

# Glossary

*This glossary contains important management terms and their definitions as used in this text. Since it is sometimes difficult to fully understand a term simply by reading its definition, page numbers after each definition indicate where a more complete discussion of the term can be found.*

**Accountability** The management philosophy that individuals are held liable or accountable for how well they use their authority and live up to their responsibility of performing predetermined activities (page 215)

**Achievement motivation** Behavior that results from the need for achievement, the desire to do something better or more efficiently than it has ever been done before (page 357)

**Activities** In the PERT network, activities are specified sets of behavior within a project (page 138)

**Activity ratios** Ratios used during ratio analysis that indicate how well an organization is selling its products in relation to its available resources (page 453)

**Adapting approach** An approach to planning that is based on the philosophy that effective planning concentrates on helping the organization to change or adapt to internal and/or external variables (page 89)

**Affirmative action programs** In the area of equal employment opportunity, programs whose basic purpose is to eliminate barriers and increase opportunities for the purpose of increasing the utilization of underutilized and/or disadvantaged individuals (page 241)

**Appropriate human resources** Those individuals within the organization who make a valuable contribution to management system goal attainment (page 233)

**Assessment centers** Programs in which participants engage in and are evaluated on a number of individual and group exercises constructed to simulate important activities at the organizational levels to which these participants aspire (page 245)

**Authority** The right to perform or command (page 208)

**Behavioral approach to management** Managing approach that emphasizes increasing organizational success by focusing on human variables within the organization (page 34)

**Behavior modification** A program that focuses on managing human activity by controlling the consequences of performing that activity (page 365)

**Break-even analysis** A control tool based on the process of generating information that summarizes various levels of profit or loss associated with various levels of production (page 446)

**Break-even point** That situation wherein the total revenue of an organization equals its total costs (page 447)

**Budget** A control tool that outlines how funds in a given period will be spent as well as how they will be obtained (page 129, 457)

**Bureaucracy** A management system with detailed procedures and rules, a clearly outlined organizational hierarchy, and mainly impersonal relationships between organization members (page 179)

**Centralization** That situation in which a minimal number of job activities and a minimal amount of authority are delegated to subordinates (page 218)

**Change agent** Anyone inside or outside the organization who tries to modify an existing organizational situation (page 266)

**Changing** The second of Kurt Lewin's three related conditions or states that result in behavioral change; changing is the state in which individuals begin to experiment with performing new behaviors (page 278)

**Changing an organization** The process of modifying an existing organization to increase organizational effectiveness (page 261)

**Classical approach to management** Managing approach that emphasizes organizational efficiency to increase organizational success (page 27)

**Classical organizing theory** The cumulative insights of early management writers on how organizational resources can best be used to enhance goal attainment (page 179)

**Closed system** A system that is not influenced by and does not interact with its environment (page 37)

**Combination approach** An approach to planning that emphasizes the advantages and deemphasizes the disadvantages of the high probability approach, the maximizing approach, and the adapting approach (page 89)

**Command groups** Formal groups that are outlined on the chain of command on an organization chart (page 378)

**Commitment principle** A management guideline that advises managers to commit funds for planning only if they can anticipate, in the foreseeable future, a return on planning expenses as a result of the long-range planning analysis (page 84)

**Committee** A task group that is charged with performing some type of specific activity (page 380)

**Communication** The process of sharing information with other individuals (page 298)

**Communication effectiveness index** Intended message reactions divided by the total number of transmitted messages (page 304)

**Communication macrobarriers** Those factors that hinder successful communication and that relate primarily to the communication environment and the larger world in which communication takes place (page 301)

**Communication microbarriers** Those factors that hinder successful communication and that relate primarily to such variables as the communication message, the source, and the destination (page 302)

**Complete certainty condition** The decision-making situation in which the decision maker knows exactly what the results of an implemented alternative will be (page 109)

**Complete uncertainty condition** The decision-making situation in which the decision maker has absolutely no idea what the results of an implemented alternative will be (page 110)

**Computer** An electronic tool capable of accepting data, interpreting data, performing ordered operations on data, and reporting on the outcome of these operations (page 480)

**Conceptual skills** The ability to see the organization as a whole (page 14)

**Concurrent control** Control that takes place as some unit of work is being performed (page 421)

**Consensus** Agreement on a decision by all individuals involved in making the decision (page 101)

**Consideration behavior** Leadership behavior that reflects friendship, mutual trust, respect, and warmth in the relationship between the leader and the followers (page 333)

**Contingency theory of leadership** A leadership concept that hypothesizes that in any given leadership situation, success is primarily determined by (1) the degree to which the task being performed by the followers is structured, (2) the degree of the position power possessed by the leader, and (3) the type of relationship that exists between leader and followers (page 337)

**Control** Making something happen the way it was planned to happen (page 413)

**Control function** Computer activities that dictate the order in which other computer functions are performed (page 482)

**Controller** A staff individual whose basic responsibility is assisting line managers with the controlling function by gathering appropriate information and generating necessary reports that reflect this information (page 426)

**Controlling** The process the manager goes through to control (page 415)

**Control tool** A specific procedure or technique that presents pertinent organizational information in such a way that a manager is aided in developing and implementing appropriate control strategy (page 445)

**Coordination** The orderly arrangement of group effort to provide unity of action in the pursuit of a common purpose (page 187)

**Corrective action** Managerial activity aimed at bringing organizational performance up to the level of performance standards (page 419)

**Cost-benefit analysis** The process of comparing the cost of some activity to the benefit or revenue which results from the activity in order to determine the total worth of the activity to the organization

**Critical path** That sequence of events and activities within a Program Evaluation and Review Technique (PERT) network that requires the longest period of time to complete (page 138)

**Current ratio** A liquidity ratio that indicates the organization's ability to meet its financial obligations in the short run (page 452)

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

**Data** Facts or statistics (page 475)

**Debt ratio** A leverage ratio that indicates the percentage of all organizational assets provided by organizational creditors (page 453)

$$\text{Debt Ratio} = \frac{\text{Total debts}}{\text{Total assets}}$$

**Decentralization** That situation in which a significant number of job activities and a maximum amount of authority are delegated to subordinates (page 218)

**Decision** A choice made between two or more available alternatives (page 99)

**Decision-making process** The steps a decision maker takes to make a decision (page 107)

**Decision tree** A graphic decision-making tool typically used to evaluate decisions containing a series of steps (page 112)

**Decoder/destination** That person or people in the interpersonal communication situation with whom the source/encoder attempts to share information (page 299)

**Delegation** The process of assigning job activities and related authority to specific individuals within the organization (page 216)

**Department** A unique group of resources established by management to perform some organizational task (page 180)

**Departmentalization** The process of establishing departments within the management system (page 180)

**Division of labor** The assignment of various portions of a particular task among a number of organization members (page 187)

**Downward organizational communication** Communication that flows from any point on an organization chart downward to another point on the organization chart (page 310)

**Equal Employment Opportunity Commission (EEOC)** An agency established to enforce the laws that regulate recruiting and other managerial practices (page 241)

**Esteem needs** Maslow's fourth set of human needs; these needs include the human desire for self-respect and respect from others (page 353)

**Expected value** A measurement of the anticipated value of some event; determined by multiplying the income an event would produce by its probability of making that income (page 111)

**External organizational diagnosis** The process of examining all outside factors that relate to organizational effectiveness (page 268)

**Extrinsic rewards** Rewards that are extraneous to the task accomplished (page 351)

**Events** In the PERT network, events are the completions of major product tasks (page 138)

**Feedback** In the interpersonal communication situation, the decoder/destination's reaction to a message (page 304)

**Feedback control** Control that takes place after some unit of work has been performed (page 424)

**Fixed assets turnover** An activity ratio that indicates the appropriateness of the amount of funds invested in plant and equipment relative to the level of sales (page 453)

$$\text{Fixed Asset Turnover} = \frac{\text{Sales}}{\text{Fixed assets}}$$

**Fixed costs** Expenses incurred by an organization regardless of the number of products produced (page 447)

**Flat organization chart** An organization chart that is characterized by few levels and relatively large spans of management (page 190)

**Flextime** A program that allows workers to complete their jobs within a forty-hour workweek they schedule themselves (page 364)

**Forecasting** A planning tool used to predict future environmental happenings that will influence the operation of the organization (page 131)

**Formal group** A group that exists within an organization by virtue of management decree to perform tasks that enhance the attainment of organizational objectives (page 378)

**Formal organizational communication** Organizational communication that follows the lines of the organization chart (page 310)

**Formal structure** Relationships between organizational resources as outlined by management (page 180)

- Friendship groups** Informal groups that form in organizations because of the personal affiliation members have for one another (page 389)
- Function** A type of activity being performed (page 181)
- Functional authority** The right to give orders within a segment of the management system in which the right is normally nonexistent (page 214)
- Functional similarity** A method for dividing job activities within the organization (page 204)
- Functional skill** The ability to apply appropriately the concepts of planning, organizing, influencing, and controlling to the operation of a management system (page 540)
- Future-oriented managers** Managers who attempt to create their own future, whenever possible, and adapt to this future, when necessary, through a continuous process of research about the future, long-range planning, and setting objectives (page 553)
- Gangplank** A communication channel extending from one organizational division to another; this channel is not shown on the lines of communication outlined on an organization chart (page 192)
- Gantt chart** A scheduling tool essentially comprised of a bar chart with time on the horizontal axis and the resource to be scheduled on the vertical axis (page 137)
- General environment** The secondary organizational environment that contains such variables as social norms, economic conditions, and government regulations (page 268)
- Geographic contiguity** The degree to which subordinates are physically separated (page 189)
- Goal integration** Compatibility between individual and organization objectives (page 54)
- Graicunas's formula** A formula that makes the span of management point that as the number of a manager's subordinates increases arithmetically, the number of possible relationships between that manager and those subordinates increases geometrically (page 190)
- Grapevine** A network for informal organizational communication (page 312)
- Grid organization development (Grid OD)** A commonly used organization development technique based on a theoretical model called the managerial grid (page 275)
- Group** Any number of people who (1) interact with one another, (2) are psychologically aware of one another, and (3) receive themselves to be a group (page 377)
- Group cohesiveness** The attraction group members feel for one another in terms of desires to remain a member of the group and resist leaving it (page 394)
- Group norms** Appropriate or standard behavior that is required of informal group members (page 395)
- Groupthink** The mode of thinking that people engage in when seeking agreement becomes so dominant in a group that it tends to override the realistic appraisal of alternative problem solutions (page 383)
- Hierarchy of objectives** The entire set of overall and related subobjectives assigned to various segments of the organization (page 58)
- High probability approach** An approach to planning that is based on the philosophy that there should be a high probability that the organization will be at least somewhat successful (page 87)
- Human asset accounting** A control tool based on the process of establishing the dollar value of human resources within the organization (page 461)
- Human resources inventory** An accumulation of information concerning the characteristics of organization members; this information focuses on the past performance of organization members as well as how they might be trained and best used in the future (page 237)
- Human skills** The ability to build cooperation within people being led (page 14)
- Hygiene (maintenance) factors** Items that influence the degree of job dissatisfaction (page 362)
- Individual objectives** Personal goals that each organization member would like to reach as a result of his or her activity within the organization (page 54)
- Influencing** The process of guiding the activities of organization members in appropriate directions (page 295)
- Influencing subsystem** Subsystem of overall management system; input of this subsystem is comprised of a portion of the total resources of the overall management system, and output is appropriate organization member behavior; the process of the influencing subsystem involves the performance of four primary management activities: (1) leading, (2) motivating, (3) considering groups, and (4) communicating (page 295)
- Informal groups** Groups that develop naturally in organizations as people interact (page 388)
- Informal organizational communication** Organizational communication that does not follow the lines of the organization chart (page 312)

- Informal structure** Patterns of relationships that develop because of the informal existence of organization members (page 180)
- Information** Conclusions derived from data analysis (page 475)
- Information appropriateness** The degree to which information is relevant to the decision-making situation that faces the manager (page 476)
- Information quality** The degree to which information represents reality (page 477)
- Information quantity** The amount of decision-related information a manager possesses (page 477)
- Information timeliness** The extent to which the receipt of information allows decisions to be made and resulting action to be taken so that the organization can gain some benefit from possessing the information (page 477)
- Input function** Computer activities whereby the computer enters the data to be analyzed and the instructions to be followed to analyze that data appropriately (page 481)
- Input planning** Development of proposed action that will furnish sufficient and appropriate organizational resources for reaching established organizational objectives (page 129)
- Interest groups** Informal groups that gain and maintain membership primarily because of a special concern each member possesses about a specific issue (page 388)
- Intermediate objectives** Targets to be achieved within one to five years (page 56)
- Internal organizational diagnosis** The process of examining all factors within an organization that relate to the effectiveness of an organization (page 267)
- Intrinsic rewards** Rewards that come directly from performing a task (page 351)
- Inventory turnover** An activity ratio that indicates whether an organization is maintaining an appropriate level of inventory in relation to its sales volume (page 453)
- $$\text{Inventory Turnover} = \frac{\text{Sales}}{\text{Inventory}}$$
- Job analysis** A technique commonly used to gain an understanding of what a task entails and the type of individual who should be hired to perform the task (page 234)
- Job description** Specific activities that must be performed to accomplish some task or job (pages 203, 234)
- Job enlargement** The process of adding to the number of operations an individual performs in a job (page 362)
- Job enrichment** The process of incorporating motivators into a job situation (page 363)
- Job rotation** The process of moving individuals from one job to another and not requiring individuals to perform only one job over the long run (page 361)
- Job specifications** Characteristics of the individual who should be hired to perform a specific task or job (page 234)
- Jury of executive opinion method** A method of predicting future sales levels primarily by asking appropriate managers to give their opinions on what will happen to sales in the future (page 134)
- Lateral organizational communication** Communication that flows from any point on an organization chart horizontally to another point on the organization chart (page 310)
- Leader flexibility** The ability of leaders to change their leadership styles (page 337)
- Leadership** The process of directing the behavior of others toward the accomplishment of objectives (page 325)
- Leadership style** A behavioral pattern a leader establishes while guiding organization members in appropriate directions (page 333)
- Lecture** A primarily one-way communication situation in which an instructor trains by orally presenting information to an individual or group (page 247)
- Level dimension of plans** The level of the organization at which the plan is aimed (page 124)
- Leverage ratios** Ratios used during ratio analysis that indicate the relationship between organizational funds supplied by the owners of an organization and organizational funds supplied by creditors (page 452)
- Life cycle theory of leadership** A leadership concept that hypothesizes that leadership styles should primarily reflect the maturity level of the followers (page 334)
- Line authority** The right to make decisions and to give orders concerning the production, sales, or finance-related behavior of subordinates (page 210)
- Liquidity ratios** Ratios used during ratio analysis that indicate an organization's ability to meet upcoming financial obligations (page 452)
- Long-run objectives** Targets to be achieved within five to seven years (page 56)
- Loss** That amount of the total costs that exceeds total revenue (page 447)

**Management** The process of reaching organizational goals by working with and through people and other organizational resources (page 9)

**Management by exception** A control tool that allows only significant deviations between planned and actual performance to be brought to the manager's attention (page 445)

**Management by objectives (MBO)** A management approach that uses organizational objectives as the primary means by which to manage organizations (page 64)

**Management functions** Activities that make up the management process. Major management functions are planning, organizing, influencing, and controlling (page 10)

**Management information system (MIS)** A network established within an organization to provide managers with information that will assist them in decision making (page 484)

**Management inventory card** A form used in compiling a human resources inventory. This form contains both an organizational history of an individual and an explanation of how the individual might be used in the future (page 238)

**Management manpower replacement chart** A form used in compiling a human resources inventory. This form is people-oriented and presents a total composite view of those individuals that management considers significant to manpower planning (page 239)

**Management responsibility guide** A tool that can be used to clarify the responsibilities of various managers within the organization (page 205)

**Management science approach to management** Managing approach that emphasizes the use of the scientific method and quantitative techniques to increase organizational success (page 36)

**Management system** An open system whose major parts are organizational input, organizational process, and organizational output (page 38)

**Managerial effectiveness** The degree to which management attains organizational objectives (page 12)

**Managerial efficiency** The degree to which organizational resources contribute to productivity (page 12)

**Managerial grid** A theoretical model based on the premise that concern for people and concern for production are the two primary attitudes that influence management style (page 275)

**Manpower planning** Input planning that involves obtaining the human resources necessary for the organization to achieve its objectives (page 131)

**Matrix organization** A more traditional organizational structure that is modified primarily for the purpose of completing some type of special project (page 271)

**Maturity** As used in the life cycle theory of leadership, an individual's ability to independently perform his or her job, to assume additional responsibility, and to desire success (page 334)

**Maximizing approach** An approach to planning that is based on the philosophy that the organization should be as successful as possible (page 88)

**Means-ends analysis** The process of outlining the means by which various objectives or "ends" within the organization can be achieved (page 61)

**Message** Encoded information that the source-encoder intends to share with others (page 299)

**Message interference** Stimuli that compete with the communication message for the attention of the destination (page 302)

**Motion study** Finding the "one best way" to accomplish a task by analyzing the movements necessary to perform that task (page 29)

**Motivating factors** Items that influence the degree of job satisfaction (page 362)

**Motivation** An individual's inner state that causes him or her to behave in a way that ensures the accomplishment of some goal (page 349)

**Motivation strength** An individual's degree of desire to perform a behavior (page 350)

**Needs-goal model** A motivation model that hypothesizes that felt needs cause human behavior (page 349)

**Negative norms** Informal group standards that limit organizational productivity (page 396)

**Negative reinforcement** Punishment (page 365)

**Nonprogrammed decisions** Decisions that typically are "one-shot occurrences" and usually less structured (page 100)

**Nonverbal communication** The sharing of ideas without the use of words (page 307)

**On-the-job training** A training technique that blends job-related knowledge with experience in using that knowledge in the actual job circumstance (page 248)

**Open system** A system that is influenced by and is constantly interacting with its environment (page 37)

**Operating environment** A level of the environment that is of more immediate concern to managers and contains such factors as organization customers, suppliers, competitors, and investors (page 268)

- Operational objectives** Objectives that are stated in observable or measurable terms (page 60)
- Organizational communication** Interpersonal communication within organizations (page 308)
- Organizational objectives** Targets toward which the open management system is directed (page 51)
- Organizational resources** Assets available for activation during normal operations. Main examples are human resources, monetary resources, raw materials resources, and capital resources (page 11)
- Organization chart** A graphic representation of organizational structure (page 179)
- Organization development** A process that emphasizes changing an organization by changing organization members and that bases these changes on an overview of structure, technology, and all other organizational ingredients (page 274)
- Organizing** The process of establishing orderly uses for all resources within the organization (page 175)
- Output function** Computer activities that take the results of input, storage, processing, and control functions and transmit them outside the computer (page 483)
- Overlapping responsibility** A situation in which more than one individual is responsible for the same activity (page 204)
- People change** A type of organizational change that emphasizes modifying the characteristic of human resources within the management system (page 274)
- People factors** Attitudes, leadership skills, communication skills, and all other characteristics of the human resources within the organization (page 267)
- Perception** An interpretation of a message as observed by an individual (page 302)
- Performance appraisal** The process of reviewing individuals' past productive activity to evaluate the contribution they have made towards attaining management system objectives (page 250)
- Personal power** Power derived from the human relationship that one has with another (page 429)
- Physiological needs** Maslow's first set of human needs; these needs relate to the normal functioning of the body and include desires for water, food, rest, sex, and air (page 353)
- Plan** Specific action proposed to help the organization achieve its objectives (page 123)
- Planning** The process of determining how the management system will achieve its objectives (page 79)
- Planning tools** Techniques managers can use to help develop plans (page 131)
- Plant facilities planning** Input planning that involves developing the type of work facility an organization will need to reach its objectives (page 130)
- Policy** A standing plan that furnishes broad guidelines for channeling management thinking in specified directions (page 125)
- Porter-Lawler Model** A motivation model that hypothesizes that felt needs cause human behavior, that motivation strength is determined primarily by the perceived value of the result of performing the behavior and the perceived probability that the behavior performed will cause the result to materialize; three additional characteristics of this model are: (1) the total perceived value of a reward is determined by both intrinsic and extrinsic rewards received when behavior is performed, (2) effective task accomplishment is determined mainly by an individual's perception of what is required to perform the task and his or her ability to perform the task, and (3) the perceived fairness of rewards influences desire to perform behavior that results in those rewards (page 351)
- Position power** Power derived from the organizational position that one holds (page 429)
- Position replacement form** A form used in compiling a human resources inventory. This form summarizes information about organization members who could fill a position should it become open (page 238)
- Positive norms** Informal group standards that contribute to organizational productivity (page 396)
- Positive reinforcement** Rewards (page 365)
- Power** The extent to which an individual is able to influence others so that they respond to orders (page 429)
- Precontrol** Control that takes place before some unit of work is actually performed (page 421)
- Premises** Assumptions upon which alternative ways of accomplishing objectives are based (page 87)
- Principle of supportive relationships** A management guideline that indicates that all human interaction within an organization should build and maintain the sense of personal worth and importance of those involved in the interaction (page 366)
- Principle of the objective** A management guideline that recommends that before managers initiate any action, organizational objectives should be clearly determined, understood, and stated (page 56)

**Probability theory** A decision-making tool used in risk situations—situations wherein the decision maker is not completely sure of the outcome of an implemented alternative (page 111)

**Procedure** A standing plan that outlines a series of related actions that must be taken to accomplish a particular task (page 126)

**Processing function** Computer activities involved with performing both logic and calculation steps necessary to analyze data appropriately (page 482)

**Product-market mix objectives** Objectives that outline which products and the relative number or mix of these products the organization will attempt to sell (page 57)

**Profession** A vocation the practice of which is based on an understanding of both a specific body of knowledge and the corresponding abilities necessary to apply this understanding to vital human problems (page 553)

**Profit** That amount of total revenue that exceeds the total cost (page 447)

**Profitability ratios** Ratios used during ratio analysis that indicate the ability of an organization to generate profits (page 456)

**Profit to sales ratio** A profitability ratio that indicates whether or not the organization is making an adequate net profit in relation to the total dollars coming into the organization (page 456)

$$\text{Profit to Sales Ratio} = \frac{\text{Net profit}}{\text{Sales}}$$

**Profit to total assets ratio** A profitability ratio that indicates whether or not the organization is realizing enough net profit in relation to the total dollars invested in assets (page 456)

$$\text{Profit to Total Assets Ratio} = \frac{\text{Net profit}}{\text{Total assets}}$$

**Program** A single-use plan designed to carry out a special project within an organization (page 128)

**Program evaluation and review technique (PERT)** A scheduling tool that is essentially a network of project activities showing estimates of time necessary to complete each activity and the sequential relationship between activities that must be followed to complete the project (page 138)

**Programmed decisions** Decisions that are routine and repetitive; the organization typically develops specific methods for handling programmed decisions (page 100)

**Programmed learning** A technique for instructing without the presence of a human instructor wherein small parts of information that necessitate related responses are presented to individual trainees (page 248)

**Quality of work life** Opportunity of workers to make decisions that influence their work situation (page 545)

**Quick ratio** A liquidity ratio that indicates an organization's ability to meet its financial obligations with no reliance on inventory (page 452)

$$\text{Quick Ratio} = \frac{\text{Current assets} - \text{Inventory}}{\text{Current liabilities}}$$

**Ratio analysis** A control tool based on the process of generating information that summarizes the financial position of an organization by calculating ratios based on various financial measures appearing on balance sheets and income statements (page 451)

**Recruitment** The initial screening of the total supply of prospective human resources available to fill a position (page 234)

**Refreezing** The third of Kurt Lewin's three related conditions or states that results in behavioral change; refreezing is the state in which individuals' experimentally performed behaviors actually become part of themselves (page 279)

**Relevant alternatives** Alternatives that are considered feasible for implementation and also for solving an existing problem (page 106)

**Repetitiveness dimension of plans** The extent to which plans are used again and again (page 123)

**Responsibility** The obligation to perform assigned activity (page 203)

**Responsibility gap** A situation in which certain organizational tasks are not included in the responsibility area of any individual organization member (page 204)

**Risk condition** The decision-making situation in which the decision maker has only enough information to estimate how probable the outcome of implemented alternatives will be (page 110)

**Rule** A standing plan that designates specific required action (page 126)

**Sales force estimation method** A method of predicting future sales levels primarily by asking appropriate salespeople for their opinions of what will happen to sales in the future (page 135)

**Scalar relationships** The chain of command positioning of individuals on an organization chart (page 192)



- Scheduling** The process of formulating detailed listings of activities that must be accomplished to attain an objective (page 137)
- Scientific management** Managing approach that emphasizes the "one best way" to perform a task (page 28)
- Scientific method** A problem-solving method that entails the following sequential steps: (1) observing a system, (2) constructing a framework that is consistent with these observations and from which consequences of changing the system can be predicted, (3) predicting how various changes would influence the system, and (4) testing to see if these changes influence the system as intended (page 36)
- Scope dimension of plans** The portion of the total management system at which the plan is aimed (page 124)
- Scope of decisions** The proportion of the total management system that a particular decision will affect (page 100)
- Security needs** Maslow's second set of human needs; these needs reflect the human desire to keep free from physical harm (page 353)
- Selection** Choosing an individual to hire from all of those who have been recruited (page 243)
- Self-actualization needs** Maslow's fifth set of human needs; these needs include the human desire to maximize potential (page 353)
- Serial transmission** The passing of information from one individual through a series of individuals (page 310)
- Short-run objectives** Targets to be achieved within one year or less (page 56)
- Signal** A message that has been transmitted from one person to another (page 299)
- Single-use plans** Plans that are used only once or several times because they focus on organizational situations that do not occur repeatedly (page 125)
- Situational analysis skill** The ability to apply both system theory and functional theory to the unique conditions of a particular organizational situation (page 541)
- Situational approach to leadership** A relatively modern view of leadership that suggests that successful leadership requires a unique combination of leaders, followers, and leadership situations (page 327)
- Social audit** The process of measuring the social responsibility activities of an organization (page 527)
- Social needs** Maslow's third set of human needs; these needs include the human desire to belong, and the desire for friendship, companionship, and love (page 353)
- Social obligation approach** An approach to meeting social obligations that reflects an attitude that considers business to have primarily economic purposes and confines social responsibility activity mainly to conformance to existing legislation (page 520)
- Social responsibility** The managerial obligation to take action that protects and improves the welfare of society as a whole and also organizational interests (page 507)
- Social responsibility approach** An approach to meeting social obligations that is characterized by an attitude that considers business as having both societal and economic goals (page 520)
- Social responsiveness** The degree of effectiveness and efficiency an organization displays in pursuing its social responsibilities (page 518)
- Social responsiveness approach** An approach to meeting social obligations that reflects an attitude that considers business to have societal and economic goals as well as the obligation to anticipate upcoming social problems and to work actively toward preventing their appearance (page 520)
- Sociogram** A sociometric diagram that summarizes the personal feelings of organization members about with whom in the organization they would like to spend free time (page 390)
- Sociometry** An analytical tool that can be used to determine what informal groups exist in an organization and who constitutes the membership of those groups (page 390)
- Source/encoder** That person in the interpersonal communication situation who originates and encodes information that he or she desires to share with others (page 299)
- Span of management** The number of individuals a manager supervises (page 188)
- Staff authority** The right to advise or assist those who possess line authority (page 210)
- Standard** The level of activity established to serve as a model for evaluating organizational performance (page 418)
- Standing plans** Plans that are used over and over because they focus on organizational situations which occur repeatedly (page 125)
- Status** The positioning of importance of a group member in relation to other group members (page 397)

**Storage function** Computer activities involved with retaining the material entered into the computer during the performance of the input function (page 482)

**Strategic planning** Long-range planning that focuses on the organization as a whole (page 84)

**Structural change** A type of organizational change that emphasizes modifying an existing organizational structure (page 271)

**Structural factors** Organizational controls, such as policies and procedures (page 267)

**Structure** Designated relationships among resources of the management system (page 179)

**Structure behavior** Leadership activity that: (1) delineates the relationship between the leader and the leader's followers or (2) establishes well-defined procedures that the followers should adhere to in performing their jobs (page 333)

**Suboptimization** A condition wherein organizational subobjectives are conflicting or not directly aimed at accomplishing overall organizational objectives (page 58)

**Subsystem** A system created as part of the process of the overall management system (page 147)

**Successful communication** An interpersonal communication situation in which the information the source/encoder intends to share with the decoder/destination and the meaning the decoder/destination derives from the transmitted message are the same (page 300)

**Symptom** A sign that a problem exists (page 420)

**System** A number of interdependent parts functioning as a whole for some purpose (page 37)

**Systems skill** The ability to view and manage a business or some other concern as a number of components that work together and function as a whole to achieve some objective (page 539)

**Tactical planning** Short-range planning that emphasizes current operations of various parts of the organization (page 84)

**Tall organization chart** An organization chart that is characterized by many levels and relatively small spans of management (page 190)

**Task groups** Formal groups of organization members who interact with one another to accomplish mostly nonroutine organizational tasks; members of any one task group can and often do come from various levels and segments of an organization (page 378)

**Technical skills** The ability to apply specialized knowledge and expertise to work-related techniques and procedures (page 14)

**Technological change** A type of organizational change that emphasizes modifying the level of technology within the management system

**Technological factors** Any types of equipment or processes that assist organization members in the performance of their jobs (page 267)

**Testing** Examining human resources for qualities relevant to performing available jobs (page 243)

**Theory X** A set of essentially negative assumptions about the nature of people (page 359)

**Theory Y** A set of essentially positive assumptions about the nature of people (page 359)

**Theory Z** An effectiveness dimension that implies that managers who use either Theory X or Theory Y assumptions when dealing with people can be successful, depending on their situation (page 360)

**Time dimension of plans** The length of the time period the plan covers (page 124)

**Time series analysis method** A method of predicting future sales levels by analyzing the historical relationship within an organization between sales and time (page 135)

**Times interest earned ratio** A leverage ratio that indicates the organization's ability to pay interest expenses directly from gross income (page 453)

$$\text{Times Interest Earned Ratio} = \frac{\text{Gross income}}{\text{Interest charge}}$$

**Total assets turnover** An activity ratio that indicates the appropriateness of the level of funds the organization has tied up in all assets relative to its rate of sales (page 456)

$$\text{Total Assets Turnover} = \frac{\text{Sales}}{\text{Total assets}}$$

**Total costs** The sum of fixed costs and variable costs associated with production (page 447)

**Total power** The entire amount of power an individual within an organization possesses; the total is mainly comprised of the amount of position power and the amount of personal power possessed by the individual (page 429)

**Total revenue** All sales dollars accumulated from selling goods or services that are produced (page 447)

**Training** The process of developing qualities in human resources that ultimately will enable them to be more productive and, thus, contribute more to organizational goal attainment (page 245)

**Training need** An information or skill area of an individual or group that requires further development to increase the organizational productivity of that individual or group (page 246)

**Trait approach to leadership** An outdated view of leadership that sees the personal characteristics of an individual as the main determinants of how successful the individual could be as a leader (page 327)

**Triangular management** Managing approach that emphasizes using information from the classical, behavioral, and management science schools of thought to manage the open management system (page 39)

**Unfreezing** The first of Kurt Lewin's three related conditions or states that result in behavioral change; unfreezing is a state in which individuals experience a need to learn new behaviors (page 278)

**Unity of command** A management principle that recommends that an individual have only one boss (page 192)

**Universality of management** The idea that the principles of management are universal or applicable to all types of organizations and organizational levels (page 15)

**Unsuccessful communication** An interpersonal communication situation in which the information the source/encoder intends to share with the decoder/destination and the meaning the decoder/destination derives from the transmitted message are different (page 300)

**Upward organizational communication** Communication that flows from any point on an organization chart upward to another point on the organization chart (page 310)

**Variable costs** Organizational expenses that fluctuate with the number of products produced (page 447)

**Verbal communication** The sharing of ideas through words (page 307)

**Vroom expectancy model** A motivation model that hypothesizes that felt needs cause human behavior and also that motivation strength depends upon an individual's degree of desire to perform a behavior (page 350)

**Work team** A task group which recently has become more widely used in organizations to achieve greater organizational flexibility or to cope with rapid growth (page 384)

