Michigan State University, and the University of Illinois at Urbana–Champaign. He is a frequent visitor and speaker at universities in both the United Kingdom and the United States.

He specializes in strategic management and organizational theory and is well known for his research that applies transaction cost analysis to explain many forms of strategic and organizational behaviour. He is currently interested in strategy process, competitive advantage, and information technology issues. He is also investigating the relationships between ethics, trust, and organizational culture and studying the role of affect in the strategic

decision-making process.

He has published many articles in leading journals of the field and his recent work has appeared in the *Academy of Management Review*, *Journal of International Business Studies*, *Human Relations*. An article on the role of information technology on many aspects of organizational functioning was recently published in the *Journal of Management*. One of his articles won the *Academy of Management Journal* Best Paper Award, and he is one of the most prolific authors in the *Academy of Management Review*. He is or has served on the editorial boards of the *Academy of Management Review*, the *Journal of Management*, and *Management Inquiry*.

Gareth Jones has taken his academic knowledge and used it to craft leading textbooks in management, and three other major areas in the management discipline: organizational behaviour, organizational theory, and strategic management. His books are widely recognized for their innovative, contemporary content, and for the clarity with which they communicate complex, real-world issues to students. He comes from a long line of educators and is happy that his two children, Nicholas who is 10, and Julia who is 9, seem to show similar interests, as they are always trying to teach him new things.



Jennifer M. George is the Mary Gibbs Jones Professor of Management and Professor of Psychology in the Jesse H. Jones Graduate School of Management at Rice University. She received her B.A. in Psychology/Sociology from Wesleyan University, her M.B.A. in Finance from New York University, and her Ph.D. in Management and Organizational Behavior from New York University. Prior to joining the faculty at Rice University, she was a Professor in the Department of Management at Texas A&M University.

She specializes in Organizational Behaviour and is well known for her research on mood and emotion in the workplace, their determinants, and their effects on various individual and group level work outcomes. She is the author of many articles in leading peer-reviewed journals such as the *Academy of Management Journal*, the *Academy of Management Review*, the *Journal of Applied Psychology*, *Organizational Behavior and Human Decision*

Processes, *Journal of Personality and Social Psychology*, and *Psychological Bulletin*. One of her papers won the Academy of Management's Organizational Behavior Division Outstanding Competitive Paper Award and another paper won the *Human Relations* Best Paper Award. She is, or has been, on the editorial review boards of the *Journal of Applied Psychology*, *Academy of Management Journal*, *Journal of Management*, *Organizational Behavior and Human Decision Processes*, and *Journal of Managerial Issues*, was a consulting editor for the *Journal of Organizational Behavior*, and is a member of the SIOP *Organizational Frontiers Series* editorial board. She is a Fellow in the American Psychological Association, the American Psychological Society, and the Society for Industrial and Organizational Psychology, and a member of the Society for Organizational Behavior. Professor George is currently an Associate Editor for the *Journal of Applied Psychology*.



Graham S. Fane Graham is a Professor of Business in the School of Business at Capilano College in North Vancouver. He received a Diploma in Administrative Management from BCIT, a Bachelor of Science in Administration, and a Master of Business Administration from Washington State City University. He is a Certified Management Accountant in British Columbia. Graham specializes in Strategic Management, Performance Measurement, Business Planning, and Management Accounting. He has been a professor at Capilano since 1980, and has been a sessional lecturer at a wide variety of institutions and professional associations. Graham brings a wealth of practical experience to this study of management.

Since 1989, Graham has pursued an active consulting career, developing management workshops and executive retreats on a variety of topics. Since 1989, close to 8,000 middle and upper managers from public and private organizations across Canada have attended Graham's workshops on Strategic Planning, Decision Making, and Performance Measurement. He has delivered workshops to Russian electric utility managers and to government officials in Colombia, South America. As a popular conference speaker and an experienced facilitator, he has worked with senior management teams to develop strategic plans in organizations such as Chevron Canada, Vancouver Terminals, the SFU School of Kinesiology, the Association of Dental Surgeons, the Paramedic Training Academy, police forces, fire departments, and a wide variety of small- to medium-sized businesses.

Graham has published a strategic management text, *Managing with SAVI* (McGraw-Hill Ryerson, December 2003), and has published papers on strategic planning, business case analysis, capital budgeting, and performance measurement.

Graham serves on the board of directors of the Society of Management Accountants of BC.

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Preface

Welcome to the second Canadian edition.

It has been an interesting challenge to add to and modify an excellent text that has received widespread acceptance in North America. At first I felt unworthy of suggesting changes to the existing piece of work, but as I became immersed in the chapters (immersed is an understatement. A project like this consumes you for about a year; ask my wife) I came to the realization that “Contemporary Management” is just that...contemporary.

To me, *contemporary* means current, relevant to the study of management, relevant to students having one of their first encounters with management principles through this text, and relevant to Canadian business practices. I concluded that altering someone else’s work could be justified if it added value to the final product and if the core principles of the book remained intact.

I decided the value I could add to this book would be to try to make each chapter and the connection between chapters fit the pattern of the book by asking of each concept in each chapter, “Is this still current and relevant to management today? Is it something that students will grasp? Where does the material fit with other business courses in a typical curriculum?” And finally, “Is there a Canadian example to demonstrate the point?”

My 27 years of teaching, combined with 15 years of management consulting, gave me some confidence in applying judgment, but most of my confidence came from my students and colleagues over the past year of this project who, sometimes unknowingly, helped to validate concepts and approaches that I took to the classroom and to the consulting engagements as “live runs” to see how each concept and chapter worked. These live runs proved to be an excellent test. I am grateful for the investment my students made in this project.

I must have driven my colleagues crazy. It seemed that every meeting, every faculty event, every casual encounter began with my interviewing colleagues about current concepts and how well my approach worked from the students’ perspective. I was trying to do two things: enhance the

teachability of the book as well as the learnability of the book. To accomplish this I became focused on defining customers’ needs. The “voice” of this book has been changed a bit to better meet the needs of the introductory-level student.

I encountered a disparity of opinion among colleagues regarding what should be done to Canadianize the book. Some felt that the book should be purely Canadian in every aspect, others that some international examples would be useful, as long as they were not American examples. Others thought that American examples should be included. I decided to ignore the source and focus on the quality of the example.

There has been a call for more internationalization of the Canadian business curriculum, which can’t be achieved by a purely Canadian text. In this book, many foreign examples (including American) are highlighted because they represent best practices, are noteworthy, or are the most insightful treatment of a concept. A text with only Canadian examples misses the opportunity to learn from the international stage.

The business world has changed dramatically in recent years. There are increasing pressures on managers at all levels to integrate new information technology into all aspects of an organization’s operations to improve efficiency and customer responsiveness. The increasing diversity of the workforce has made it imperative for managers to understand how and why people differ so that they can effectively manage diversity. The continuing need to innovate and improve the quality of goods and services to allow an organization to compete effectively, especially on a global level, has continued to confront managers. The tasks that managers must perform effectively have become more complex and challenging than ever before.

Encouraged by the favourable reception and high level of support that greeted the first edition of *Contemporary Management*, we set out to revise and develop the second edition of this book in significant ways based on the reactions and suggestions of both users and reviewers. Both users and reviewers were very supportive of our attempts to

integrate contemporary management theories and approaches into the analysis of management and organizations. Our goal has been to distill new and classic theorizing and research into a contemporary framework that is compatible with the traditional focus of management as planning, leading, organizing, and controlling, but which transcends this traditional approach.

Users and reviewers report that students appreciate and enjoy our presentation of management, a presentation that makes its relevance obvious even to those who lack exposure to “a real-life” management context. Students like both the book’s content and the way we relate management theory to real-life examples to drive home the message that management matters both because it determines how well organizations perform, and because managers and organizations affect the lives of people who work inside them as well as people outside the organization, such as customers and shareholders.

The contemporary nature of our approach can be seen most clearly by examining our table of contents and by perusing our treatment of management issues, especially with reference to the kinds of issues and organizations we discuss in our opening cases and many insights throughout the book. In keeping with this tradition, we’ve added many new and updated topics and issues throughout all of the chapters in the book.

As you examine our table of contents and see our treatment of relevant and timely management issues, you will see why *Contemporary Management* is a superior management text and why it will be a useful aid to the instructor in the classroom. We believe that teaching involves a partnership between committed and expert faculty, engaged students, and valuable resources. The text and its supplemental materials will be the resource you need to succeed in the classroom.

Unique Coverage

As you will see, we have some chapters and material that are not contained in any other Canadian management textbook. Chapter 3, for example, is a new chapter on managing change. In previous editions, brief coverage of change was introduced in Chapter 16. To highlight the significance of change in the world of management, the chapter has been moved closer to the front, and the coverage treats the management of change as a founda-

tion, or core issue, for managers. This was done in response to the most important dynamic of management today: trying to keep pace with a world that changes rapidly.

As another example, the scope of coverage of “Managers as People” has been expanded from one chapter in the previous edition to an entire section consisting of three chapters. The management of people is a critical dimension of successful management. We therefore examine attitudes, values, culture, diversity, conflict, and negotiations, not only among managers, but also among the people they are trying to manage.

Finally, the “Managing for the Future” section is a collection of key issues around planning, decision making, and leading. The central theme of this section is that managers need to understand that success comes from thinking about success, acting on those thoughts, and leading others to act as well.

In the 16 chapters that make up this text, we examine management using a systematic approach. Each chapter will provide a thorough analysis of a set of specific issues; the chapters have been grouped into sections which comprise a variety of related issues.

SECTION 1 WHY DO WE NEED TO MANAGE?

- Chapter 1 Managers and Managing
- Chapter 2 The Evolution of Management Theory
- Chapter 3 An Overview of Managing Change

This first section of the book puts management in context. The three chapters provide an overview of management, explaining what management is, where management has come from, and one of the most critical challenges managers face.

Chapter 1 defines the role that managers and management have in an organizational system, making the point that the act of management is critically important to running an organization. Chapter 2 enables us to learn from the past by explaining where management has come from, how it has evolved over the years, and how it is based on long-standing theories. Chapter 3 deals with one of management’s most important challenges, the fact that organizations need to change to meet an ever-changing business and social environment.

The fundamental purpose of this section of the book is to develop an understanding of why management is necessary.

SECTION 2 MANAGERS ARE PEOPLE

Chapter 4 Attitudes, Values, and Culture: The Manager as a Person

Chapter 5 Ethics, Social Responsibility, and Diversity

Chapter 6 Organizational Conflict, Negotiation, and Politics

Section 1 set the stage by defining what management is, understanding the evolution of management theories, and identifying the need for managers to manage change. Section 2 begins a study of the resources a manager has to work with and, more specifically, the constraints that might limit organizational success.

The three chapters in Section 2 deal with the characteristics of people as individuals and how these characteristics integrate with organizational systems and practices. Most organizations work very hard to create an organizational identity, or personality. The hope is that an organization will be defined by more than its name or the goods and services it provides, that it will be defined by its people, and that those people will share in the management of the organization using similar approaches to problem solving and to relationships with customers and other members of the organization.

The three chapters are linked. Chapter 4 identifies various characteristics of individuals, Chapter 5 identifies characteristics that are identified by the policies and practices of the organization, and Chapter 6 deals with methods of identifying and resolving conflict when personal characteristics and organizational characteristics conflict with each other.

It is important to understand the content of Section 2 before moving to the remaining sections of the book. In general, Section 3 (Managing for the Future), Section 4 (The Scope of Management), and Section 5 (Managing People, Our Most Valuable Asset) introduce tools that managers can use to plan for the future and to construct and manage systems to optimize organizational success. In order for those tools to be effective, a manager must have a thorough understanding of the characteristics that define people and the role that these characteristics play in managing the organization.

The purpose of Section 2 is to raise awareness of the complexities of people and, most importantly, how a manager can take this knowledge and use it to help design and manage effective and efficient

organizational systems that maximize organizational success.

SECTION 3 MANAGING FOR THE FUTURE

Chapter 7 The Manager as Planner and Strategist

Chapter 8 The Manager as Decision Maker

Chapter 9 Leadership

This section of the book focuses on the skills a manager needs to be able to meet the changing environment of the future. It has been said that the only thing that is constant is change. In today's economy, political, social, and technological changes are having a significant impact on even the most stable industries. Organizations, large and small, public and private, service and product producers, need to constantly monitor changes, make decisions that deal with these changes, and lead the people in the organization to act on those decisions.

These three chapters demonstrate three important elements of success. Managers need to plan (Chapter 7), to act on the plan (Chapter 8), and to lead others to stay with the plan (Chapter 9). Planning involves thinking strategically, or at a high level, about where the organization should be going. Acting on the plan involves making decisions that use an organization's scarce resources to the best possible advantage. Leading people involves creating an environment in which the entire organization, top to bottom, believes that the plan is good and possible, and that working towards the plan will be beneficial for everyone.

This section focuses on certain skills a manager needs. The next section will introduce when, where, and how the skills will be used.

SECTION 4 THE SCOPE OF MANAGEMENT

Chapter 10 Managing the Organizational Environment

Chapter 11 Managing the Global Environment

Chapter 12 Managing Organizational Structure

Chapter 13 Organizational Control

This section of the book broadens our understanding of the scope of management, or rather, the arenas in which management takes place. Effective managers need to consider issues and events that occur both inside and outside the organization. It is important that managers be aware that the scope of management is very broad.

In order to manage, managers must understand that the organization is constantly being influenced by its various environments. We begin this section by studying the organizational environment (Chapter 10), then the global environment (Chapter 11), since organizations are significantly influenced by economic and social events that occur in both the organizational and global environments.

We close this section with a study of how an organization structures itself to meet the needs of an ever-changing environment (Chapter 12), and how an organization controls itself to ensure that environmental issues are being managed effectively (Chapter 13).

SECTION 5 MANAGING PEOPLE, OUR MOST VALUABLE ASSET

Chapter 14 Human Resource Management

Chapter 15 Motivating Individuals and Groups

Chapter 16 Communication

This section of the book broadens our understanding of the management of people, our most valuable, often most neglected, asset.

In order to manage, managers must understand that an organization cannot reach its goals without paying close attention to the needs and behaviours of people. The best-laid plans on paper will go nowhere unless people choose to embrace them and to work constantly to achieve the organizational goals and objectives.

A detailed study of the management of people is best left to a course on human resource management. In the context of this book, however, we offer some highlights of “people management” to illustrate the ways in which the management of people fits in the management process.

We begin this section by identifying the realm and scope of human resource management (Chapter 14). We then examine principles of motivation for people and groups of people (Chapter 15), and we close with an important discussion of effective communication (Chapter 16). By the end of this section you will understand which tools you have to work with, what makes people choose to work constructively, and how to make sure that messages being sent are being received.

Emphasis on Applied Management

Our contemporary approach also is illustrated by the way we have chosen to organize and discuss contemporary management issues. We have gone to great lengths to bring the manager back into the subject matter of management. That is, we have written our chapters from the perspective of current or future managers to illustrate, in a hands-on way, the problems and opportunities they face and how they can effectively meet them. For example, in Chapter 4 we provide an integrated treatment of personality, ethics, and culture; in Chapter 5 a hands-on account of diversity and sexual harassment that clearly explains their significance to practising managers. In Chapter 7, on planning and strategy, we provide an integrated treatment, highlighting the choices managers face as they go about performing the planning role. We emphasize important issues managers face and how management theory, research, and practice can help them and their organizations be effective. This chapter is one of our book’s most popular chapters with both instructors and students.

Flexible Organization

Another factor of interest to instructors concerns the way we have designed the grouping of chapters to allow instructors to teach the chapter material in the order that best suits their needs. For example, the more micro-oriented instructor can follow Chapters 1 through 3 with 10 through 13 and then do the more macro chapters. The more macro-oriented professor can follow Chapters 1 and 2 with 4 through 9, jump to 14, 15, 16, and then do the micro Chapters 3, 5, and 6 and 10 through 13. Our sequencing of parts and chapters gives the instructor considerable freedom to design the course that best suits him or her. Instructors are not tied to the planning, organizing, leading, controlling framework, even though our presentation remains consistent with this approach.

Acknowledgements

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Louis Masson	<i>Southern Alberta Institute of Technology</i>
Rodney McLean	<i>Saskatchewan Institute of Applied Science and Technology</i>
Don Smith	<i>Georgian College</i>
Christine Tomchak	<i>Humber College</i>
Jai Goolsarran	<i>Centennial College</i>
Jeff Young	<i>Mount St. Vincent University</i>
Lewie Callahan	<i>Lethbridge College</i>
Sarah Holding	<i>Malaspina University College</i>
Douglas Smith	<i>Kwantlen University College</i>
Susan Thompson	<i>Trent University</i>

I have made every attempt to integrate their feedback into the final manuscript because these people represent the customers' view, and, as stated in the book, at the end of the day, customer satisfaction is what it is all about.