Final Report

Management Training and Development Manual for Improving Managerial Effectiveness at the Connecticut Department of Transportation

by

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HOW TO DELEGATE EFFECTIVELY

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Learning To Share the Load

Many managers don’t know how or what to delegate. Here are some guidelines.

By Donald W. Huffmire

In any money pattern, founder of National Cash Register Company, used to walk into his departments and order the managers to take two-week vacations.

His motive was to determine whether a subordinate had been adequately trained to take over the supervisor’s job on short notice. The key to such training, Patterson believed, was delegating—providing the subordinate with the experience, knowledge and responsibility needed for a smooth transition.

Today’s executives have more subtle ways of setting up a leadership escalator, but effective delegation remains one of the most difficult challenges in running a business.

There are many reasons. Delegation has a high potential for people problems. Managers may hand down too much or too little responsibility and have unrealistic expectations. Delegates may feel they are being asked to assume responsibilities for which they are not being adequately paid or sometimes with good reason—believe

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the boss is using delegation as a front for dumping unpleasant chores on them.

The delegation process should be approached carefully, and should begin by addressing some basic considerations. Among them:

• What delegation is—and it is not.

• Which functions should be delegated, and which should not.

• Why you should delegate, and why some managers will not.

• How to make sure, if you manage managers, that they are delegating.

To take these items in order:

What is delegation? It is far more than issuing orders and waiting away with the expectation that they will be met by a specific deadline. Actually, effective delegation requires a certain amount of participation by the delegatee. The manager must define responsibilities being assigned to individuals or groups, and then work with them in developing objectives, priorities and the two-way communication needed to properly adjust the process on the basis of experience.

The manager grants specific, clear-cut authority commensurate with the objectives and establishes a climate of freedom. But the manager also determines, by monitoring performance, which individuals and groups can handle even more extensive responsibilities than those delegated to them. He provides guidance needed to help; the delegatees make increasingly complex decisions. Finally, the manager determines rewards and penalties, both monetary and nemonetary, that the performance justifies.

There are two key phrases the manager uses in effective delegation. One is, “Let me have your recommended objectives.” Mandating objectives is not delegation. It is just old-fashioned workplace autocracy. The second phrase is, “When can you check back with me?” If subordinates participate in establishing deadlines, they will be more committed to reporting on their progress. A third phrase managers should use in a permanent guideline for delegation: “Come to me with answers, not just problems.” The alternative is reverse delegation, in which the subordinate tries to evade their responsibilities by turning to the manager for all decisions.

What delegation is not, is not dumping unpleasant chores on subordinates, nor is it delegation of authority or avoidance of decisions. Delegation

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does not mean loss of control or responsibilities—a manager’s responsibilities include training subordinates to make increasingly complex decisions. A major objective should be to push as many decisions as possible down into the organization, where the information for decision making is most readily available.

What should be delegated? These functions include routine work that is of low priority but neverthless takes large amounts of time. Aspects of a job a subordinate is more qualified to handle because of step-by-step experience or technical training; activities that would help make the subordinate’s work more interesting; job packages for which one subordinate can be accountable; problems or issues that require extensive analysis and recommendations for decisions, rather than immediate action; decisions that can be made more rapidly and is a level closer to the problem. The first job delegated to an individual should be designed to permit confidence-building successes, with more difficult and complex assignments following.

What should not be delegated? Don’t pass along hot potatoes to get yourself off the hook. Deal personally with matters that require confidentiality, such as personnel problems. Beware of overlapping subordinates: retain full responsibility in situations that require broad technical, organizational and other skills that only you possess.

Do not base responsibility for assignments that your superior has delegated to you, and never ask a subordinate to take over a personal project not related to the company’s business. Long-range planning and setting priorities for your operation are other tasks that should never be delegated.

Why should you delegate? Everybody wins as a result of effective delegation— the company, the manager and the subordinate. The company benefits through the increased productivity and efficiency possible when a manager is freed to concentrate on planning, staffing, organizing and other major responsibilities. Through reduced turnover and absenteeism and higher motivation and through improved communications that can provide early warnings about problems. Managers gain through reduced workloads, after finding that they no longer need to take work home nights and weekends. They have more time to do the important things thoroughly and properly, and their own career development is enhanced. Subordinates inherit responsibilities that are delegated.

When responsibilities are delegated, a greater interest in successful job performance. Their loyalty increases and their morale improves when they are given a chance to demonstrate their capability for advancement.

Why managers will not delegate. Delegation does not mean abdication. It is not unusual, for managers to want to do personally the work for which they are trained.

Thus there are the familiar excuses: Subordinates lack the necessary experience. It takes more time to explain how to do something than to do it myself. My people are specialists and lack the overall knowledge required to make many decisions. They are already too busy. They are not ready to accept more responsibility. I like keeping busy and making my own decisions. I lose control over results if I delegate.

Such views have validity only in the short run. If subordinates lack experience, it is your responsibility to train them. If they are too specialized to make overall decisions, the manager must make them generating through cross-training. If they appear too busy, you must make sure their priorities are in proper order.

If you think they are not prepared to assume added responsibilities, your training process may be inadequate or they may be in the wrong job. If.court worries you, you must develop a monitoring system. If you try to do everything because you like to keep busy and make your own decisions, you are not behaving as a manager should but are hindering your company’s progress.

Other bars to delegation reflect negatively on yourself. Lack of understanding of how to delegate, uneasiness in apple-polishing subordinates; fear of being rejected; fear of taking risks; fear that a subordinate will do so well that your own position will be endangered; a master complex that makes you want to convince people you are overworked and underpaid, impatience with inexperienced people, a desire to avoid conflicts with subordinates or an excessive concern with details of subordinates’ activities.

Help subordinates to delegate. Managers’ performances should be evaluated three to four times a year, and one of these should be for delegation. Managers who are poor at delegating should not be compensated as highly on those whose are good at it. If delegation is made as important priority for all managers and part of the performance appraisal system, managers will quickly see the benefits of delegation, and their organizations will benefit enormously.
The Dos & Don'ts of Delegation

To delegate or not to delegate, that is the question. By Donald W. Huffmire, Ph.D.
DO's

1. Delegate at least 80 percent of your responsibilities. Work on the 20 percent of your responsibilities in which you have knowledge, skills or perspective that others do not.

This is the "80/20 Rule of Delegation." About 80 percent of your performance depends upon how you handle your highest priority responsibilities—the top 20 percent of your job. Let your people handle the other 80 percent of your job. Each day you should work on your highest priority projects and make sure that your people are doing the same.

2. Let your people recommend to you the projects they would like to work on and the objectives they would like to achieve. This will integrate them into your organization's unit.

As long as the projects they recommend and the objectives they want to achieve will help you achieve your objectives and are challenging, but achievable for them, let them proceed.

3. Give your people specific authority for each of their responsibilities in order to achieve their objectives. Let them recommend the level of authority they need.

Level 1 lets them take actions about reporting back to you. Level 2 lets them take actions, but they must report back to you the actions that were taken. Level 3 lets them make recommendations to you, but you are to take the actions. Level 4 requires them to be aware of the actions taken by you, as they are not permitted to either recommend or take actions themselves.

These authority levels should be revised frequently, as you gain more confidence in your people to make good recommendations and decisions. Other people in your organization's unit who will be affected by the actions taken by your people should be aware of the authority level your people have.

4. Control the delegation by making sure both your people and you get reports on their progress toward objectives. Your people need the reports in order to self-control and make the necessary adjustments to get back on target if they are having problems. You need the reports to reward the people who are making satisfactory progress toward their objectives and to help people get back on target if they are having problems.

When establishing controls over a delegation, be sure to say, "When can you check back with me?" By involving your people in determining when they will report back to you on their progress, you will commit them to that time, and you will be assured of feedback on their progress.

Definition of Delegation

What is delegation? It is granting specific authority to subordinates to achieve specific objectives for which the manager has final accountability.

The objectives for which the manager's people have prime accountability are clearly determined in advance and controls are established to monitor progress toward the objectives.

Delegation includes allowing people the freedom to plan and to develop their own methods to achieve their objectives; developing people to make increasingly complex decisions; participating with people in developing their priorities, objectives, authority, and control; coaching and training by the manager; selecting the right people to handle responsibilities; and rewarding according to performance.
The Great Delegates

Ronald Reagan has a reputation for delegating many of his responsibilities and for working a nine-to-five day. He's said, "You can go as far as you want to in management if you don't mind who gets the credit." During the slow recovery of Frank Woolworth from a near-term breakdown, he reached a conclusion: "I lost my concept that nobody could do anything as well as I could. So long as I had the idea that I must personally attend to everything, large-scale operations was impossible.

Lee Iacocca delegated to about 12 key people while turning around Chrysler. What made these managers strong was that they in turn knew how to delegate and how to motivate. He felt he could manage the United States government with 25 of these people.

Dr. Charles A. Garfield, president of the Peak Performance Center in Berkeley, California and a clinical professor at San Francisco State University, says delegation is effective for sustaining high level performance when it is specific, at a high frequency, and is positive.

Delegate easy assignments when you start to work with an individual, then gradually expand responsibilities and the complexity of the projects that you delegate to that person. Make sure that the first things that you delegate to someone are easy, permitting you to give them a pat-on-the-back for doing a good job. This builds their confi-
“The secret of success is not in doing your own work but in recognizing the right person to do it for you.”

— Andrew Carnegie

Medical School, has spent 15 years interviewing about 1,200 of the top performers in business, education, sports, health care and the arts. He has discovered that these people weren’t workaholics. “They take their vacations, know when to stop working, manage stress well and don’t get bogged down in details. They are masters of delegation.”

John Henry Patterson, the founder of National Cash Register, would walk into a department and ask the manager to take a two-week vacation. He wanted to see if that department could function without that manager there. He expected all of his managers to develop successors in case they got promoted, ill, or left the company. Many did leave, including Thomas J. Watson, Sr., but due to Patterson’s emphasis on delegation, there were always others coming along to fill the gaps.

1. **Don’ts**

1. Don’t delegate matters that can and should be handled only by you. You cannot delegate such managerial functions as motivating, achieving teamwork, coaching, positive reinforcement; participating with your people is developing priorities, objectives, authority and controls.

2. Don’t do your people’s work for them. Alfred Sloan once said, “The most important thing I have learned about management is that the work has to be done by other people.” If your people lack experience or need, then, either agree with each person these aspects of a delegation or discuss them further until both you and your people agree. This will act as a strong motivator to your people, help them grow in their jobs, and increase the productivity of your unit.

3. *Dont* “dump” assignments on your people. Duping takes two forms. First, it is expecting your people to handle all of their job responsibilities right away. Delegate gradually, expanding the delegation as your people get more skill and confidence in their abilities to handle more difficult responsibilities. Second, it is handing out an assignment, perhaps even establishing a deadline for its completion but not explaining why the project is important, why that person was selected for the project, not mutually setting objectives for the project, not transferring specific authority, not agreeing on controls to monitor progress toward objectives.

4. Don’t overcontrol, constantly checking up on your people, looking over their shoulders, as they work on their projects toward their objectives.

Management-By-Walking-Around (MBWA) is fine to increase informal communications with your people and to find them doing things well so that you can pat them on the back. But don’t use MBWA to look over their shoulders or to intimidate them.

5. Don’t permit upward delegation. Some of your people would like to “put the monkeys on your back.”
Are You a Good Delegator?

Delegating responsibility is unnatural. It is natural to want to do the work yourself. Therefore, one of your goals should be delegation. These 20 questions will test how well you're doing.

1. Do you frequently take work home?
2. Do you work longer hours than the people you manage?
3. Are your people slow or reluctant to make decisions?
4. Are you frequently interrupted by others coming to you for advice or decisions?
5. Do you find yourself doing work that others are paid to do?
6. Do you have trouble meeting deadlines?
7. Do unfinished jobs build up so that you're always "one behind"?
8. Do you spend more time working than planning?
9. Do you lack time to think out future assignments?
10. Are many sudden daily and weekly unexpected emergencies and crises common in your operation?
11. Do you work at details that are low priority in your main objective?
12. Are details your headache because you don't have employees who are capable of handling them?
13. Are simple jobs that are part of the regular routine delegated but not promptly done with much follow-up required?
14. Do you lack confidence in your subordinates' abilities?
15. Do you keep details of your job secret from others?
16. Do you feel like you're earning your salary more when you're rushed?
17. Do you feel compelled to keep close tabs on everything that is going on in your operation?
18. Do things get fouled up when you are not on the job?
19. Do you and your subordinates usually not agree on what results are expected from them?
20. Do your people feel that they do not have enough authority to achieve their objectives?

The answer to each of these questions is "No." If you answer "Yes" to any of them, there is a possibility that you are not delegating properly.

"Check back with me!" These are the methods you should follow in handing this project! This will demotivate your people, stifle their creativity, and increase turnover.

8. Don't give your people too much authority. When delegating an assignment, don't say "You've got all the authority you need to achieve your objectives." This is too vague. It doesn't indicate the specific authority they really have. It can lead them to think they have more authority than they really do have.

9. Don't make negative assumptions about your people. If you assume your people don't want more responsibility, don't want to think for themselves, resist change, must be watched closely, you won't delegate much to them. Instead, you will do more of the work than you should by yourself and overcontrol them. The results of this will be low motivation, low teamwork, low risk-taking, low creative problem-solving, low output, low quality, and low productivity.

10. Don't worry about losing credit and recognition for work done by your people. As the manager of your unit, you have final accountability for the results of your unit, and the good work of your people reflects on you. You will develop a reputation as a fine delegator and developer of people, a manager who can motivate and improve current performance.

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PRE-TEST: HOW TO DELEGATE EFFECTIVELY

1. DIAGNOSTIC EXERCISE: THE FOLLOWING QUESTIONS WILL HELP YOU DETERMINE WHETHER OR NOT YOU AND YOUR ORGANIZATION NEED TO DELEGATE MORE.

A. FOR INDIVIDUAL ANALYSIS:

1) DO YOU FREQUENTLY TAKE WORK HOME?

2) DO YOU WORK LONGER HOURS THAN PERSONS YOU SUPERVISE?

3) DO YOU FIND YOUR APPOINTMENTS JAMMED UP DURING THE DAY?

4) ARE YOU FREQUENTLY INTERRUPTED BY OTHERS COMING TO YOU FOR ADVICE OR DECISIONS?

5) DO YOU FIND YOURSELF DOING WORK THAT OTHERS ARE PAID TO DO?

6) DO YOU HAVE TROUBLE MEETING DEADLINES?

7) DO UNFINISHED JOBS BUILD UP SO THAT YOU'RE ALWAYS "ONE BEHIND"?

8) DO YOU SPEND MORE TIME WORKING THAN PLANNING?

9) DO YOU LACK TIME TO THINK ABOUT FUTURE ASSIGNMENTS?

10) ARE SUDDEN UNEXPECTED EMERGENCIES COMMON IN YOUR OPERATIONS BECAUSE YOUR EMPLOYEES ARE NOT TRAINED TO PLAN AHEAD?

11) ARE YOU A PERFECTIONIST, WORKING AT DETAILS THAT ARE IN LOW PRIORITY TO YOUR MAIN OBJECTIVE?

12) ARE DETAILS YOUR HEADACHE BECAUSE YOU DON'T HAVE EMPLOYEES WHO ARE CAPABLE OF HANDLING?

13) ARE SIMPLE JOBS THAT ARE PART OF THE REGULAR ROUTINE DELEGATED BUT NOT PROMPTLY DONE WITH MUCH FOLLOW-UP REQUIRED?
14) DO YOU LACK CONFIDENCE IN YOUR SUBORDINATES' ABILITIES?

15) DO YOU KEEP DETAILS OF YOUR JOB SECRET FROM OTHERS?

16) DO YOU FEEL LIKE YOU'RE EARNING YOUR SALARY MORE WHEN YOU'RE RUSHED?

17) DO YOU HESITATE TO ASK FOR HELP?

18) DO YOU FEEL COMPelled TO KEEP CLOSE TABS ON EVERYTHING THAT IS GOING ON?

19) ARE YOUR ASSIGNMENTS OFTEN MISUNDERSTOOD?

20) DO YOUR PEOPLE DELIVER SECOND RATE PERFORMANCES?

21) DO YOUR PEOPLE PROVIDE YOU WITH VOLUMINOUS ACTIVITY REPORTS?

22) DO YOU LIKE TO HAVE YOUR FINGER ON ALL DECISIONS IN YOUR OPERATION?

23) DO YOU DEAL WITH A GREAT MANY DAILY AND WEEKLY CRISSES?

24) DO THINGS GET FOULED UP WHEN YOU ARE NOT ON THE JOB?

25) ARE YOU INDISPENSABLE ON THE JOB?

26) DO YOU AND YOUR SUBORDINATES USUALLY NOT AGREE ON WHAT RESULTS ARE EXPECTED OF THEM?

27) DO YOUR SUBORDINATES FEEL THAT THEY DO NOT HAVE SUFFICIENT AUTHORITY CONCERNING FINANCES, FACILITIES, PERSONNEL, AND OTHER RESOURCES?

28) IS ACCOUNTABILITY USUALLY NOT FIXED FOR EACH OF YOUR DELEGATED RESPONSIBILITIES?

29) IS YOUR FOLLOW-UP INADEQUATE?
30) DO YOUR SUBORDINATES FAIL TO SEEK OR ACCEPT ADDITIONAL RESPONSIBILITY?

31) DO YOU BY-PASS YOUR SUBORDINATES BY MAKING DECISIONS WHICH ARE PART OF THEIR JOBS?

32) IS THEIR MUCH FRICTION AND DISCONTENT IN YOUR WORK TEAM, SO THAT YOU DON'T WORK TOGETHER SMOOTHLY AND COOPERATIVELY?

33) DO YOU PASS THE BUCK FOR YOUR OWN MISTAKES AND NOT ACCEPT FULL RESPONSIBILITY WHEN OPERATIONS FAIL TO GO AS YOU HAVE PLANNED?

34) WHEN YOU ARE NOT PRESENT DOES YOUR GROUP STOP FUNCTIONING EFFICIENTLY? DOES WORK COME TO A STOP UNTIL YOU RETURN?

35) ON FAMILIAR JOBS, DO YOUR EMPLOYEES WAIT FOR ORDERS TO GO AHEAD? IF AN ASSIGNMENT IS NEW OR COMPLICATED, ON THE OTHER HAND, AREN'T THEY CAREFUL TO CHECK IT OUT PROPERLY BEFORE THEY START?

36) DO YOUR EMPLOYEES HARDLY EVER GIVE YOU GOOD SUGGESTIONS FOR OPERATIONAL IMPROVEMENTS?

37) DOES YOUR GROUP HAVE LOW MORALE, LITTLE SPONTANEITY IN THEIR WORK HABITS, AND NO ATTITUDE OF GOOD HUMOR, MUTUAL LIKING, AND RESPECT IN THEIR ASSOCIATIONS WITH EACH OTHER AND WITH YOU?
B. FOR ORGANIZATIONS

1. IS THERE A SHORTAGE OF PEOPLE TRAINED TO TAKE OVER MANAGERIAL POSITIONS IN CASE OF DEATHS OR RESIGNATIONS?

2. ARE MANAGERS SO TIED TO THEIR JOBS THAT THEY LACK TIME TO TAKE PART IN COMMUNITY SERVICES AND OTHER PUBLIC-RELATIONS?

3. ARE SOME INDIVIDUALS FILLING TWO OR MORE KEY SPOTS? WHO AND WHY?

4. ARE TOP MANAGERS SO OCCUPIED BY CURRENT DETAILS THAT THEY CANNOT PLAN FUTURE MOVES, THUS CAUSING THE FIRM TO MOVE SLOWLY IN MEETING COMPETITION OR IN CHANGING MARKETS OR PROCESSES?

5. ARE MANAGERS SPENDING PART OF THEIR TIME IN ACTUAL PRODUCTION WORK? WHO?

6. ARE MANAGERS UNDER SUCH TIGHT CONTROL THEY ARE AFRAID TO DELEGATE?

7. ARE MANAGERS WHO HAVE BEEN PROMOTED STILL HANDLING DETAILS FROM THEIR PREVIOUS JOBS?

8. DO STANDARD PRACTICES, JOB SIMPLIFICATION, RULES, AND PROCEDURES WORK AGAINST DELEGATING IN THE
9. IS THE RATIO OF PRIVATE SECRETARIES AND "ASSISTANTS TO" BELOW THE NORMAL LEVEL?

10. IS DECISION-MAKING (PLANS, METHODS, JOB PROBLEMS, ETC.) RESTRICTED TO A FEW INDIVIDUALS OR SPECIALISTS?

11. IS OFFICIAL CRITICISM OF ERRORS SO STRONG THAT MANAGERS HESITATE?

12. ARE MANAGERS PITTIED AGAINST EACH OTHER, SO THAT THEY STRIVE TO WIN PERSONAL CREDIT RATHER THAN TO BUILD A TEAM?

13. IS IT THE PRACTICE TO PROMOTE "HARD WORKERS OR "BALLS OF FIRE"?

14. HAS IT BEEN NECESSARY TO GO OUTSIDE THE FIRM TO FIND REPLACEMENTS FOR KEY PERSONNEL?

15. DO CAPABLE YOUNGER EMPLOYEES RESIGN BEFORE THEIR FULL ABILITIES CAN BE USED BY THE FIRM?

16. DO THE RANK AND FILE OF WORKERS SEEM TO LACK INITIATIVE?

17. DO PRODUCTION WORKERS SEEM TO LACK JOB INTEREST OR TO LACK MOTIVATION?
16. DOES THE FIRM HAVE THE REPUTATION OF BEING A ONE-MAN COMPANY, OR HAS LIFE INSURANCE, PAYABLE TO THE FIRM, BEEN TAKEN OUT ON SOME KEY PERSONNEL BUT NOT ON OTHERS?
DELEGATION CHECKLIST

1. HAVE I TAKEN ALL VACATIONS IN THE LAST FIVE YEARS?
2. DO I WORK LONGER HOURS THAN THOSE REPORTING TO ME?
3. DO I USUALLY DO WORK AT HOME?
4. DO I GET MORE THAN TWO PHONE CALLS A WEEK AT HOME?
5. DO I FREQUENTLY COME INTO THE OFFICE WHEN IT’S CLOSED?
6. AM I USUALLY BEHIND IN MY WORK?
7. DO I MEASURE MY SUCCESS PRIMARILY BY TIME WORKED OR ACCOMPLISHMENTS?
8. DO MY PEOPLE REQUEST ADVICE ONCE OR TWICE A DAY?
9. DO I HAVE LIMITED TIME FOR OUTSIDE INTERESTS?
10. ARE JOB DESCRIPTIONS FOR MY PEOPLE OF THE ACTIVITY TYPE?
11. DO MY PEOPLE RECOMMEND AT LEAST 75 PERCENT OF THEIR OBJECTIVES?
12. DOES THE ORGANIZATION CHART FOR MY UNIT ACCURATELY REFLECT RESPONSIBILITY?
13. DO MY PEOPLE CONSISTENTLY MAKE RECOMMENDATIONS TO ME?
14. DO THEY KNOW SPECIFICALLY THE RESULTS THEY MUST ACHIEVE?
15. ARE THEY CONSISTENTLY QUALIFIED FOR PROMOTIONS WHEN PROMOTIONS OCCUR?
16. WHAT HAVE I RESERVED STRICTLY TO MYSELF?
17. HAS AUTHORITY BEEN CLEARLY DEFINED?
18. IS THE AUTHORITY IN WRITING?
19. DID MY PEOPLE RECOMMEND IT TO ME?
20. HOW MUCH AUTHORITY CODES A AND B DO THEY HAVE?
21. HOW MUCH AUTHORITY CODES C DO THEY HAVE? 1

22. DO THEY CONSISTENTLY EXERCISE THEIR AUTHORITY WITHOUT CHECKING WITH ME?

23. HAS AUTHORITY BEEN TAILORED TO ACCOUNTABILITY?
24. DO I CONSULT WITH THEM PRIOR TO SETTING MY OWN OBJECTIVES?
25. DO THEIR QUESTIONS TO ME INVOLVE DETAILS OR POLICIES?
26. HOW MANY TIMES HAVE I OVERRULED THEM IN THE PAST YEAR?
27. HOW OFTEN DO I CHECK THEIR WORK?
28. IS ALL OF MY CHECKING DONE OVERTLY?
29. HOW MANY STAFF MEETINGS DO I HOLD A MONTH?

30 WHEN I ASK A QUESTION ABOUT TWO LEVELS DOWN FROM ME:
   A. FROM WHOM DO I EXPECT ANSWERS?
   B. WHO USUALLY ANSWERS?

31. DO I EVALUATE BASED ON RESULTS?
32. DO I REWARD BASED ON RESULTS?
33. DO MY SUBORDINATES HAVE EFFECTIVE RESPONSIBILITY ACCOUNTING?
34. DO THEY HAVE A MAJOR VOICE IN DETERMINING THEIR FEEDBACK?

35. ARE DECISIONS MADE AT THE LOWEST LEVEL AT WHICH ALL INFORMATION IS AVAILABLE?
36. IS MY DEPARTMENT PLAGUED BY SLOW DECISION MAKING?
   1 AUTHORITY CODES:
   A. MANAGER MAY ACT AND NEED NOT REPORT.
B. MANAGER MAY ACT BUT MUST REPORT TO HIS SUPERIOR AS SOON AS POSSIBLE.

C. PRIOR APPROVAL BY SUPERIOR IS REQUIRED.

37. DO MY PEOPLE DO THEIR OWN PLANNING OR IS IT DONE CENTRALLY?

38. ARE IMPORTANT DECISIONS POSTPONED WHEN I'M AWAY?

39. DO I CHECK IN WITH THE OFFICE WHEN I'M AWAY?

40. MAY MY SECRETARY SCHEDULE APPOINTMENTS FOR ME?

41. DO I REVIEW ALL OF MY CORRESPONDENCE BEFORE IT'S MAILED?

42. IS THE DEVELOPMENT OF PEOPLE A MAJOR CONSIDERATION WHEN I DELEGATE?
   A. DO I REALLY KNOW THE STRENGTHS AND WEAKNESSES OF MY PEOPLE?
   B. ON WHAT DO I BASE THIS JUDGMENT?
   C. HAVE I DELEGATED ENOUGH TO THEM TO JUSTIFY THIS JUDGMENT?

43. DO MY PEOPLE CONSISTENTLY ACHIEVE THE DESIRED RESULTS?

44. DO I PERMIT MY PEOPLE TO SELECT THEIR OWN MEANS TO AGREED UPON ENDS?

45. DO I GRANT MY PEOPLE THE RIGHT TO BE WRONG?

46. HOW OFTEN DO I MAKE CHANGES AFFECTING THEM WITHOUT GIVING THEM THE RIGHT TO BE HEARD?

47. IF I WERE A SUBORDINATE WOULD I BE HAPPY WORKING FOR MYSELF?

48. WHAT PERCENTAGE OF MY JOB DO I REALLY DELEGATE?

49. WOULD MY SUBORDINATES AGREE WITH THE ACCURACY OF THIS PERCENTAGE?

50. COULD I INCREASE MY PRODUCTIVITY AND LESSEN MY
MANAGERIAL DIFFICULTIES IF I DELEGATE MORE?
PART-TIME MANAGER

All of Sam Fuller’s twelve years with the Harvester Corporation had been spent in the accounting department. Having established himself as a diligent worker and popular individual among supervisors, peers, and subordinates alike, he was recently given the position of supervisor of the Data Processing Section. Sam had ample experience in this area and seemed to retain his ability to get along with his workers while maintaining efficient operations in the department.

One afternoon, after Sam had completed most of his “desk” work he began to move casually about the department observing operations. Upon reaching the sorter section he noticed that work was somewhat behind because of the absence of one of the machine operators. The work had to be completed before the night shift arrived at 4:30 p.m., and it was obvious that another worker was needed. Sam had spent several years in this section in his earlier days with the company, and when he realized that no worker could be spared from any of the other jobs, he took off his coat, grabbed a tray full of invoices and began operating the vacant machine.

Meanwhile, the head of the accounting department was in Sam’s office with some important reports that had to be signed and handled by Sam. These unexpected reports were due to be mailed within the next half hour. The department head waited impatiently for fifteen minutes and then began searching for Sam. Upon finding him working feverishly behind a sorter with the clerks, the head of the accounting department exploded. He shouted that Sam belonged in his office and not out doing the machine operators’ work for them. The sorting work was
completed on time; the reports were late. The next day Sam received a notice to report to the office of the vice president.
RELATING MANAGERIAL AND OPERATIONAL FUNCTIONS WITH MANAGEMENT LEVEL

TOP MANAGER
PERSONNEL ADMINISTRATION

OPERATING 30%
Planning & Control

MANAGING 70%

MIDDLE MANAGER
MARKETING

OPERATING 50%

MANAGING 50%

FIRST LINE
PRODUCTION

OPERATING 70%

MANAGING 50%

Manufacturing
DOES AN ORGANIZATION CHART AND A JOB DESCRIPTION ENSURE THAT DELEGATION HAD TAKEN PLACE?
Zephyr Cleaners Organizational Chart

According to Mr. Jefferson, who composed the chart, the areas and personnel illustrated indicate the company's distribution of responsibility.

In actual practice, however, the organization does not work as the first chart illustrates. George Jefferson makes all advertising decisions and also usurps areas of the vice-president's responsibility. The vice-president, in turn, is more involved with the branches than with his own office.
WHAT ARE THE FUNCTIONS OF MANAGERS?

A. IS MANAGEMENT GETTING "THINGS" DONE THROUGH OTHER PEOPLE?
B. IS MANAGEMENT "RUNNING" AN ORGANIZATION?
C. THE FUNCTIONS OF A MANAGER:

1) PLAN

2) ORGANIZE.

3) ADAPT TO A CHANGING ENVIRONMENT (INTERNAL AND EXTERNAL).

4) ESTABLISH PRIORITIES.

5) SET BOTH SHORT-RUN AND LONG-RUN CHALLENGING, BUT ACHIEVABLE ("STRETCH") GOALS.

6) GIVE SPECIFIC AUTHORITY EQUAL TO ACCOUNTABILITY (OBJECTIVES).

7) ESTABLISH CONTROLS (PROVIDE FEEDBACK).

8) APPRAISE PERFORMANCE OBJECTIVELY.

9) COMMUNICATE 3-WAYS:
   A) PARTICIPATE WITH SUBORDINATES
   B) COMMUNICATE UPWARD EFFECTIVELY
   C) COORDINATE

10) USE "COMPLETED STAFF ACTION".

11) ACTIVELY LISTEN.

12) GIVE SUPPORT (TRAIN, COACH, TEACH).

13) MOTIVATE.

14) USE HUMAN ASSETS EFFECTIVELY.

15) DEVELOP PEOPLE
16) MAKE POSITIVE ASSUMPTIONS ABOUT PEOPLE.

17) MINIMIZE:
   A) TURNOVER OF GOOD PEOPLE
   B) GRIEVANCES
   C) ABSENTEEISM

18) INTEGRATE INDIVIDUALS INTO THE ORGANIZATION.

19) ACHIEVE TEAMWORK.

20) MANAGE CONFLICT.

21) REWARD ACCORDING TO CONTRIBUTION (BOTH INDIVIDUALS AND GROUPS) (BOTH MONETARY AND NON-MONETARY).

22) CREATE A GOOD CLIMATE (OPEN TRUST).

23) BRING ABOUT CHANGE.

24) CONTROL THE ENVIRONMENT.

25) MAKE GOOD DECISIONS.

26) DEVELOP GOOD DECISION-MAKERS.

27) INNOVATE.

28) MANAGE-BY-EXCEPTION.

29) SELECT CAPABLE PEOPLE.

30) MODIFY BEHAVIOR.

D. MANAGEMENT IS WORKING THROUGH OTHERS TO ACHIEVE INCREASINGLY FAVORABLE RESULTS BY WORKING ON THE HIGHEST PRIORITY MATTERS THAT WILL GIVE THE GREATEST RETURN TO THE ORGANIZATION.
WHY REVERSE DELEGATION TAKES PLACE

1. THE SUBORDINATE WANTS TO AVOID RISK.

2. THE SUBORDINATE IS AFRAID OF CRITICISM.

3. THE SUBORDINATE LACKS CONFIDENCE (WHICH COMES FROM EXPERIENCE AND KNOWLEDGE).

4. THE SUBORDINATE LACKS THE NECESSARY INFORMATION AND RESOURCES TO MAKE THE DECISION.

5. THE MANAGER IS UNABLE TO SAY "NO" TO REQUESTS FROM HIS PEOPLE FOR HELP.

6. THE MANAGER WANTS TO BE NEEDED (TO FEEL INDISPENSABLE).

THE SUBORDINATE'S ROLE IN DELEGATION IS SET FORTH IN THE FOLLOWING STATEMENT OF WHAT COMPRISSES COMPLETED STAFF ACTION:

1. COMPLETED STAFF ACTION IS THE STUDY OF A PROBLEM AND A PRESENTATION OF A SOLUTION BY AN EMPLOYEE IN SUCH A FORM THAT HIS SUPERVISOR OR DEPARTMENT HEAD MAY SIMPLY INDICATE APPROVAL OF THE COMPLETED ACTION.

THE WORDS "COMPLETED ACTION" ARE WORTH REAL EMPHASIS. ACTUALLY THE MORE DIFFICULT THE PROBLEM IS, THE MORE TENDENCY THERE IS TO PRESENT THE PROBLEM TO THE SUPERVISOR IN PIECEMEAL FASHION. IT IS YOUR RESPONSIBILITY AS AN EMPLOYEE TO WORK OUT THE DETAILS. YOU SHOULD NOT INSULT YOUR SUPERVISOR IN THE DETERMINATION OF THESE DETAILS UNLESS NECESSARY. INSTEAD, IF YOU CANNOT DETERMINE THESE DETAILS BY YOURSELF, YOU SHOULD CONSULT OTHER PERSONS.

IN FAR TOO MANY PROBLEM SITUATIONS THE TYPICAL IMPULSE OF THE INEXPERIENCED MAN IS TO ASK THE SUPERVISOR WHAT TO DO. AND THIS RECURS MORE OFTEN WHEN THE PROBLEM IS DIFFICULT. IT IS ACCOMPANIED BY A FEELING OF MENTAL FRUSTRATION. IT SEEMS TO BE MUCH EASIER TO ASK THE SUPERVISOR WHAT TO DO, AND APPEARS TO BE SO EASY FOR HIM TO GIVE YOU THE ANSWER. YOU MUST RESIST THAT IMPULSE. YOU WILL SUCCUMB TO IT ONLY IF YOU DO NOT KNOW YOUR JOB.

IT IS YOUR JOB TO ADVISE YOUR SUPERVISOR WHAT HE OUGHT TO DO - NOT TO ASK HIM WHAT YOU OUGHT TO DO. HE NEEDS ANSWERS - NOT QUESTIONS. YOUR JOB IS TO STUDY, ANALYZE, CHECK, RESTUDY AND RECHECK UNTIL YOU HAVE COME UP WITH A SINGLE PROPOSED ACTION - THE BEST ONE OF ALL THAT YOU HAVE CONSIDERED. YOUR SUPERVISOR MAY THEN APPROVE OR DISAPPROVE. IN MOST INSTANCES, COMPLETED WORK RESULTS IN A SINGLE DOCUMENT PREPARED FOR THE
EXCEPT FOR RECORD PURPOSES, WRITING A MEMORANDUM TO
YOUR SUPERVISOR, THEREFORE, DOES NOT CONSTITUTE
COMPLETED WORK—WRITING A MEMORANDUM FOR YOUR
SUPERVISOR TO SEND TO SOMEONE ELSE DOES.

YOUR VIEWS SHOULD BE PLACED BEFORE HIM IN FINISHED
FORM SO THAT HE CAN MAKE THEM HIS VIEWS BY SIMPLY SIGNING
HIS NAME. IF THE PROPER RESULT IS REACHED BY YOUR "IN
FINISHED FORM" SOLUTION TO A PROBLEM, THE SUPERVISOR WILL
USUALLY RECOGNIZE IT AT ONCE. IF HE NEEDS COMMENT OR
EXPLANATION, HE WILL ASK FOR IT.

THE REQUIREMENTS FOR COMPLETED WORK DO NOT PUT ASIDE
THE POSSIBILITIES OF A "ROUGH DRAFT" IN PLACE OF A "HIGHLY
FINISHED FORM" IN APPROACHING SOME OF THE PROBLEMS.
NEITHER MUST A ROUGH DRAFT BE USED AS A MEANS FOR
SHIFTING TO THE SUPERVISOR THE BURDEN OF FORMULATING THE
ACTION. IT MUST BE COMPLETE IN EVERY RESPECT THAT IT
LACKS THE REQUISITE NUMBER OF COPIES AND NEED NOT BE
NEAT.

2. COMPLETED WORK REQUIREMENTS MAY RESULT IN MORE WORK
FOR THE EMPLOYEE, BUT PROVIDE MORE FREEDOM FOR THE
SUPERVISOR. THIS IS AS IT SHOULD BE, SINCE IT ACCOMPLISHES
TWO THINGS:
THE SUPERVISOR IS PROTECTED FROM HALF-BAKED IDEAS,
VOLUMINOUS MEMORANDA, AND IMMATURE ORAL PRESENTIMENTS.
THE MAN WHO HAS A REAL IDEA TO SELL IS ENABLED MORE
READILY TO FIND A MARKET.

3. TEST THE COMPLETENESS OF YOUR WORK BY ASKING
YOURSELF THIS QUESTION:

IF YOU WERE SUPERVISOR, WOULD YOU BE WILLING TO SIGN
THE PAPER YOU HAVE PREPARED, AND STAKE YOUR
PROFESSIONAL REPUTATION ON ITS BEING CORRECT?
IF THE ANSWER IS NO, TAKE IT BACK AND WORK IT OVER
BECAUSE IT IS NOT YET COMPLETED WORK.

MANAGEMENT BY "EXCEPTION"

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THE UNIVERSITY OF CONNECTICUT

MANAGEMENT BY "EXCEPTION" HAS LONG BEEN ADVOCATED AS THE IDEAL ROLE TO BE PLAYED BY THE SUCCESSFUL BUSINESS EXECUTIVE. IN A SURVEY OF PARTICIPANTS IN THE MANAGEMENT TRAINING AND DEVELOPMENT SEMINAR THAT I PRESENT, A VAST MAJORITY OF THE MANAGERS LABELED "LACK OF TIME" AS THE NUMBER-ONE MANAGEMENT PROBLEM FACING THEM DAY-IN, DAY-OUT. NOT HAVING SUFFICIENT TIME TO CARRY OUT ALL OF THE ADMINISTRATIVE RESPONSIBILITIES FACING THE TYPICAL OPERATING EXECUTIVE IS A UNIVERSAL MANAGERIAL PROBLEM. THUS, IF UNDERSTANDING HOW TO BETTER UTILIZE ONE'S TIME AND "MANAGE BY EXCEPTION" BRINGS ABOUT ANY IMPROVEMENT, IT SHOULD BE CONSIDERED WORTHWHILE TO THE MANAGER AND A PRINCIPLE WORTHY OF DAILY CONSIDERATION.

VERY SIMPLY STATED, TO MANAGE BY EXCEPTION MEANS TO CONCENTRATE YOUR ATTENTION UPON THE SIGNIFICANT EXCEPTIONS TO THE EXPECTED RESULTS.

TO CARRY OUT THIS PRINCIPLE, MANAGERS MUST, BY NECESSITY, CONCENTRATE ON DEVELOPING A SOUND ORGANIZATION STRUCTURE WITHIN THEIR SPHERE OF CONTROL, PLAN THE OBJECTIVES OF THIS ORGANIZATIONAL UNIT CAREFULLY, COMMUNICATE EFFECTIVELY, DELEGATE AUTHORITY COMMENSURATE WITH THE OBJECTIVES, AND ESTABLISH CONTROLS (FEEDBACK).

THE MANY EXCUSES GIVEN BY MANAGERS FOR NOT DELEGATING AUTHORITY BORDER FROM THE STATEMENT THAT, "I DON'T HAVE QUALIFIED PERSONNEL UNDER ME" TO THE STATEMENT, "IT'S MUCH EASIER TO DO IT YOURSELF WHEN YOU KNOW THE JOB WILL GET DONE."

WHATEVER THE REASON, THE MANAGER WHO FAILS TO DELEGATE AUTHORITY IS INDICATING HIM/HERSELF AS A PERSON WHO HAS LIMITED MANAGERIAL POTENTIAL. MANAGERS MUST DELEGATE; MUST ASSUME RESPONSIBILITY FOR
THEIR SUBORDINATES; AND MUST BE INSTIGATORS OF CHANGE, IF IT IS TO
HAVE A LASTING EFFECT.

THE MERE FACT THAT MANAGERS WILL NOT DELEGATE TO SUBORDINATES AND
THUS MANAGE BY "EXCEPTION" REFLECTS DIRECTLY ON THEIR ABILITY AS
MANAGERS.

RECENTLY A FORTY-YEAR OLD MANAGER POSED THIS SITUATION:

...IN OUR ORGANIZATION WE HAVE A GROUP OF MANAGERS WHO ARE
MEMBERS OF THE "OLD SCHOOL" OF MANAGEMENT. THEIR ATTITUDE TOWARD IDEAS OR SUGGESTIONS FROM SUBORDINATES IS CLEAR. THEY
DON'T WANT TO BE BOTHERED UNLESS THEY ASK FOR OPINIONS. ON THE
OTHER HAND, SINCE WORLD WAR II, OUR COMPANY HAS DOUBLED ITS
MANAGERIAL STAFF, AND MOST OF THE RECENT ADDITIONS ARE PEOPLE
WITH THE BRIGHTEST PART OF THEIR CAREERS STILL AHEAD. THESE
PEOPLE ARE RESTLESS, AMBITIOUS, AND ON THE WHOLE VERY CAPABLE.
YET, MANY ARE NOT IN KEY POSITIONS WHICH ENABLE THEM TO CARRY
OUT NEW PROGRAMS, TRY OUR IDEAS, ETC. THE YOUNG 'TURKS'
CONSTANTLY KNOCK HEADS WITH THE OLD CREW...

THIS PROBLEM IS A REFLECTION OF A CONFLICT SITUATION IN MANY
COMPANIES. MANAGERS OFTEN FIND THIS SITUATION ON THEIR HANDS WHEN
THEY FAIL TO DELEGATE AUTHORITY AND RESPONSIBILITY TO COMPETENT
SUBORDINATES. PEOPLE WITH MANAGERIAL ABILITY, REGARDLESS OF AGE,
DESIRE A CHALLENGE AND ADDITIONAL RESPONSIBILITY. IF MANAGEMENT
PEOPLE UNDER ONE'S SUPERVISOR LACK THIS CHARACTERISTIC THEN YOU
KNOW ONE OR TWO THINGS HAS OCCURRED:

1. YOU MADE A POOR SELECTION, OR

2. YOU HAVE KILLED-OFF ALL AMBITION IN THE PERSON BY YOUR
MANAGERIAL ACTIONS.

A FEW MANAGERS BELIEVE THAT THEY ARE GOOD MANAGERS BECAUSE OF THEIR
OWN TECHNICAL COMPETENCE OR, BECAUSE AS INDIVIDUALS, THEY HAVE
CERTAIN PERSONAL TRAITS, SKILLS, AND ABILITIES WHICH ISOLATE THEM FROM THE MASS. THE MOST EFFECTIVE MANAGERS ARE THOSE WHO UNDERSTAND THE BASIC CONCEPT THAT THE BEST WAY TO GET A JOB DONE, ATTAIN OBJECTIVES, AND STIMULATE PROGRESS IS THROUGH RESPONSIBILITY TO THEM SO THAT THEY CAN UTILIZE ALL OF THEIR MANAGERIAL SKILLS AND ABILITIES IN GETTING A JOB DONE.

THE PERSON WHO MANAGES BY EMPLOYING THE EXCEPTION PRINCIPLE MUST GO THROUGH THE FOLLOWING STAGES:

1. SELECTION - SELECT SUBORDINATE MANAGERS CAREFULLY AND SCIENTIFICALLY.

2. ORGANIZATION - DEVELOP CLEAR-CUT LINES OF AUTHORITY AND RESPONSIBILITY AMONG MANAGERS WITHIN YOUR SPHERE OF CONTROL.

3. PLANNING - MAKE CERTAIN THAT ALL COMPANY-WIDE AND OPERATION OBJECTIVES AND POLICIES AFFECTING YOUR PARTICULAR AREA OF RESPONSIBILITY ARE CLEARLY UNDERSTOOD BY YOUR MANAGEMENT SUBORDINATES.

4. COMMUNICATION - WHEN DELEGATING RESPONSIBILITY AND COMMENSURATE AUTHORITY TO MANAGERIAL SUBORDINATES, MAKE CERTAIN THE COMMUNICATION IS EFFECTIVE. STRIVE TO DEVELOP EMPATHY WITH YOUR EMPLOYEES.

5. CONTROL - EVALUATE PROGRAMS, PLANS AND ACTIONS BY EMPLOYING CONTROLS. CHECK PERFORMANCE AGAINST PLANNED RESULTS.

MANAGING BY EXCEPTION - HAVING SELECTED COMPETENT PERSONNEL, HAVING ORGANZED CAREFULLY, HAVING PLANNED CLEARLY BY DEFINING OBJECTIVES, POLICIES AND ACTION PLANS, HAVING EFFECTIVE COMMUNICATION PROGRAM, USING SIMPLE CONTROLS, NOW LEADS MANAGERS TO THE PLACE WHERE THEY CAN MANAGER BY EXCEPTION. SIMPLY STATED. A MANAGER SHOULD NEVER BE BOTHERED WITH ANY PROBLEM, DECISION, OR CONSIDERATION OF A SITUATION UNLESS IT IS SO UNUSUAL OR EXCEPTIONAL THAT EXISTING POLICY DOES NOT
PROVIDE A GUIDING COURSE OF ACTION FOR SUBORDINATE MANAGERS TO TAKE WHEN CONFRONTED WITH THE DECISION-MAKING SITUATION.

ONCE A MANAGER MAKES A DECISION CONCERNING AN UNUSUAL OR EXCEPTIONAL SITUATION, THEN THE DECISION, MUCH LIKE COMMON LAW, BECOMES THE GUIDING POLICY FOR ALL SUBORDINATE PERSONNEL WHEN HANDLING A SIMILAR SITUATION. THE MANAGER'S TIME WILL NOT BE INFRINGED UPON IF THIS PROCEDURE IS FOLLOWED. FOR MANAGERS WHO FEEL INSECURE BECAUSE THEY HAVE DONE A POOR JOB OF SELECTING PERSONNEL, ORGANIZING THEIR DEPARTMENTS, PLANNING, COMMUNICATING, AND CONTROLLING, THEY WILL FIND IT VERY DIFFICULT TO APPLY THIS PRINCIPLE.

HOWEVER, THE TIME SPENT TO PROVIDE THE PROPER FRAMEWORK FOR MANAGEMENT BY "EXCEPTION" WILL BE ONE OF THE SOUNDEST INVESTMENTS A MANAGER CAN MAKE.

IF "LACK OF TIME" TO MANAGE EFFECTIVELY IS ONE OF YOUR PROBLEMS, CAREFULLY CONSIDER THE MANAGERIAL PRINCIPLE OF EXCEPTION.
WHAT IS DELEGATION?

DEFINITION: DELEGATION IS THE ACHIEVEMENT OF DEFINITE, SPECIFIC RESULTS, WHICH ARE DETERMINED ON THE BASIS OF PRIORITY OF NEEDS, BY GRANTING SUBORDINATES AUTHORITY TO ACCOMPLISH THE SPECIFIC RESULTS FOR WHICH THE SUBORDINATES ARE ACCOUNTABLE ARE CLEARLY DETERMINED IN ADVANCE AND THE PROGRESS OF SUBORDINATES IS MONITORED DURING THE PERIOD.
THE MAJOR ELEMENTS OF DELEGATION

1. RESPONSIBILITY - THE SCOPE OF THE JOB, THE GROUP OF TASKS, OR DUTIES THAT HAVE BEEN ASSIGNED TO AN EMPLOYEE.

2. PRIORITIES - THE MOST IMPORTANT ACTIVITIES THE INDIVIDUAL SHOULD CONCENTRATE ON.

3. ACCOUNTABILITY - THE SPECIFIC RESULTS THAT THE INDIVIDUAL MUST ACHIEVE (IT IS BOTH POSSIBLE AND NECESSARY TO DELEGATE "PRIME" ACCOUNTABILITY BUT NOT "FINAL" ACCOUNTABILITY).

4. AUTHORITY - MANAGERS MUST HAVE THE AUTHORITY TO MAKE DECISIONS NEEDED TO ACCOMPLISH THE ACCOUNTABILITIES.

5. PLANNING - MANAGERS MUST BE LEFT ALONE, WITH MINIMAL CONTROLS, TO ACHIEVE THE OBJECTIVES FOR THEIR ORGANIZATIONAL UNITS.

6. CONTROLLING - MANAGERS MUST RECEIVE FEEDBACK AND THE DATA NEEDED TO PLAN, MONITOR PROGRESS AND TAKE CORRECTIVE ACTIONS.

7. DECISION-MAKING - MANAGERS MUST MAKE THE DECISIONS THAT NEED TO BE MADE FOR THEIR OWN ORGANIZATIONAL UNITS.
I. PREPARING AN "ACCOUNTABILITY STATEMENT"

1. DETERMINING THE SCOPE AND RESPONSIBILITY (ASSIGNED TO THE JOB)

2. DETERMINING THE PRIORITIES (THROUGH PARTICIPATION WITH BOTH INDIVIDUALS AND GROUPS)

3. DETERMINING THE SPECIFIC SHORT-RUN AND LONG-RUN ACCOUNTABILITIES (THROUGH PARTICIPATION WITH BOTH INDIVIDUALS AND GROUPS)

II. GRANTING SPECIFIC, CLEAR-CUT AUTHORITY EQUAL TO THE ACCOUNTABILITIES

III. ALLOWING FREEDOM TO PLAN (TO DEVELOP METHODS TO ACHIEVE THE ACCOUNTABILITIES) (USING ACTION PLANS)

IV. DETERMINING THE CONTROLS (FEEDBACK ORIENTED TO BOTH THE SHORT-RUN AND THE LONG-RUN ACCOUNTABILITIES)

V. DEVELOPING BOTH INDIVIDUAL AND GROUP DECISION-MAKERS (GRADUALLY BY A SERIES OF SUCCESSES)

VI. "EFFECTIVE" DELEGATION REQUIRES:

1. PARTICIPATION (CLEAR, TWO-WAY COMMUNICATIONS)

2. TRAINING-SUPPORT (COACHING)

3. SELECTING CAPABLE PEOPLE (AND GROUPS) TO MAKE DECISIONS

VII. REWARDING (AND PENALIZING) ACCORDING TO PERFORMANCE (BOTH MONETARY AND NON-MONETARY REWARDS)
THE FOUR MASTER KEYS OF EFFECTIVE DELEGATION

1. AN ACCOUNTABILITY AGREEMENT (STATEMENT OF ACCOUNTABILITY)

2. CLEAR-CUT AUTHORITY

3. CONTROLS THAT CONTROL (FEEDBACK AT THE LOWEST LEVEL — NOT WAVING "RED" FLAGS WHEN TROUBLE OCCURS)

4. CONFIDENCE IN YOUR PEOPLE
HOW ACTIVE LISTENING WORKS

Subordinate explains position; Manager listens.

Manager gradually asks questions; Subordinate answers.

Manager understands and accepts the subordinates position

Full and equal discussion of the delegation.

Manager states his position.

Negotiations over how the delegation will actually proceed.
CONFIDENCE IN THE DELEGATEE

HOW CAN MANAGERS DEVELOP CONFIDENCE IN THE DELEGATEES?

1. TRUST THEM - LEAVE THEM ALONE (SUPERIORS MUST MAKE SURE THAT THEIR PEOPLE EXPERIENCE THAT SAME "LONELY TIME" AS A STUDENT PILOT - HE MUST PROVIDE A SUPPORTIVE RELATIONSHIP BUT NOT SUPPORT PER SE)

2. DO NOT DELEGATE ONLY TO THOSE WHO ARE ALREADY TRAINED - THIS CREATES JEALOUSY, RESENTMENT - IT DOES NOT DEVELOP THE OTHERS
   a. TRAIN AND COACH EACH PERSON - BRING THEM ALONG UNTIL THEY CAN HANDLE THE DELGATION
   b. DO NOT GO OUTSIDE FOR TALENT

3. DELEGATE TO OVERCOME A WEAKNESS IN A WORKER, TO DEVELOP A SPECIFIC TECHNICAL SKILL (TACTFULLY, TELL THE PERSON WHY BEFORE DOING THIS - BUT, DO NOT TALK TO A PERSON ABOUT A PERSONALITY WEAKNESS)

4. DELEGATE TO EASE PROBLEM CASES
   a. FOR EXAMPLE, CARELESS WORKERS CAN BE GIVEN SAFETY DELEGATIONS, OR SPOILAGE CONTROL DELEGATIONS
   b. FOR EXAMPLE, LONG-TIME WORKERS WHO NEGLECT RULES CAN BE DELEGATED RESPONSIBILITY TO COACH NEW WORKERS ON RULES AND REGULATIONS
   c. FOR EXAMPLE, THE WORK OF AMBITIOUS WORKERS CAN BE ENRICHED
1. LEE IACOCA SELECTED GOOD PEOPLE WHO HAD BEEN OVERLOOKED AT FORD TO TURN CHRYSLER AROUND.

2. THE PRESIDENT OF A LARGE TEA COMPANY SAID THAT HIS SECRET OF SUCCESS WAS TO SELECT PEOPLE WHO WERE MORE CAPABLE THAN HIMSELF AND RISE ON THEIR SHOULDERS.

3. ANDREW CARNEGIE: "TAKE AWAY MY PLANT AND EQUIPMENT BUT LEAVE ME MY PEOPLE, AND I WILL REBUILD IN 3 YEARS."

4. LEARN HOW TO INTERVIEW.

5. TRAIN THEM FOR THE NEXT HIGHER JOB. IDENTIFY THE BEHAVIORS NEEDED TO SUCCEED AT THAT LEVEL.

6. USE ASSESSMENT CENTERS.
EFFECTIVE DELEGATION IS GOOD MANAGEMENT

1. ORGANIZING (DECIDING WHAT SHOULD BE DONE; ASSIGNING RESPONSIBILITY AND CREATING THE PROPER ORGANIZATION STRUCTURE).

2. DETERMINING THE PRIORITIES (KEY RESULT AREAS).

3. AGREEING ON ACCOUNTABILITIES (SPECIFIC OBJECTIVES) (THE ABOVE THREE ITEMS CONSTITUTE AN ACCOUNTABILITY STATEMENT).

4. GRANTING AUTHORITY = ACCOUNTABILITIES.

5. MOTIVATION.
   A. PARTICIPATION
   B. COACHING (SUPPORT)
   C. CLEAR COMMUNICATIONS
   D. IDENTIFYING THE HUMAN NEEDS OF EMPLOYEES AND SATISFYING THEM TO THE BEST OF ONE'S ABILITY
   E. FREEDOM TO MAKE DECISIONS
   F. CREATING A CLIMATE OF OPENNESS AND TRUST

6. PLANNING (ADAPTING THE ORGANIZATION TO CHANGES IN THE ENVIRONMENT).

7. MONITORING RESULTS (CONTROLS FEEDBACK).
1. BE BOTH RESULTS AND PEOPLE-ORIENTED
2. HOLD WEEKLY MEETINGS - REVIEW WHAT THEY DID LAST WEEK; PROBLEMS, WHAT HAS TO BE DONE
3. EMPHASIZE BOTH QUALITY AND QUANTITY
4. CLARIFY RESPONSIBILITIES, GOALS AT THE START OF A NEW TASK
   A. WRITE THESE DOWN ON ONE PAGE
   B. SET GOALS ON ONLY 20% OF AN INDIVIDUAL’S RESPONSIBILITIES
5. USE CTMNANJP (COME TO ME WITH ANSWERS NOT JUST PROBLEMS)
6. GET DETAILED REPORTS ON PROGRESS
   A. PROVIDE FEEDBACK (THE "BREAKFAST OF CHAMPIONS")
   B. FIND THEM DOING SOMETHING RIGHT (IN ORDER TO REINFORCE GOOD BEHAVIOR BY PraISING AND TOUCHING THEM)
7. PRAISE GOOD BEHAVIOR
8. REPRIMAND BAD BEHAVIOR RIGHT AWAY - THEN, ENCOURAGE THEM - PRAISE AND TOUCH THEM.
1. EXCELLENT, CLEARLY UNDERSTOOD OBJECTIVES AND POLICIES
   (Q.S.C.+V. - QUALITY, SERVICE, CLEANLINESS, AND VALUE)
2. EXCELLENT CONTROLS - TOP MANAGERS VISIT STORES REGULARLY
3. HIGH PARTICIPATION WITH CUSTOMERS ON NEW IDEAS (E.G.
   BREAKFAST MENU)
4. REWARDS ACCORDING TO CONTRIBUTIONS (BASED ON Q.S.C.+V.)
5. CHALLENGING, BUT ACHIEVABLE OBJECTIVES
6. INTENSE, INFORMAL COMMUNICATIONS AMONG TOP MANAGEMENT
   TEAM
7. EXCELLENT TRAINING - USING SOS
IBM'S MANAGEMENT SYSTEM

1. MUTUAL DISCUSSION OF RESPONSIBILITIES, SPECIFIC OBJECTIVES THAT ARE CHALLENGING BUT ACHIEVABLE (PERFORMANCE PLAN), WITH GOALS FOR EVERYONE.

2. DAILY PRIORITIZING.

3. MBWA - OBSERVATIONS.

4. HIGH PARTICIPATION.

5. FREEDOM TO PLAN.

6. MUCH FEEDBACK.

7. FREQUENT PERFORMANCE REVIEWS (MUCH MEASUREMENT OF PERFORMANCE) PLUS AN ANNUAL PERFORMANCE REVIEW (THE SUPERIOR'S MANAGER IS ALSO INVOLVED).

8. COMPARISONS OF PERFORMANCE WITH OTHERS.

9. "OTHER FACTORS" ARE ALSO CONSIDERED, SUCH AS RELATIONSHIPS WITH OTHERS, TEAMWORK, LOYALTY, SEEING "HAPPY PEOPLE".

10. A TEAM APPROACH. TEAMS ARE RATED AND COMPARED.

11. INTENSE TRAINING (40 REQUIRED HOURS OF SCHOOLING PER YEAR FOR EVERYONE).

12. CROSS TRAINING.

13. TEACHING BY EXAMPLE.

14. MUCH POSITIVE REINFORCEMENT - REWARDS AND RECOGNITION FOR ACHIEVEMENT (BONUSES, TRIPS, GIFTS, WHICH ARE GIVEN AT MONTHLY MEETINGS AT HOTELS).

15. DAY-BY-DAY COACHING TO IMPROVE CURRENT PERFORMANCE.

16. AN INDIVIDUAL MERIT SYSTEM - THERE ARE NO STANDARD PAY INCREASES.

17. RESPECT FOR THE INDIVIDUAL - INTENSE PEOPLE ORIENTATION.
18. CAREER PLANNING TO HELP PEOPLE REALIZE THEIR FULL POTENTIAL.

19. THREE YEAR STAFF ROTATION POLICY BACK TO LINE.

20. ANNUAL EVALUATIONS OF YOUR BOSS, WHICH ARE TAKEN VERY SERIOUSLY.

21. ONE INTERVIEW PER YEAR WITH AN UPPER LEVEL MANAGER.

22. PROMOTION FROM WITHIN.

23. OPEN DOOR POLICY

24. JOB SECURITY BY "BALANCING OF PERSONNEL" POLICY (SHIFTING - RETRAINING PEOPLE).
DELEGATION AND DIFFERENT LEVELS OF AN ORGANIZATION

1. DELEGATION MUST BE DONE AT EVERY LEVEL OF AN ORGANIZATION, BUT MIDDLE AND UPPER LEVEL MANAGERS MUST SPEND MORE TIME PLANNING, ORGANIZING, SETTING PROPER PRIORITIES AND OBJECTIVES, AND CONTROLLING AND LESS TIME ON OPERATIONAL DETAIL.

2. DON'T PROMOTE ON THE BASIS OF GOOD PERFORMANCE IN A TECHNICAL FUNCTION ALONE (AS THE "VITAL SHIFT" MUST BE MADE AS ONE PROCEEDS FROM ONE LEVEL TO ANOTHER).

3. DELEGATION SHOULD BE DONE AT THE TOP, OR THE "REFLECTIVE PHENOMENON" MAY OPERATE.

4. DELEGATIONS SHOULD BE MADE AT THE LOWEST POSSIBLE LEVEL AT WHICH ALL OF THE INFORMATION EXISTS FOR DECISION-MAKING.

5. A DIFFICULT ASSIGNMENT SHOULD NOT BE DELEGATED TOO LOW IN THE ORGANIZATION.

6. MANAGERS ARE DELEGATING EFFECTIVELY, IF THEIR PEOPLE:
   (1) MAKE DECISIONS.
   (2) KNOW THEIR PRIORITIES, OBJECTIVES, AUTHORITY, CONTROLS AND PARTICIPATED IN DEVELOPING THEM.
   (3) HAVE FREEDOM TO ACHIEVE THEIR OBJECTIVES.
   (4) DEVELOP AS A RESULT OF THE DELEGATION.
   (5) KNOW THE OBJECTIVES FOR THEIR UNIT AND ITS PROBLEMS.
   (6) SAVE THE BOSS TIME.
WHAT DELEGATION IS NOT.
1. IT IS NOT "DUMPING".
2. IT IS NOT ABDICATION OF AUTHORITY.
3. IT IS NOT LOSS OF CONTROL.
4. IT IS NOT AVOIDING DECISIONS.

EXAMPLE:
The following abbreviated instructions were given by a corporate president to one of his vice presidents who was being delegated the responsibility for the company’s finance function.

You’ve accepted my offer to head our finance function. From now on you’re in charge. You and I will agree on the results expected from you, and we’ll design a feedback system so both of us will know how well you’re performing. We’ll agree on your authority and revise it as it becomes necessary. From now on any finance problem is your problem, not mine. You’ll do the planning for your function; I won’t. Any worrying in connection with finance will be done by you, not me. I’ll expect you to come to me when you have major problems. I’ll expect recommendations, not merely the presentation of problems.
EXAMPLE:

ONE ORGANIZATION ESTABLISHED ITS PRIORITIES FOR 1983. THE PRESIDENT OF THE COMPANY MADE HIS TOP SALES MANAGER ACCOUNTABLE FOR THE SALE OF 80,000 UNITS DURING THE CALENDAR YEAR 1983. HE IN TURN DELEGATED PART OF HIS ACCOUNTABILITY TO EACH OF THE THREE SALES MANAGERS REPORTING TO HIM. SALES MANAGER A BECAME ACCOUNTABLE FOR SELLING 40,000 UNITS AND SALES MANAGERS B AND C FOR 20,000 UNITS EACH.

THE TOP SALES MANAGER CONTINUES TO BE ACCOUNTABLE TO THE PRESIDENT FOR SELLING EACH AND EVERY ONE OF THE 80,000 UNITS. HOWEVER, HE HAS BROKEN UP HIS JOB INTO SMALLER, MORE MANAGEABLE, AND MORE CONTROLLED PARTS THROUGH DELEGATION TO HIS SUBORDINATES. JUST AS THE PRESIDENT IS HOLDING THE TOP SALES EXECUTIVE ACCOUNTABLE FOR THE TOTAL NUMBER OF UNITS SOLD, THE SALES MANAGER IN TURN HOLDS HIS SUBORDINATE MANAGERS ACCOUNTABLE FOR THEIR ASSIGNED SHARE OF HIS WORKLOAD. PERIODICALLY AS THE YEAR UNFOLDS, HE WILL MONITOR THE PROGRESS OF EACH OF HIS SUBORDINATES AND TAKE ANY REMEDIAL ACTION CALLED FOR. HE WILL ALSO CONDUCT A FINAL EVALUATION AT THE CLOSE OF THE YEAR.
THE PROMOTED ENGINEER


BOB'S PREDECESSOR, WHO WAS ALSO MOVING UP TO A HIGHER POSITION, THEN CAUTIONED BOB AGAINST THE TENDENCY TO DO THE WORK ONESelf INSTEAD OF DELEGATING IT. BOB AND HIS FORMER BOSS DISCUSSED THE MANY AND DEEP-SEATED REASONS FOR THIS TENDENCY, ESPECIALLY WITH PROFESSIONALS IN THEIR FIRST MANAGERIAL JOB, AND BOB BECAME QUITE DETERMINED TO MAKE DELEGATION A PRIME MANAGERIAL RULE. AND HE DID TRY.

HE FOUND, HOWEVER, THAT DELEGATION WAS MUCH MORE EASILY TALKED ABOUT IN THEORY AND EXULTED THAN PRACTICED. THERE SEEMED TO BE A KIND OF CONTRADICTION IN THE CONCEPT - OR AT LEAST THE PRACTICE - OF DELEGATION. A 'DAMNED' IF YOU DO AND 'DAMNED' IF YOU DON'T SITUATION: IF YOU DON'T DELEGATE, YOU BECOME A HOPELESS BOTTLENECK AND VIOLATE THE VERY ESSENCE OF MANAGING, WHICH IS TO GET WORK DONE THROUGH OTHERS; IF YOU DO DELEGATE, PROPER CONTROL OVER THE PRODUCTION AND QUALITY OF WORK SEEMS TO INEVITABLY SLIP FROM YOUR HANDS. HE FOUND HIMSELF INCREASINGLY DOING WORK OVER AGAIN AFTER DELEGATING IT AND FINDING IT DONE IMPROPERLY. DEADLINES WERE BEING MISSED. THE RATE OF PRODUCTION, AND ESPECIALLY ITS QUALITY, WAS FALLING. HIS SHOP WAS BECOMING A SERIES OF 'CRISES'. THE PROBLEM DID NOT SEEM TO BE MORALE-YET, HE HAD AN EXCELLENT RAPPORT WITH HIS SUBORDINATES; THEY WERE HIGHLY MOTIVATED PEOPLE AND HAD A GOOD RECORD FOR COMPETENCE. HE HAD TO CONCLUDE THAT HE WAS DOING SOMETHING VERY WRONG IN HIS PATTERN OF DELEGATING. HE DECIDED TO VISIT HIS FORMER BOSS TO DISCUSS THINGS THAT MIGHT BE CAUSING HIS DELEGATION FAILURE AND WHAT HE COULD DO TO CORRECT IT.
SYMPTOMS OF POOR DELEGATION

1. POOR PLANNING - DID THE MANAGER PLAN? ARE THE PLANS REALISTIC?
2. FREQUENCY OF ORDERS - DOES THE MANAGER GIVE TOO MANY ORDERS?
3. OVERCONTROL - DOES THE MANAGER OVERCONTROL, LIMITING INDIVIDUALS ACTIONS?
4. UNDERCONTROL - DOES THE MANAGER UNDERCONTROL?
5. FAT BRIEFCASES - DOES THE MANAGER FREQUENTLY TAKE WORK HOME?
6. CONSTANT PRESSURE - DOES THE MANAGER WORK UNDER CONSTANT PRESSURE?
7. CRITICISM OF SUBORDINATES - IS THE MANAGER OVER CRITICAL?
8. LACK OF POLICY - HAS THE MANAGER ESTABLISHED POLICIES FOR GUIDANCE?
9. TOO MUCH POLICY - HAS THE MANAGER ESTABLISHED TOO MANY POLICIES?
10. LACK OF OBJECTIVES - HAS THE MANAGER ESTABLISHED OBJECTIVES?
11. SLOW DECISION-MAKING - ARE THE PEOPLE SLOW OR RELUCTANT TO MAKE DECISIONS?
12. MISPLACED DECISION-MAKING - ARE DECISIONS MADE BY THE RIGHT PEOPLE?
13. LIMITED SPAN OF CONTROL - DOES THE MANAGER HAVE A LIMITED SPAN OF CONTROL?
14. NON-PARTICIPATION IN MEETINGS WITH MANAGERS AT HIGHER LEVELS.
15. VERY LOW LIMITS ON SPENDING MONEY - IS AUTHORITY GIVEN FOR SPENDING?
16. QUOTING THE BOSS - DOES THE MANAGER GIVE ORDERS IN HIS/HER BOSS'S NAME?
17. DETAILED JOB KNOWLEDGE - DOES THE MANAGER HAVE TOO DETAILED JOB KNOWLEDGE?
18. LACK OF PRIORITIES - DOES THE MANAGER ESTABLISH PRIORITIES?
19. EVERYTHING A SECRET - DOES THE MANAGER TRANSFER NEEDED INFORMATION?
20. DISORGANIZED EFFORT - DO THE MANAGER AND THE PEOPLE FUNCTION AS A TEAM OR AS A GROUP OF CONFUSED, UNCOORDINATED INDIVIDUALS?
A. The following questions should be answered to determine whether or not there are symptoms of poor delegation in your organization:

(Source: Dale D. McConkey, No-Nonsense Delegation, AMACOM, 1974)

1. How realistic is my planning? What is the correlation between plans and reality? Why don't plans come true?
2. How frequently and in how much detail do I give orders?
3. Do I overcontrol? Am I limiting my people's actions excessively?
4. Do I undercontrol? Am I ignoring my role as a supervisor?
5. How much time do I work at home evenings and weekends?
6. Do I work under constant pressure or only occasional pressure?
7. Am I overly critical of my subordinates?
8. Have I passed on to my people sufficient policy to guide them?
9. Have I severely limited the actions of my people by too many policies?
10. Do my people know my objectives and have they set objectives for themselves? Do mine and theirs complement or contradict each other?
11. Are my people slow or reluctant to make decisions in their assigned areas? Do mine and theirs complement or contradict each other?
12. Are decisions made by the subordinates who should make it or by someone else with my subordinates eager to concur?
13. Have I limited my span of control primarily to keep my finger in all pieces of the pie? Could I gain more by widening the span through effective delegation?
14. Do I permit and encourage my subordinates to participate in meetings and contacts at higher levels when the subject falls in their areas of competence or do I usually try to carry the ball for or with them?
15. Have I given each of my people definite authority to make expenditures?
16. Do I give orders in my boss's name or my own? Which alternative do my people usually follow?
17. Do I try to learn and retain competence in too many details of jobs below me or do I spend almost all my time planning,
ORGANIZING, DIRECTING, AND CONTROLLING?

18. DO MY PEOPLE AND I ASSIGN PRIORITY BEFORE BEGINNING OUR TASKS OR DO WE TREAT ALL TASKS HAVING EQUAL IMPORTANCE?

19. DO MY PEOPLE AND I PROVIDE EACH OTHER WITH THE AMOUNT AND TYPE OF INFORMATION EACH OF US NEEDS TO CARRY OUT OTHER JOBS?

20. DO MY PEOPLE AND I FUNCTION AS A TEAM OR AS A MIXTURE OF CONFUSED, UNCOORDINATED INDIVIDUALS WHOSE TOTAL PRODUCTIVITY LEAVES SOMETHING TO BE DESIRED?
SIX PITFALLS OF MANAGEMENT

1. RELUCTANCE TO LET GO OF RESPONSIBILITIES
2. INCORRECT PRIORITIES
3. LACK OF OR UNCLEAR AUTHORITY
4. UNDER OR OVER CONTROL
5. ALLOWING UPWARD DELEGATION TO TAKE PLACE
6. INABILITY TO DEAL EFFECTIVELY WITH FRIENDS
RECENTLY YOU WERE TRANSFERRED FROM ONE BRANCH OFFICE (OR SHOP) OF THE COMPANY TO ANOTHER, TO RELIEVE JIM BAILEY, THE SECOND-LEVEL SUPERVISOR, WHO IS BEING SHUFFLED TO A RECENTLY STARTED BRANCH. HE WILL MOVE WITHIN THE NEXT COUPLE OF WEEKS, BUT HE IS STILL IN CHARGE. HE IS SUPPOSED TO BE ACCOMMODATING YOU WITH HIS JOB BUT INSTEAD IS SPENDING TIME CLEANING UP HIS WORK. HE INTRODUCED YOU AS HIS SUCCESSOR AND THEN LEFT YOU ON YOUR OWN. YOU ARE BECOMING ACQUAINTED WITH YOUR NEW SUBORDINATES, THE FIRST-LEVEL SUPERVISORS. FROM WHAT YOU GATHER, BAILEY HAS DELEGATED A MINIMUM AMOUNT OF AUTHORITY AND RESPONSIBILITY TO THESE SUBORDINATES. THERE ARE NO JOB DESCRIPTIONS, BUT RATHER COMPLETE PERSONNEL RECORDS AVAILABLE.

SINCE YOU ARE FROM ANOTHER BRANCH OF THE SAME COMPANY, YOU ARE FAMILIAR WITH THE OVERALL POLICIES. ONE OF THESE POLICIES IS TO DELEGATE AUTHORITY AND RESPONSIBILITY AS FAR DOWN THE LINE AS POSSIBLE. YOU BELIEVE THAT YOUR PREDECESSOR'S VIOLATION OF THIS POLICY MAY BE THE MAIN REASON HE IS BEING SHUFFLED TO A NEW BRANCH; IN A NEWLY FORMED BRANCH LIBERAL DELEGATION IS NOT ADVISABLE AT FIRST.

THE COMPANY HAS BEEN TURNING OUT A STANDARD PRODUCT (OR SERVICE) FOR A LONG PERIOD. THIS AND OTHER CONDITIONS INDICATE THAT DECENTRALIZATION OF AUTHORITY AND RESPONSIBILITY IS DESIRABLE. YOU PLAN TO DELEGATE AS MUCH AUTHORITY AND RESPONSIBILITY AS POSSIBLE TO THE FIRST-LEVEL SUPERVISORS UNDER YOU.

HOW WOULD YOU GO ABOUT DELEGATING AUTHORITY AND RESPONSIBILITY?
HOW TO DELEGATE:

1. FIRST, CLARIFY YOUR RESPONSIBILITIES AND AUTHORITY

2. SECOND, FIND OUT AS MUCH AS YOU CAN ABOUT YOUR PEOPLE (IN A NEW JOB)

3. THIRD, GET YOUR TEAM TOGETHER AND AGREE ON UNIT PRIORITIES AND OBJECTIVES

4. FOURTH, GET APPROVAL FOR YOUR UNIT PRIORITIES AND OBJECTIVES

5. FIFTH, ASK EACH OF YOUR PEOPLE TO WRITE DOWN THEIR RESPONSIBILITIES, PRIORITIES, OBJECTIVES, AUTHORITY AND CONTROLS

6. SIXTH, TALK WITH EACH OF YOUR PEOPLE AND REACH AGREEMENT ON THEIR INDIVIDUAL RESPONSIBILITIES, PRIORITIES, OBJECTIVES, AUTHORITY AND CONTROLS

7. SEVENTH, ALLOW THEM THE FREEDOM TO PLAN TO ACHIEVE THEIR OBJECTIVES

8. EIGHTH, TRAIN YOUR PEOPLE TO HANDLE MORE RESPONSIBILITIES

9. AS YOU GET NEW RESPONSIBILITIES AND PRIORITIES, DELEGATE YOUR OLD RESPONSIBILITIES AND PRIORITIES TO YOUR PEOPLE - SELECT THE BEST PEOPLE TO HANDLE EACH OF YOUR RESPONSIBILITIES

10. MANAGE-BY-WANDERING-AROUND

11. REWARD BASED ON PERFORMANCE
1. List all of the responsibilities for your position.

2. Indicate the time spent on each of those responsibilities by both your people and by you during a given time period, such as one week.

3. List the names of the people reporting to you.

4. Indicate whether or not each of your people can, cannot, or should not perform each of the responsibilities.
   - Y: Yes, the employee can perform the task well
   - N: No, the employee cannot perform the task well yet, but could with training
   - Blank: A blank on the chart means that the employee should not perform the task, as it is either your responsibility, or it is something that cannot be delegated to that particular person

5. What the completed Position Analysis Chart will look like:

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Job title: Section Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answering Phone</td>
<td>Name or Employees</td>
</tr>
<tr>
<td>Person</td>
<td>6 hr</td>
</tr>
<tr>
<td>Corresponding</td>
<td>2 hr</td>
</tr>
<tr>
<td>Waiting</td>
<td>1 hr</td>
</tr>
<tr>
<td>Analyzing with Staff</td>
<td>1.5 hr</td>
</tr>
<tr>
<td>Resolving Other Problems</td>
<td>4 hr</td>
</tr>
<tr>
<td>Meeting</td>
<td></td>
</tr>
<tr>
<td>Repairing</td>
<td></td>
</tr>
<tr>
<td>Delaying</td>
<td></td>
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<tr>
<td>Materials</td>
<td></td>
</tr>
<tr>
<td>Analyzing</td>
<td></td>
</tr>
<tr>
<td>Scrap</td>
<td></td>
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<tr>
<td>Visiting</td>
<td></td>
</tr>
<tr>
<td>Interviewing</td>
<td></td>
</tr>
<tr>
<td>Costing and Measuring</td>
<td></td>
</tr>
<tr>
<td>Recruit</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time</th>
<th>Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>N</td>
<td></td>
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<tr>
<td></td>
<td>Y</td>
<td>N</td>
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<td>Y</td>
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6. Now decide which of these responsibilities should be done only by you, who should be delegated the tasks they can do well, who should be trained, when they should be trained, and when you will perform the delegation.
How I Go about Delegating

Using the Position Analysis form you completed in Unit Three, do the following:

- **Work**: Review the Position Analysis form to assure yourself that it is complete.
- **Perform**: Check those items that you must personally do.
- **Delegate**: Could you delegate each item if you had someone available and/or trained?
- **Train**: Who and when?
- **Date**: Anticipated date of delegation.

<table>
<thead>
<tr>
<th>Work</th>
<th>Perform</th>
<th>Delegate</th>
<th>Train</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td>Who?</td>
<td></td>
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<td>When?</td>
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</tbody>
</table>
Programming Assignments for Your Subordinates

Instructions. On a clean sheet of paper, draw a series of columns and rows similar to those you see below. (You may, if you wish, simply make a copy of the forms.) On each row put the name of one of your subordinates. Your task in this exercise is to determine which of the three kinds of assignments each of your subordinates might respond to best. Take your time and think about each subordinate carefully. When you've finished, keep this programming in mind when you give work to your subordinates.

<table>
<thead>
<tr>
<th>Name</th>
<th>Challenges</th>
<th>Laundry List</th>
<th>Simple Task</th>
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</table>
RESPONSIBILITIES

1. IBM Project
2. Data Communications
3. Mini-Computer Support
4. Main Frame Support
5. Office Automation
6. Data Base Management

(There will be 15 people reporting to Duane in 6 months. He has approved 2 supervisory positions.)
WHAT THE DELEGATEE MUST DO

A. KNOW THE COMPANY AND UNIT OBJECTIVES

B. CLEARLY UNDERSTAND:
   A. RESPONSIBILITIES
   B. PRIORITIES AND GUIDELINES
   C. RESULTS EXPECTED (ACCOUNTABILITIES) (PERFORMANCE STANDARDS EXPECTED)
   D. AUTHORITY
   E. MILESTONES AND DEADLINES
   F. RESOURCES AVAILABLE
   G. TRAINING NEEDED
   H. POTENTIAL PROBLEMS/ROADBLOCK

C. ACCEPT REALISTIC DELEGATIONS

D. SET MUTUAL COMPATIBLE GOALS AND STANDARDS:
   1. MAKE SURE THAT YOUR GOALS MATCH THE GOALS OF THE JOB AND ORGANIZATION
   2. DECIDE ON YOUR PERSONAL GOALS AND IF THE ASSIGNMENTS WILL HELP YOU ACHIEVE THOSE GOALS

E. DEVELOP A GOOD REPORT-BACK SYSTEM:
   1. MAKE SURE THAT YOU GET WORTHWHILE FEEDBACK ON YOUR OPERATIONS
   2. REPORT BACK TO THE BOSS ON A REGULAR BASIS IN REGARD TO PROGRESS, PROBLEMS, RECOMMENDATIONS (NO SURPRISES -- ESTABLISH CONTROLS, ALLOW TIME FOR REVIEW OF YOUR PROGRESS)

1. THE MINIMUM REPORTING SHOULD INCLUDE THE FOLLOWING:
   A. INTERIM STATUS REPORTS ON LONG-TERM PROJECTS
   B. REPORTS OF COMPLETED PROJECTS AND RESULTS ACHIEVED AS AGAINST PLANNED RESULTS
   C. REASONS AND ACTION RECOMMENDED TO COMPENSATE FOR THE VARIANCE WHEN PLANS DO NOT DEVELOP AS ANTICIPATED
   D. MAJOR, UNANTICIPATED OBSTACLES OR PROBLEMS, INCLUDING RECOMMENDED WAYS TO HANDLE THEM
E. ANY CONFUSION IN THE EXTENT OF THE DELEGATION OF AUTHORITY
F. RECOMMENDATIONS FOR IMPROVING THE JOB, THE DEPARTMENT, OR THE ORGANIZATION AS A WHOLE

2. ALL REPORTS TO THE BOSS SHOULD BE ACCOMPANIED BY A RECOMMENDATION, WHEN PROBLEMS OR UNFAVORABLE VARIANCES ARE INVOLVED.

F. TAKE THE INITIATIVE
1. MAKE SURE THAT THE DELEGATION IS CORRECT
2. INSIST ON RECOMMENDING ACCOUNTABILITIES WITHIN THE RESPONSIBILITY (SCOPE OF THE JOB)
3. RELATE TO THE BOSS — BE LOYAL
4. CARRY OUT THE DELEGATION
5. DEVELOP YOURSELF
6. SUBMIT THE COMPLETED PROJECT, INCLUDING THE PAPERWORK
7. MAINTAIN A HISTORICAL RECORD (WRITTEN OR TAPE) OF YOUR RESULT
8. ASK: "WHAT MORE CAN I DO?"
9. CLARIFY PERSONAL REWARDS/OUTCOMES ("WHAT'S IN IT FOR ME?")
Jackson Company

The duplication and printing department of Jackson Company is supervised by Wilma McPeer. A quantity of sales materials must be collated and sent to several company sales offices today. Wilma informed her 5 employees that it was important that this work be completed by the end of the day. Since they were quite busy, Wilma suggested that each employee work as circumstances permitted on the sales materials. "Just squeeze it in between other work" she said, "as a sideline as best you can. It is important that we finish it today," was her statement.

Wilma was very busy during the day. She was away from the department most of the day. Attending a 4 p.m. meeting, she returned there about 5 minutes before quitting time. Without hesitation she inquired, "Did the collated material for sales get sent out?" A group member, Nora, answered, "NO, but it is about one-third finished. I worked on it awhile and asked Alice (another employee) to lend a hand when she had some minutes to spare."

Alice: I didn't have much spare time, so I could not do as much as I would have liked.

McPeer: But somebody had some time surely. I suggested that you all work on it - divide it up among you.

Karen: (employee): I understood anyone who had spare time was to work on them. I've been going all day and have had no time to do them. I suggested Helen could help.

Helen: That's right, but I did not have one free minute.

McPeer: Well, they are still not finished, and I told you they must go out today. We will have to work overtime, that's all there is to it. Who wants to stay and get overtime?

There were no volunteers. The group members just stood looking at McPeer. Silence prevailed. You could have heard a pin drop. After a minute which seemed like an hour, McPeer stated, "Nora, will you stay and finish the job?"
Nora: It's going to take a good two hours. I'm meeting my husband and we were going to look at furniture and . . .

McPeer: Okay, we will all stay. That way we'll finish it in about 20-25 minutes.

Questions:

1. Evaluate Wilma McPeer's handling of the collating work for the sales branch office.

2. How might she have avoided the situation of the work not finished and none of the employees wanting to stay overtime?

3. What suggestions do you feel are in order for Wilma to improve her supervision? Discuss.
THIS IS A STORY ABOUT FOUR PEOPLE - EVERYBODY, SOMEBODY, ANYBODY AND NOBODY. THERE WAS AN IMPORTANT JOB TO BE DONE AND EVERYBODY WAS ASKED TO DO IT. EVERYONE WAS SURE THAT SOMEBODY WOULD DO IT. ANYONE COULD HAVE DONE IT, BUT NOBODY DID IT. SOMEBODY GOT ANGRY ABOUT THAT BECAUSE IT WAS EVERYONE'S JOB, EVERYBODY THOUGHT THAT ANYBODY COULD DO IT, BUT NOBODY REALIZED THAT EVERYBODY WOULDN'T DO IT. IT ENDED UP THAT EVERYBODY BLAMED SOMEBODY WHEN ACTUALLY NOBODY ASKED ANYBODY.
The "critical few"

The "trivial many"

Principle of "calculated" neglect

INPUT

20% of supervisors employees

clientele services offices

account for 80% of suggestions absenteeism grievances

problems impact

OUTPUT

80%
To illustrate, let's take an example involving a paper mill.

**Pareto Analysis by Accounts - Quality Losses in a Paper Mill**

<table>
<thead>
<tr>
<th>Accounting category</th>
<th>Annual quality loss, $000</th>
<th>Percent of total quality loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broke</td>
<td>556</td>
<td>61</td>
</tr>
<tr>
<td>Customer claim</td>
<td>122</td>
<td>14</td>
</tr>
<tr>
<td>Odd lot</td>
<td>78</td>
<td>9</td>
</tr>
<tr>
<td>High material cost</td>
<td>67</td>
<td>7</td>
</tr>
<tr>
<td>Downtime</td>
<td>37</td>
<td>4</td>
</tr>
<tr>
<td>Excess inspection</td>
<td>28</td>
<td>3</td>
</tr>
<tr>
<td>High testing cost</td>
<td>19</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>This category</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>75</td>
<td>75</td>
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<tr>
<td>84</td>
<td>84</td>
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<td>91</td>
<td>91</td>
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<td>95</td>
<td>95</td>
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<td>98</td>
<td>98</td>
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<td>100</td>
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A study of their quality related costs came up with various categories totalling $907,000. However, the category called "broke" amounts to $556,000 or 61% of the quality costs. Clearly, there will be no major improvement in these costs unless there is a successful attack on broke - that is where the money is concentrated. ("Broke" is paper mill dialect for paper so defective that it is returned to the beaters for reprocessing.)

Now let us analyze the broke.

**Pareto Analysis by Products - "Broke" Losses in a Paper Mill**

<table>
<thead>
<tr>
<th>Product type</th>
<th>'Broke' loss, $000</th>
<th>Percent of broke loss</th>
<th>Cumulative percent broke loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>132</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>B</td>
<td>96</td>
<td>17</td>
<td>41</td>
</tr>
<tr>
<td>C</td>
<td>72</td>
<td>13</td>
<td>54</td>
</tr>
<tr>
<td>D</td>
<td>68</td>
<td>12</td>
<td>66</td>
</tr>
<tr>
<td>E</td>
<td>47</td>
<td>8</td>
<td>74</td>
</tr>
<tr>
<td>F</td>
<td>33</td>
<td>6</td>
<td>80</td>
</tr>
<tr>
<td>47 other</td>
<td>108</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>Total 53</td>
<td>556</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

In that paper mill they make 53 types of paper. When we allocate the broke amount to the various types of paper, the Pareto principle is again in evidence. Six of the product types account for $448,000 which is 80% of the $556,000. There will be no major improvement in broke unless there is a successful attack on these six types of paper. Notice also that 6 types out of 53 is 12%. By studying 12% of the problem we are nevertheless attacking 80% of the broke.
THE IMPORTANCE OF ESTABLISHING PRIORITIES

1. EFFECTIVE DELEGATION REQUIRES MANAGERS TO FIRST DETERMINE WHAT REALLY IS IMPORTANT FOR THE ORGANIZATION TO DO AND ESTABLISH PRIORITIES.

   A. THE CONSEQUENCES OF NOT ESTABLISHING PRIORITIES.
   B. THE CONSEQUENCES OF NOT ESTABLISHING PRIORITIES ARE MORE SERIOUS AT THE TOP OF AN ORGANIZATION, BUT IT CAN HAVE SERIOUS RESULTS AT ALL LEVELS WHERE DELEGATION TAKES PLACE.

2. EXAMPLE: A LARGE COMPANY WITH $500 MILLION SALES (ANNUALLY) DECIDED TO ACQUIRE SIX SMALL COMPANIES WITH ANNUAL SALES RANGING FROM $2 MILLION TO $41 MILLION, RATHER THAN ACQUIRING ONE LARGE COMPANY. HOWEVER, INTEGRATING THE SMALLER COMPANIES INTO THE PARENT COMPANY'S MANAGEMENT PRACTICES TOOK AN INORDINATE AMOUNT OF TIME BY THE OFFICERS AND DEPARTMENT HEADS OF THE PARENT COMPANY, REDUCING THE TIME THEY HAD TO SPEND ON THEIR OWN IMPORTANT AREAS. BEFORE THE ACQUISITIONS, THE PARENT COMPANY EARNED $35 MILLION PRETAX PROFITS ON A $350 MILLION INVESTMENT, A RETURN ON INVESTMENT OF 3 PERCENT. EVEN THOUGH DELEGATION WAS GOOD IN THIS COMPANY, IT WAS NOT EFFECTIVE.

BEFORE ACQUISITIONS COMPANY A EARNED:

$35,000,000 PROFITS

----------------------------------------------- = 10%
$350,000,000 TOTAL ASSETS
AFTER ACQUIRING 6 SMALL COMPANIES WITH SALES RANGING FROM $2,000,000 TO $41,000,000, THE COMPANY EARNED:

$15,000,000 PROFITS

--------------------------------- = 3%
$500,000,000 TOTAL ASSETS
GUIDELINES FOR SPECIFYING PRIORITIES (JOB ELEMENTS, KEY RESULT AREAS)

A. A GOOD DESCRIPTION OF A PRIORITY (JOB ELEMENT, KEY RESULT AREA) MEETS THE FOLLOWING CRITERIA:

1. IT DESCRIBES IN 1 TO 3 WORDS ONE OF THE FOUR TO SIX MOST IMPORTANT ("CRITICAL FEW") PARTS OF YOUR PRESENT JOB RESPONSIBILITIES (E.G., PLANNING, PRODUCTIVITY, COST CONTROL, STAFF DEVELOPMENT, ETC.). THE TERM "JOB ELEMENTS," "KEY RESULT AREAS," "KEY RESPONSIBILITIES," AND "MAJOR JOB RESPONSIBILITIES" ARE FREQUENTLY USED FOR THE SAME PURPOSE AS PRIORITIES.

2. IT IS A GENERAL DESCRIPTION OF THE AREA IN WHICH YOU WANT TO CONTRIBUTE RESULTS - AN AREA IN WHICH IT IS TRULY WORTHWHILE FOR YOU TO INVEST YOUR TIME, TALENT, OR ENERGY.

3. IT DESCRIBES THE GENERAL AREA IN WHICH RESULTS ARE NEEDED, BUT IT DOES NOT ATTEMPT TO SPECIFY THE DESIRE LEVEL OF ACCOMPLISHMENT, TARGET DATES, OR COSTS.

4. IT MAY BE CONSIDERED A "FUNCTIONAL CHUNK" OF YOUR POSITION UNDER WHICH A NUMBER OF ACTIVITIES MAY BE CATEGORIZED.

5. IT REPRESENTS AN AREA FROM WHICH MEASURABLE RESULTS AND ACCOMPLISHMENTS CAN BE EXPECTED.

6. A LIST OF PRIORITIES WILL ALMOST NEVER COVER YOUR FULL JOB. AN ADDITIONAL LIST OF YOUR "MAINTENANCE AREAS" OR "REGULAR RESPONSIBILITIES" SHOULD BE DEVELOPED AS THE BASIS FOR AGREEMENT WITH YOUR MANAGER ON THE ACCEPTABLE "STANDARDS OF PERFORMANCE" WITHIN THESE AREAS.

7. "RELATIONSHIPS" (INSIDE AND/OR OUTSIDE THE ORGANIZATION) AND "SELF-DEVELOPMENT" SHOULD ALWAYS BE ADDED AS PRIORITIES SINCE THEY ARE CRUCIAL TO TEAMWORK AND IMPROVED PERSONAL CAPACITY.
B. WHY ARE PRIORITIES ("JOB ELEMENTS," "KEY RESULT AREAS") IMPORTANT?

1. THEY ARE THE BASIS FOR VALID APPRAISAL AND DEVELOPMENT DECISIONS.

2. THEY ARE THE AREAS FROM WHICH YOUR OBJECTIVES ARE ESTABLISHED.
1. JOB ELEMENTS

USE THIS SPACE TO LIST THE MAJOR ELEMENTS, (DUTIES, RESPONSIBILITIES) OF YOUR POSITION. TRY TO LIMIT BETWEEN FOUR (4) AND TEN (10) ELEMENTS:

1. CONTROL CIRCUITS

2. BUDGET PREPARATION AND CONTROL

3. PROJECT COORDINATION

4. MAINTENANCE OF CLIENT RELATIONS

5. TECHNICAL ASSISTANCE

6. TECHNICAL TRAINING

7. IMPROVEMENT OF TECHNICAL COMPETENCE
POSSIBLE PRIORITIES FOR SALES MANAGERS
1. SALES GROWTH
2. DEVELOPING NEW BUSINESS
3. CUSTOMER SERVICE
4. MANPOWER DEVELOPMENT
5. TERRITORY MANAGEMENT

POSSIBLE PRIORITIES FOR A GENERAL MANAGER
MARKET SHARE
FINANCIAL RESULTS
PRODUCT LINE
EXPENSE RATIO
QUALITY
PRODUCTIVITY
CORPORATE RELATIONS
DEVELOPMENT OF PEOPLE
BUSINESS PLANNING
RESIDUAL MARKET
PRODUCTION MONITORING
ORGANIZATION STRUCTURE
PRESIDENT
financial results, resources
policy development
administration
planning and investment
organization and management
development
corporate security
internal communications
stockholder relations
public relations
specific objectives

EMPLOYEE RELATIONS
MANAGER
labor relations
safety
employee benefits programs
planning
wage, salary administration
recruiting
policy administration
staff administration
personnel records
employee services
specific objectives

ENGINEERING PROJECT
LEADER
safety
technical competence
project planning
project control
relationships
self-development
specific objectives

AREA SUPERVISOR
planning
employee relations
delcgations
training and counseling
control of area operations
cost control
communications
accounting
scheduling
business relations
public relations
safety
<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICAL TECHNOLOGIST</td>
<td>laboratory test, exams, personnel administration, trains employees, records and reports, technical calls, develop procedures, maintenance of laboratory equipment, laboratory materials and supplies</td>
</tr>
<tr>
<td>ADMISSION OFFICER</td>
<td>maintenance and records, interviews patients, follow-up on non-clerical CHSA, service transfer preparation, accommodations assignment</td>
</tr>
<tr>
<td>ACCOUNTING SUPERVISOR</td>
<td>procedure development, administration, planning, control, reports and analysis, personnel administration, working relationships, work scheduling, specific objectives</td>
</tr>
<tr>
<td>OFFICE MANAGER</td>
<td>policy administration, staff administration, planning, expense control, working relationships, computer technology, specific objectives</td>
</tr>
<tr>
<td>MAINTENANCE SUPERVISOR</td>
<td>personnel administration, planning, scheduling, preventive maintenance, plant-wide safety, working relationships, grievance handling, records and reports, specific objectives</td>
</tr>
<tr>
<td>OPERATIONS MANAGER</td>
<td>safety, administration, planning, control, protection of company property, working relationships, specific objectives, operations</td>
</tr>
</tbody>
</table>
Example

a. The manager of a plant in the paper industry that produces $20 million sales and is represented by a strong national union that does not delegate to its lower level officials and the plant is under pressure from environmental groups for alleged pollution came up with the following list of priorities:

Operating Costs
Return on Capital Additions
Plant Safety

Operating Schedules
Public Relations
Fixed-Asset Utilization

Quality Assurance
Labor Relations
Training and Development of Subordinates

b. He decided to retain and be accountable for:

Return on Capital Additions
Labor Relations
Training and Development of Subordinates

Public Relations
Fixed Asset Utilization
Chain of Priorities

New Priorities to Add to Your Total Responsibilities

Priorities to Retain

Priorities to Drop Off

Freight

Year's

Last

ENGINE

TR1S

YEAR'S

FREIGHT
<table>
<thead>
<tr>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEY AREAS MOST MOST WHERE WHERE OBJECTIVE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### A Typical Time Log for a Sales Manager

#### Daily Time Log

**Goals:**
1. Finish Mgmt. Review
2. Sales Summary to Boss
3. Service Report to Boss
4. Staff Meeting
5. Catch Up on Mail
6. Resolve Brown Problem

<table>
<thead>
<tr>
<th>Time</th>
<th>Action</th>
<th>Priority</th>
<th>Comment/Disposition/Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00</td>
<td>Arr. 8:10 - Coffee</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Read W.S. Journal</td>
<td></td>
<td>Could read over lunch (1st 20 min.)</td>
</tr>
<tr>
<td>8:30</td>
<td>Review plan for day</td>
<td>1</td>
<td>Well spent. Anticipated two problems to alert sec'y to</td>
</tr>
<tr>
<td></td>
<td>Misc. Notes to sec'y</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8:30 wife setting plan for</td>
<td></td>
<td>Switchboard could have taken both messages</td>
</tr>
<tr>
<td></td>
<td>lunch</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>9:00</td>
<td>9:05 - sec'y. questions for</td>
<td>1</td>
<td>Must have been daydreaming. Nothing done.</td>
</tr>
<tr>
<td></td>
<td>day. B.B. called re budget</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>9:30</td>
<td>Dictation to Secretary</td>
<td>2</td>
<td>Not really organized for this dictation</td>
</tr>
<tr>
<td></td>
<td>Separated mail</td>
<td>4</td>
<td>Some sec'y could have written her decide, sec'y</td>
</tr>
<tr>
<td>10:00</td>
<td>Boss chatted re: trip</td>
<td>0</td>
<td>Will separate and prioritize act busy. Be candid when boss drops in</td>
</tr>
<tr>
<td>10:30</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coffee</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Time</td>
<td>Action</td>
<td>Priority</td>
<td>Comment/Disposition/Results</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------------</td>
<td>----------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>11:00</td>
<td>Staff meeting</td>
<td></td>
<td>This staff meeting could have been completed in 30 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Should not even have gotten into space allocation 30 min. wasted</td>
</tr>
<tr>
<td>11:30</td>
<td>(Wrangle over new space allocation settled)</td>
<td>3-4</td>
<td></td>
</tr>
<tr>
<td>12:00</td>
<td>SIGN MAIL</td>
<td>4</td>
<td>Let sec’y sign routine mail</td>
</tr>
<tr>
<td></td>
<td>Lunch</td>
<td>4</td>
<td>Could have met with boss for lunch and completed sales summary</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>review - but wasn’t ready when he suggested it</td>
</tr>
<tr>
<td>1:00</td>
<td>Lunch</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Complete sales summary for meeting with boss</td>
<td>1</td>
<td>Urgent only because left until last minute, benefitted by experience</td>
</tr>
<tr>
<td>1:30</td>
<td>CS drops in - social</td>
<td>4</td>
<td>Unnecessary interruptions. Could have waited</td>
</tr>
<tr>
<td></td>
<td>Call BB on budget</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Call JD - Personnel replacement</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2:00</td>
<td>Meeting with boss</td>
<td>2</td>
<td>If written report had been submitted earlier, boss could have reviewed then this meeting could have been cut to 15 minutes or eliminated if he had returned with questions, 30 minutes wasted.</td>
</tr>
<tr>
<td></td>
<td>Sales summary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2:30</td>
<td>ok’s delay on service report</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RM call Info Systems in to ask boss when to expect</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Decline re Dept. revision and reorganization</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3:00</td>
<td>JU call - Personnel</td>
<td>4</td>
<td>Referred to HC</td>
</tr>
<tr>
<td>Time</td>
<td>Action</td>
<td>Priority</td>
<td>Comment/Disposition/Results</td>
</tr>
<tr>
<td>-------</td>
<td>--------</td>
<td>----------</td>
<td>----------------------------</td>
</tr>
<tr>
<td></td>
<td>4:00</td>
<td>4</td>
<td>Referred to assistant</td>
</tr>
<tr>
<td></td>
<td>3:30</td>
<td>4</td>
<td>Coffee</td>
</tr>
<tr>
<td></td>
<td>4:00</td>
<td>4</td>
<td>Attended only because of habit. Result some questions directed to me instead of my assistant. Decision to leave these meetings to assistant unless he wants me to sit in.</td>
</tr>
<tr>
<td></td>
<td>4:30</td>
<td>1</td>
<td>This was a 1 for day but left until end and then permitted interruption (needless</td>
</tr>
<tr>
<td></td>
<td>5:00</td>
<td></td>
<td>Procrastination killed this one.</td>
</tr>
<tr>
<td></td>
<td>5:30</td>
<td></td>
<td>Where did the day go?</td>
</tr>
</tbody>
</table>
The Sales Manager’s Own Analysis

Let us examine the sales manager’s own analysis of his time log.

His answers to the 10 questions (A through J) follow:

**A. Did setting daily goals and deadlines improve your effectiveness?**
- Yes
- Helped me focus on essentials

- (2) Were goals and deadlines demanding yet realistic?
- Yes

- (3) Which daily goal contributed directly to long-range objectives
- All (NOT TRUE)
- None, really (NOT TRUE)

- (4) Which could have been delegated?

**B. What time did you start on your No. 1 goal?**
- 4:30

- (1) Could you have started earlier?
- Yes

- (2) Did anything distract you from completing it?
- Yes, interrupted by TM, but late start real cause.

- (3) Did you recover immediately (return at once to the task)?
- No. Too late.

**C. To what extent did you achieve each objective?**

<table>
<thead>
<tr>
<th>GOAL</th>
<th>% COMPLETED</th>
<th>REASON FOR NONCOMPLETION</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Finish management review</td>
<td>20</td>
<td>Late start. Interrupted</td>
</tr>
<tr>
<td>(2) Sales summary to boss</td>
<td>100</td>
<td>Too little time.</td>
</tr>
<tr>
<td>(3) Service report to boss</td>
<td>0</td>
<td>Had to get it done (boss).</td>
</tr>
<tr>
<td>(4) Staff meeting</td>
<td>100</td>
<td>Boss ok’d delay.</td>
</tr>
<tr>
<td>(5) Catch up on mail</td>
<td>0</td>
<td>Routine</td>
</tr>
<tr>
<td>(6) Resolve Brown matter</td>
<td>0</td>
<td>Only able to stay even.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Too much to do</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other things more important.</td>
</tr>
</tbody>
</table>

**D. What was your longest period of totally uninterrupted time excluding meetings and lunch?**
About 30 minutes.

- (1) Which period of the day was most productive?
- Early morning and late afternoon.

- (2) Which was least productive?
- 9:30 to 10:30 and 2:30 to 3:15

- (3) Is this likely a normal matter?
- Yes. More or less.
(4) If yes, how could you program or pace your activities to take advantage of it?

(5) How could you make after periods of the day more productive?

E. Who/what was your most frequent interruptor? HIMSELF

(1) What are the causes

(2) How can these be controlled, minimized, eliminated?

 Boss and associates and team. But all necessary. NOT
 Emergencies and other necessary communications

They are my job, so why eliminate? (TO SAVE TIME).

F. In order of importance list all types of interruptions with which you just contend, e.g., telephone, drop-in visitors, unscheduled meetings, unexpected crises, mail, self-interruptions, visual distractions, noise, etc. List two or three solutions for top three or four interruptions:

**INTERRUPTIONS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unexpected crises</td>
</tr>
<tr>
<td>2</td>
<td>Unscheduled meetings</td>
</tr>
<tr>
<td>3</td>
<td>Telephone interruptions</td>
</tr>
<tr>
<td>4</td>
<td>Drop-in visitors</td>
</tr>
</tbody>
</table>

**STEPS TO CONTROL**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No real solution. Hazard of the business.</td>
</tr>
<tr>
<td>2</td>
<td>When boss calls 'em, you go.</td>
</tr>
<tr>
<td>3</td>
<td>Have secretary screen.</td>
</tr>
<tr>
<td>4</td>
<td>We have an &quot;Open door&quot; policy. (A MISTAKE)</td>
</tr>
</tbody>
</table>

G. List the four most time-consuming activities which could have been handled by someone else or not done at all. How will you handle these next time?

**ACTIVITY**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Distributor meetings (3:30 - 4:15)</td>
</tr>
<tr>
<td>2</td>
<td>Staff meetings (10:45 - 11:45)</td>
</tr>
<tr>
<td>3</td>
<td>Unscheduled meetings (1:45 - 2:30)</td>
</tr>
<tr>
<td>4</td>
<td>Interruptions throughout day, both drop-ins and phone.</td>
</tr>
</tbody>
</table>

**HOW TO HANDLE NEXT TIME**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Delegate to assistant</td>
</tr>
<tr>
<td>2</td>
<td>Limit items on agenda and set time limit on meeting.</td>
</tr>
<tr>
<td>3</td>
<td>Give boss written summary. Let him review first and either return with questions or discuss more briefly.</td>
</tr>
<tr>
<td>4</td>
<td>Better screening by secretary; &quot;quiet hour&quot;; close door; visitors by appointment; regular meeting times weekly with individual staff.</td>
</tr>
</tbody>
</table>

H. Did you tend to record "activities" or "results"?

i. Did your self-correcting tendency appear as you recorded your actions?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
J. Of the solutions you have suggested on preceding page, which three will you implement immediately?

(1) Save meeting time by delegating attendance, limited agenda, setting time limit, using memos instead.

(2) Control interruptions by coaching secretary in better screening of visitors and telephone interruptions.

(3) Implement "quiet hour" to concentrate on my own priority goals for the day.
POINTS ON PRIORITIZING

1. GET THE HIGH PRIORITY THINGS DONE RIGHT AWAY BEFORE THE CRISES DEVELOP.

2. WORK ON YOUR MAIN PRIORITIES BEFORE READING YOUR MAIL EACH DAY.
   (THE MAIL RARELY HAS REALLY TOP PRIORITY MATTERS).
   A. THE TYPICAL MANAGER SPENDS 2-3 HOURS PER DAY READING AND ANSWERING MAIL - FOUR MONTHS OUT OF EACH YEAR.
   B. 80% OF YOUR MAIL DOESN'T HAVE TO BE ANSWERED.

3. REFUSE TO DO THE UNIMPORTANT - SAY "NO" TO SECONDARY PROJECTS.

4. SET ASIDE A FEW MINUTES EACH DAY TO REVIEW YOUR PRIORITIES.

5. MAKE A LIST OF YOUR PRIORITIES ON PRIORITY ORDER.
   A. YOU MUST CONTINUALLY PRIORITIZE.
   B. EVERY FEW WEEKS GO OVER YOUR LIST OF PRIORITIES AND ELIMINATE THOSE THAT ARE NOT ESSENTIAL AND MOVE UP THE LIST THOSE THAT ARE MORE ESSENTIAL.

6. EACH TIME YOU CHOOSE AN ACTIVITY THAT FURThERS ONE OF YOUR PRIORITIES, PAT YOURSELF ON THE BACK AND RECOGNIZE THE PROGRESS YOU HAVE MADE TOWARD A TOTAL-TIME MANAGEMENT PROGRAM.
YOUR TIME IS YOUR LIFE. WE HAVE READ AND HEARD THAT STATEMENT OFTEN, BUT WE HAVE NEVER THOUGHT ABOUT WHAT IT ACTUALLY MEANS. IT'S TRUE - YOUR TIME IS YOUR LIFE. EVERY THOUGHT, EVERY ACTION TAKES TIME, SO WHAT YOU DO WITH YOUR TIME DETERMINES WHAT YOU DO WITH YOUR LIFE. IF YOU WASTE YOUR TIME, YOU WASTE YOUR LIFE. TO UNDERSTAND WHAT TIME IS ALL ABOUT, WE SHOULD LOOK AT WEBSTER'S DEFINITION. WEBSTER TELLS US TIME IS THE PERIOD DURING WHICH ACTION OR PROCESS CONTINUES. IT IS A MEASURE OF HOW WE SPEND OUR LIVES. THERE ARE MANY MISCONCEPTIONS ABOUT TIME. ST. AUGUSTINE SAID WE THINK OF TIME AS IF WE UNDERSTOOD IT, BUT ASK US TO DEFINE IT, AND OUR MIND IS BLANK. POETS HAVE PUT IT INTO RHYMES, COMPOSERS HAVE WRITTEN SONGS ABOUT IT, PHILOSOPHERS HAVE CONJECTURED ABOUT TIME BUT NO ONE SEEMS TO UNDERSTAND IT. WHAT ARE SOME OF THE MISCONCEPTIONS WE HAVE ABOUT TIME. WE SAY THAT TIME FLIES. YET WE KNOW THAT IT MOVES AT A PREDETERMINED FIXED RATE. WE SAY WE CAN SAVE TIME. YET WE KNOW WE CANNOT PUT IT IN THE BANK. WE CANNOT POSTPONE ITS EXPENDITURE TO A FUTURE MOMENT, NOR CAN WE OVERTIME IT. WE SAY WE CAN MAKE UP TIME, YET ONCE SPENT, IT IS IRRETRIEVABLE. BEN FRANKLIN SAID WHEN YOUR TIME IS UP, YOU'RE DONE. "WE ASK WHERE HAS THE TIME GONE, YET AS HENRY DIXON REMARKED, "WE GO, TIME STAYS." WE SAY TIME IS A MORTAL ENEMY, BUT AS WE SHALL SOON SEE, WE MAY BE OUR OWN WORST ENEMY WHEN IT COMES TO MANAGING THIS RESOURCE. WE SAY THAT TIME AND THE CLOCK ARE AGAINST US. IN REALITY, TIME IS ON OUR SIDE THE MOMENT WE ORGANIZE IT. SOME PEOPLE SEEM TO HAVE MORE TIME THAN OTHERS, YET EVERYONE HAS EXACTLY THE SAME AMOUNT OF TIME. THE GREAT PARADOX OF TIME IS THAT NO ONE HAS ENOUGH, YET EVERYONE HAS ALL THERE IS. WE MUST ASK OURSELVES, IS TIME THE PROBLEM, OR ARE WE? CLEARLY, WE ARE THE PROBLEM. IT IS WE WHO PAY THE PRICE WHEN WE MISUSE OUR TIME AND THE COST IS OFTEN HIGH.

IN INVESTIGATIONS OVER A PERIOD OF TEN YEARS, I'VE DISCOVERED THAT MANY OF THE TIME WASTERS AFFlicting MANAGERS MOST ARE STRESS INDUCING. THE CORRELATION BETWEEN STRESS AND THREE OF THE MOST SERIOUS ILLNESSES HAVE BEEN DOCUMENTED BY DRs. HOLMES AND RIDE OF THE UNIVERSITY OF SEATTLE, WHO HAVE QUANTIFIED STRESS AREAS WHICH COULD RESULT IN HEART ATTACK, CANCER AND MANIC DEPRESSIVE PSYCHOSIS. THIS UNDERSCORES THE IMPORTANCE OF SOLVING TIME WASTERS NOT ONLY TO SAVE TWO HOURS A DAY, BUT ALSO TO REDUCE OR ELIMINATE STRESS. IN TIME MANAGEMENT, SEVEN DANGER SIGNALS OF
STRESS CAN BE IDENTIFIED. IF YOU RELATE TO THESE SIGNALS, STRESS IS IMPACTING YOUR WORK, MINIMIZING YOUR EFFECTIVENESS, POSSIBLY POINTING YOU TOWARD SERIOUS ILLNESS.

1. THE FIRST DANGER SIGNAL IS THE BELIEF THAT YOU ARE INDISPENSABLE. NO ONE ELSE CAN DO YOUR WORK.
2. NO TIME FOR THE IMPORTANT WORK WE NEED AND WANT TO BE DOING. DAILY CRISIS DEMAND OUR ATTENTION, CONSUME OUR TIME, AND THE WORK WE'VE LISTED AS OUR TOP PRIORITY MUST WAIT AND WAIT.
3. ATTEMPTING TOO MUCH AT ONCE. NEVER SAYING NO, ASSUMING THAT WE REALLY CAN DO IT ALL.
4. CONSTANT UNRELENTING PRESSURE. THE FEELING THAT WE ARE ALWAYS BEHIND AND THERE IS NO HOPE OF EVER BEING ON TOP OF OUR JOB.
5. HABITUAL LONG HOURS. NOT OCCASIONAL - HABITUAL. LEAVING THE OFFICE AT 5 O'CLOCK HAS BECOME A DREAM. 12 TO 14 HOURS A DAY IS THE NORM, NOT THE EXCEPTION.
6. FEELING GUILTY FOR LEAVING WORK ON TIME.
7. TAKING WORRY AND PROBLEMS HOME. PHYSICALLY YOU'VE LEFT THE OFFICE AT 5,6, MAYBE 7 OR 8, BUT YOU ARE PREOCCUPIED. THE WORRIES OF THE DAY TAKE PRECEDENCE OVER YOUR HOME, YOUR FAMILY, YOUR LIFE.

THE SEVEN DANGER SIGNALS IN TIME MANAGEMENT SOUND FAMILIAR TO ALL OF US. THE GREAT MAJORITY OF MANAGERS IDENTIFY WITH ALMOST ALL OF THEM. WHAT IS THE SIGNIFICANCE OF THESE DANGER SIGNALS?

THE FIRST CONCLUSION WE REACH IS THAT LONG HOURS ARE NOT NECESSARILY AN INDICATION OF PRODUCTIVITY. IN FACT, MORE OFTEN THAN NOT, THE REVERSE IS TRUE. PAST A CERTAIN POINT OF DIMINISHING RETURNS, THE EFFECTIVENESS OF ANY EFFORT CLIMBS RAPIDLY AS THE HOURS DEVOTED TO IT ARE EXTENDED.

THE SECOND CONCLUSION WE DRAW FROM THE SEVEN DANGER SIGNALS IS THE IMPORTANCE OF MANAGERS UNDERSTANDING MORE ABOUT THEIR STRESS LIMITS. DR. HOWARD AT THE UNIVERSITY OF WESTERN ONTARIO IN HIS FAMOUS STRESS PRODUCTIVITY CURVE SHOWS THE RELATIONSHIP BETWEEN STRESS AND PRODUCTIVITY. THIS CURVE INDICATES THAT IN ANY ACTIVITY, IT TAKES SOME STRESS TO GET GOING. PRODUCTIVITY INCREASES WITH STRESS UNTIL A CRITICAL POINT. THIS WOULD BE CALLED POSITIVE OR HEAVY STRESS. DEADLINES ARE A VERY USEFUL WAY OF PUTTING OURSELVES UNDER POSITIVE STRESS TO FINISH A TASK ON TIME. HOWEVER, BEYOND THE CRITICAL POINT, ADDITIONAL STRESS BECOMES UNHEALTHY AND PRODUCTIVITY FALLS. FOR EXAMPLE, AN UNREALISTIC OR IMPOSSIBLE DEADLINE IMPOSES EXCESSIVE STRESS. AT THIS POINT, ADDITIONAL STRESS BECOMES COUNTERPRODUCTIVE.
THE THIRD CONCLUSION WE DRAW FROM THE SEVEN DANGER SIGNALS IS THE RELATIONSHIP BETWEEN STRESS AND TIME MANAGEMENT. WHEN STRESS BECOMES COUNTERPRODUCTIVE, IT BECOMES A TIME WASTER BY DEFINITION SINCE A TIME WASTER IS ANYTHING PREVENTING US FROM ACHIEVING OUR OBJECTIVES MOST EFFECTIVELY.

LET'S LOOK FIRST AT THE TIME WASTER - LACK OF OBJECTIVES, PRIORITIES AND PLANNING. TIME MANAGEMENT IS GETTING FULL VALUE FOR OUR TIME. WE WORK HARD FOR OUR MONEY AND EXPECT TOP VALUE WHEN WE SPEND IT. WHY NOT EXPECT THE SAME FROM TIME, EVEN THOUGH IT IS A GIFT? SOMETIMES GETTING FULL VALUE FOR OUR TIME MAY MEAN PLANNING LEISURE INTO OUR WEEKEND SCHEDULES. LEISURE THAT WOULD NEVER HAPPEN UNLESS WE PLANNED IT. TIME MANAGEMENT DOESN'T MEAN LEARNING TO SAVE THREE OR FOUR MINUTES DOING A SMALL JOB - IT MEANS TAKING A LOOK AT THE ENTIRE DAY, THE WEEK, THE MONTH, THE YEAR, SETTING OBJECTIVES AND MAKING A WRITTEN PLAN THAT WILL GIVE US THE MOST VALUE FOR OUR TIME AT WORK AND AT HOME. WITHOUT SUCH A PLAN TO GUIDE US, WE MAY DRIFT FROM TASK TO TASK, FINISHING FEW AND NEVER TACKLING THE REALLY BIG JOBS, SO THAT AT THE END OF THE DAY, WE ARE DISCOURAGED - NOTHING REALLY GOT DONE. WE NEED TO TAKE TIME TO CLARIFY OUR DAILY GOALS AND OUR LONG-RANGE OBJECTIVES.

CHARLES HUGHES SAID WHEN HE WAS AT TEXAS INSTRUMENTS, "WE CAN KNOW WHETHER WHAT WE'RE DOING IS ABSURD ONLY AFTER WE HAVE IDENTIFIED THE GOALS WE ARE SEEKING TO ACHIEVE." LONG RANGE OBJECTIVES ARE THOSE WHICH MAY TAKE AS MUCH AS A YEAR OR MORE TO ACHIEVE. TO BEGIN, SET ONLY A FEW LONG-RANGE OBJECTIVES. OUTLINE THE DETAILS AND RESOURCES NEEDED TO REACH THEM. AND SET DEADLINES FOR COMPLETION. AN EXAMPLE OF A LONG-RANGE OBJECTIVE MIGHT BE A 15% INCREASE IN SALES. THINK CREATIVELY OF THE MOST MEANINGFUL OBJECTIVE FOR YOU AND YOUR ORGANIZATION. THERE ARE CRITERIA FOR DETERMINING WHETHER OUR OBJECTIVES ARE GOOD ONES. THEY MUST BE MEASURABLE OR YOU WILL NEVER KNOW WHETHER YOU HAVE ACHIEVED THEM. YOUR GOALS MUST BE ATTAINABLE OR YOU WILL SOON BECOME DISCOURAGED. THEY MUST BE DEMANDING OR YOU WILL NOT BE MOTIVATED TO ACHIEVE THEM.

THEY SHOULD BE CONSISTENT WITH YOUR ORGANIZATION'S AND YOUR BOSS'S GOALS. THEY SHOULD BE FLEXIBLE IN THE EVENT THAT OTHER PRIORITIES MOVE IN. AND THEY SHOULD BE WRITTEN WHERE THEY WON'T BE FORGOTTEN.

FINALLY, THOSE WHO WILL EXECUTE THEM SHOULD PARTICIPATE IN SETTING THEM SO THEY WILL BE COMMITTED TO THEIR ACHIEVEMENT.
MOST OF US COMPLAIN THAT WE HAVE NO TIME TO PLAN. WE ARE SO BUSY PUTTING OUT FIRES THAT WE DON'T HAVE TIME TO PREVENT THEM. BUT REMEMBER THAT ONE HOUR SPENT IN EFFECTIVE PLANNING USUALLY SAVES THREE TO FOUR IN EXECUTION, AND ACHIEVES BETTER RESULTS. WITH PROPER PLANNING, MANY CRISSES CAN BE AVOIDED. MISTAKES CAN ALSO BE AVOIDED WITH PLANNING BY GETTING THINGS RIGHT THE FIRST TIME, YOU SAVE THE TIME DOING THEM OVER. SOME OF US HAVE BEEN SUCCESSFUL WITHOUT PLANNING, SO WE SAY, WHY BOTHER? WE NEED TO RECOGNIZE THAT SUCCESS MAY COME IN SPITE OF, NOT BECAUSE OF OUR ACTIONS. SINCE CHANCE FAVORS THE PREPARED MIND NO MATTER HOW SUCCESSFUL ONE MAY BE WITHOUT PLANNING, EVEN GREATER SUCCESS SHOULD RESULT FROM SOUND PLANNING. SOME OF US LACK THE SELF DISCIPLINE NECESSARY TO MAKE A WRITTEN PLAN EVERY DAY. DECIDE THAT YOU WILL TRY IT FOR ONE MONTH. ENLIST THE SUPPORT OF YOUR SECRETARY, YOUR BOSS, YOUR FAMILY. LIST EVERYTHING YOU HAVE TO DO, THEN SET PRIORITIES AND DEADLINES ON EACH TASK SO THAT YOU WOULD BEGIN ON THE MOST IMPORTANT FIRST. YOU WILL WISH TO BLOCK PERIODS OF TIME FOR YOUR DAILY GOALS. OF COURSE, BIG JOBS WON'T BE COMPLETED IN ONE DAY. BUT IF, FOR EXAMPLE, YOU DECIDE TO WORK FROM 10 A.M. TO NOON ON PROJECT X, YOUR GOAL MAY BE TO COMPLETE THE FIRST PHASE OF THIS BY THE NOON DEADLINE, AND THE REAL REWARD COMES WHEN YOU SEE HOW MUCH YOU HAVE ACCOMPLISHED AT THE END OF THE DAY.

THERE ARE TWO IMPORTANT REASONS FOR WRITING DOWN YOUR PLAN. FIRST, WE CANNOT TRUST OUR MEMORY. BY 10 O'CLOCK, WE WILL HAVE FORGOTTEN MOST OF THE ITEMS WE PLAN TO DO. SECOND, WE ARE INTERRUPTED ALL DAY LONG. WITHOUT A WRITTEN PLAN, WE OFTEN FORGET WHAT WE WERE WORKING ON BEFORE THE INTERRUPTION OCCURRED. A GOOD SYSTEM IS TO LIST EVERYTHING ON ONE SHEET, CORRESPONDENCE, PHONE CALLS, PROJECTS, MEETINGS, LUNCHES, ALL ON ONE PAGE AND KEPT IN VIEW ON YOUR DESK. KEEPING VISIBLE THOSE THINGS YOU INTEND DOING INCREASES THE CERTAINTY OF ACHIEVING YOUR OBJECTIVES. ONCE YOU HAVE WRITTEN IT DOWN, YOU CAN FORGET ABOUT IT UNTIL IT COMES UP AS YOUR TOP PRIORITY. A MANAGER AND HIS OR HER SECRETARY SHOULD MEET TOGETHER ONCE A DAY TO PLAN THE NEXT DAY, AGREE ON PRIORITIES, GO OVER TO-DO LISTS AND CALENDARS. BRIEF BACKGROUNDING ON CERTAIN PROBLEMS AND A REVIEW OF PROGRESS ON KEY OBJECTIVES ARE VERY HELPFUL. IN LEARNING HOW TO SET PRIORITIES, KEEP IN MIND THE PARETO PRINCIPLE; THAT CONCENTRATING YOUR EFFORTS ON THE CRITICAL FEW TASKS, PROBABLY 20%, WOULD PRODUCE AROUND 80% OF THE RESULTS. LOOK AT YOUR LIST AND TRY TO DETERMINE WHICH TASKS WILL PRODUCE THE MOST RESULTS FOR YOU, AND REMEMBER TO CONCENTRATE ON THE IMPORTANT INSTEAD OF LETTING THE URGENT TAKE OVER YOUR DAY. THIS HAS BEEN CALLED THE TYRANNY OF THE URGENT. WE RESPOND TO THE
PRESSURES OF THE MOMENT AND NEGLECT THE MORE IMPORTANT LONG RANGE TASKS. THINK OF DEADLINES AS REMOVING PRESSURES AND STRESS, NOT ADDING TO THEM, Because WHEN REALISTIC DEADLINES HAVE BEEN SET AHEAD OF TIME, CRISSES WITH VERY DEVASTATING PRESSURES ARE MUCH LESS LIKELY TO OCCUR. IF YOU CAN SOLVE THIS TIME WASTER, LACK OF OBJECTIVES, PRIORITIES AND PLANNING, YOU WILL BE ON THE WAY TO BETTER MANAGEMENT OF TIME. REMEMBER THAT WITHOUT OBJECTIVES, WE CAN'T KNOW WHAT TO DO. WITHOUT PRIORITIES, WE CAN'T KNOW WHAT TO DO FIRST AND WITHOUT DEADLINES, WE CANNOT KNOW WHEN TO DO THEM.

WINSTON CHURCHILL, WHO WAS NOTED FOR HIS PITHY COMMENTS, OBSERVED ABOUT PLANNING THAT IT WAS DIFFICULT TO LOOK INTO THE FUTURE FURTHER THAN YOU CAN SEE. HE HAD AN EQUALLY APPEALING COMMENT CONCERNING CRISIS MANAGEMENT, OUR NEXT TIME WASTER.

CHURCHILL TOOK A NAP EVERY DAY. HIS INSTRUCTIONS WERE TO BE AWARE ONLY IN THE EVENT OF A CRISIS. I FURTHER DEFINE CRISIS TO BE THE ARMED INVASION OF THE BRITISH ISLES. WHILE CRISIS MANAGEMENT AND SHIFTING PRIORITIES RANK IN THE TOP THREE TIME WASTERS OF ALMOST EVERY ORGANIZATION ANALYZED IN THE PAST YEARS, IT IS AMAZING HOW FEW MANAGERS EVER STOP TO ASK WHY THEY HAPPEN, OR HOW TO PREVENT THEIR RETURN. THE PAINFUL COST OF FIREFIGHTING OF CONSTANTLY RECURRING CRISSES SCARCELY NEEDS RECOUNTING. WE KNOW THAT UNDER SUCH PRESSURE, WE ACT IN HASTE WITHOUT THE BENEFIT OF DELIBERATION, WITHOUT THE OPPORTUNITY OF EXPLORING BETTER ALTERNATIVE COURSES. THE PHASE, THE HURRIEDER I GO, THE BEHINDER I GET, SPEAKS TO THIS TRAP OF BEING TYRANNIZED BY THE URGENT INSTEAD OF FOCUSING ON THE REALLY IMPORTANT MATTERS WHICH OUGHT TO BE GETTING OUR ATTENTION.

MURPHY'S THREE LAWS APPLY TO CRISIS MANAGEMENT AND THEY SHOULD BE TAKEN SERIOUSLY. THE FIRST, NOTHING IS AS SIMPLE AS IT SEEMS, MEANS SIMPLY THAT WE TEND TO UNDERESTIMATE THE DIFFICULTY OF TASKS WE FACE. THIS LEADS TO THE SECOND LAW. EVERYTHING TAKES LONGER THAN WE THINK. BY UNDERESTIMATING THE DIFFICULTY OF THE TASK, WE WILL ALSO UNDERESTIMATE THE TIME REQUIRED TO COMPLETE IT. THEREFORE, UNREALISTIC DEADLINES WILL BE ESTABLISHED. THEN WHAT HAPPENS IS CAPSULIZED IN THE THIRD LAW. IF ANYTHING CAN GO WRONG, IT WILL. WE SHOULD CALL MURPHY'S LAWS THE CHRONOLOGY OF A CRISIS. THEY SUM UP SO MUCH OF WHAT GOES WRONG IN OUR DAY TO DAY LIFE. OF COURSE, THERE ARE OTHER CAUSES OF CRISSES, THE LACK OF SOUND PLANNING AND FAILURE TO MEASURE PROGRESS THROUGH REGULAR REPORTS AND TIME TO TAKE CORRECTIVE ACTION. HOW MANY TIMES DO WE DISCOVER TOO LATE THAT A CRITICAL DEADLINE WILL NOT BE MET? WE TEND TO BLAME OTHERS WHEN IN FACT THE FAULT IS OUR OWN FOR NOT ANTICIPATING PROBLEMS AND
TAking steps to prevent them. Doing things we like while putting off important, unpleasant or difficult tasks has caused many crises. Constantly switching priorities creates havoc at lower levels. Information blockages, inaccurate data, mechanical breakdown, human error round out a long list of potential causes of this time waster, crises management.

To harness this monster requires thought followed by disciplined action. Consider the obvious solution. When your goal or objective is clear, schedule the tasks necessary to attain it. Be sure the deadlines are realistic. Build in a cushion. If you need the material by the 14th to meet your deadline, give the supplier a deadline of the 10th. Get progress reports, check up on the 8th to see that the material will be forthcoming. Measure your own progress at regular intervals to ensure that problems will be discovered in time to correct them. Have a contingency plan for the crisis most likely to result in the greatest damage. List steps to limit them if they do occur. Early detection and fast response are the two critical points. Avoid overreacting. It doesn't take much to massage a problem into a major crisis. Most of us have done it unwittingly or unwittingly on more than one occasion. Ignore the transitory problem; if it will go away, leave it alone. If someone else can handle it, delegate. React only to the degree warranted by the severity of the problem. Limit your response to avoid wasting time and effort to avoid generating other crises on the side and to prevent the crisis from distracting you from other major and more important pursuits. Crisis management can be defined as coping with problems as they arise, rather than anticipating and preventing or limiting them. We know that chance favors the prepared mind so be prepared. Victor Hugo said, "With no plans laid, where the disposal of time is surrendered merely to chance, chaos will soon reign." You need not surrender your time and your life to chance, to chaos, to crisis. The steps I have outlined will enable you to control your time instead of letting it control you.

One result of crisis management certainly will be too many meetings, too many people, getting together too often to solve problems that should never have occurred. Meetings pose a monumental time-wasting problem. The average manager spends two hours every day in meetings, and over 90% of them say half that time is wasted. The causes of this wasted time go back to lack of planning, poor preparation, worse execution and almost always failure to follow up.
LET'S EXAMINE THESE AREAS TO SEE HOW MOST OF US CAN SAVE AS MUCH AS AN HOUR A DAY IN MEETINGS ALONE. NO PLANNING; INDEED IF REAL PURPOSE OF MANY MEETINGS HAD BEEN CONSIDERED, THEY WOULD NOT HAVE BEEN OPEN. MEETINGS ARE SOMETIMES HELD SIMPLY BECAUSE SOMEONE WAS AFRAID TO MAKE A DECISION AND A MEETING IS A CONVENIENT WAY TO SHARE THE RISK. THOSE ATTENDING WILL HAVE TO CONCUR OR STATE THEIR REASONS FOR DISAGREEING. IN PLANNING FOR A MEETING, BE SURE THE REAL OBJECTIVE IS CLEAR AND THEN EXPLORE REASONABLE ALTERNATIVES TO THAT MEETING. ENCOURAGE THE PERSON CALLING THE MEETING TO GO AHEAD WITH A DECISION WITHOUT WASTING EVERYONE'S TIME. CONSOLIDATE MEETINGS SO THAT MULTIPLE AGENDAS CAN BE COMBINED. POSTPONE MEETINGS TO INCLUDE ADDITIONAL SUBJECTS. SEND A REPORT OR A REPRESENTATIVE INSTEAD OF GOING YOURSELF. ATTEND FOR ONLY A LIMITED TIME TO MAKE A NECESSARY CONTRIBUTION. ONCE YOU HAVE DETERMINED THAT A MEETING REALLY IS NECESSARY, PREPARATIONS INCLUDE SELECTING THE RIGHT ATTENDEES. IF THE PURPOSE OF THE MEETING HAS BEEN SETTLED, IT SHOULD BE EASY TO DETERMINE THOSE WHO NEED TO ATTEND. EACH SHOULD RECEIVE AN AGENDA IN ADVANCE IN ORDER TO COME PREPARED. CARE SHOULD BE TAKEN TO CHOOSE THE BEST FACILITY. EQUIPMENT NECESSARY FOR VISUAL PRESENTATION SHOULD BE ARRANGED AND THE NEEDS OF LEADER AND PARTICIPANTS SHOULD BE ANTICIPATED AND PROVIDED FOR. A PROFESSIONAL SECRETARY SHOULD BE ABLE TO HANDLE ALL THESE DETAILS AFTER CONFERRING WITH THE MANAGER. EFFECTIVE EXECUTION OF MEETINGS INCLUDES STARTING AND STOPPING ON TIME. WHEN WE BEGIN LATE, WE PENALIZE THOSE WHO ARRIVE ON TIME AND WE REWARD THE LATECOMERS. THOSE WHO CAME ON TIME TEND TO COME LATE TO THE NEXT MEETING, AND SO IT GOES UNTIL MANY OF US, PARTICULARLY IN CIVIC AND COMMUNITY MEETINGS, TEND TO GO AT LEAST HALF AN HOUR AFTER THE ANNOUNCED STARTING TIME. THE TIME LIMIT OF THE AGENDA ALLOTS A SPECIFIED AMOUNT OF TIME TO EACH SUBJECT IN ACCORDANCE WITH ITS IMPORTANCE TO ENSURE THAT EMPHASIS IS PLACED WHERE IT SHOULD BE. INVOLVE ATTENDEES IN DISCUSSIONS BUT LIMIT THE DISCUSSION TO THE AGENDA. PREVENT UNNECESSARY INTERRUPTIONS AND SUMMARIZE DECISIONS OR ACTIONS TAKEN. PROVIDE A WRITTEN RECORD IN THE FORM OF CONCISE MINUTES. FOLLOW-UP SHOULD BE ENSURED BY PROGRESS REPORTS AT PREDETERMINED INTERVALS.

ONE OF THE MOST INTERESTING FACETS OF THE MEETING PROBLEM IS THE MISCONCEPTION OF MOST MANAGERS THAT THE MEETINGS IN WHICH THEY WASTE TIME ARE THOSE CALLED BY OTHERS. THEY ALMOST NEVER IDENTIFY THEIR OWN MEETINGS AS TIME WASTERS. TWO DIFFERENT CORPORATE PRESIDENTS IN SEMINARS WITH THEIR TOP TEAMS FAILED EVEN TO INCLUDE
MEETINGS IN THEIR TOP TEN TIME WASTERS. IN BOTH CASES, THEIR TEAMS RANKED IT COLLECTIVELY NUMBER ONE. EACH OF THE PRESIDENTS WAS ASTONISHED AND GRATEFUL FOR THESE INSIGHTS THIS REVELATION BROUGHT. ONE OF THEM IN A 5,000 PERSON ORGANIZATION HAD BEEN MEETING DAILY WITH HIS TOP TEN PEOPLE FOR APPROXIMATELY AN HOUR AND A HALF WITHOUT AN AGENDA. THEY SPENT THE FIRST HALF OF THE MEETING TRYING TO DECIDE WHETHER THEY HAD ANYTHING TO TALK ABOUT. THE LAST HALF WAS OFTEN SPENT DISAGREEMENT SINCE NO ONE HAD COME PREPARED. AFTER THE SEMINAR, THIS PRESIDENT CUT THESE MEETINGS TO ONE HOUR WEEKLY WITH PLANNED AGENDAS AND MINUTES DISTRIBUTED IMMEDIATELY AFTERWARD TO ALL WITH A NEED TO KNOW. THE CONSENSUS OF THIS TEAM WAS THAT THE RESULTS OF THEIR MEETINGS IMPROVED 200% IN APPROXIMATELY 15% OF THE TIME. SINCE EFFECTIVENESS EQUALS RESULTS DIVIDED BY TIME, THE INCREASED EFFECTIVENESS OF THIS PRESIDENT IN THE MANAGEMENT OF HIS OWN STAFF MEETINGS AMOUNTED TO 1200%.

MEETINGS NEED NOT BE A WASTE OF TIME - THEY CAN SERVE A VERY USEFUL PURPOSE WHEN THEY ARE CONDUCTED ACCORDING TO THE SIMPLEST PRINCIPLES OF MANAGEMENT. INSTEAD OF HOLDING MEETINGS, WE CAN OFTEN FIND ANSWERS BY TELEPHONING. IT SEEMS PARADOXICAL THE TELEPHONE LONG CONSIDERED ONE OF THE GREATEST TIME SAVERS SHOULD ALSO RANK AMONG THE TOP TIME WASTERS IN THE WORLD. WHEN WE PICK UP THE PHONE, WE INSTANTLY BRIDGE MILES AND GET A QUICK RESPONSE. OFTEN A CALL WILL SAVE A USELESS TRIP OR WRITING AND WAITING FOR AN ANSWER. CONFERENCE CALLS SAVE MEETINGS BY BRINGING MANY PEOPLE TOGETHER ON THE PHONE, THUS SAVING ENORMOUS AGGREGATE TRAVEL TIME AND COST.

HOWEVER, THERE ARE MANY REASONS WHY THE TELEPHONE IS AMONG THE WORST TIME WASTERS. THE HUMAN DESIRE TO BE INVOLVED IN EVERYTHING AND TO KNOW WHAT IS GOING ON PROMPTS US TO PICK UP THE PHONE. BOREDOM WITH OUR WORK OR THE SIMPLE DESIRE TO SOCIALIZIE LIE BEHIND MANY CALLS. MOST OF US HAVE NEVER THOUGHT ABOUT HOW TO TERMINATE A CONVERSATION WITHOUT OFFENDING THE OTHER PERSON. WORST OF ALL, THOUSANDS OF MANAGERS WITH HIGHLY QUALIFIED SECRETARIES INSIST ON ANSWERING THEIR OWN CALLS. AS A RESULT, ROUTINE, LOW PRIORITY CALLS MAY ROB THEM OF AN HOUR OR TWO EACH DAY. TO MAKE MATTERS WORSE, SOME COMPANIES EVEN HAVE AN "ANSWER YOUR OWN PHONE" POLICY. SO, HOW DO WE TAME THIS TIME WASTER? THE SOLUTIONS ARE AS SIMPLE AS THE CAUSES MENTIONED. THOSE OF US WHO WANT TO KNOW EVERYTHING GOING ON SHOULD SIMPLY RELAX AND REALIZE THAT EVERYTHING IS NOT THAT IMPORTANT. WHAT WE SHOULD WANT TO KNOW ARE THE ESSENTIALS AND WE SHOULD PLAN THE BEST WAY TO BE INFORMED
ON THOSE. WE DONT NEED TO DROWN OURSELVES IN DETAILS OF A PROJECT OR READ EVERYTHING EVER WRITTEN ON A GIVEN SUBJECT. KNOWING WHAT WE DONT NEED TO KNOW AND WHAT DECISIONS DONT NEED TO BE MADE ARE THE MARKS OF A MATURE MANAGER. THE TELEPHONE WAS INTENDED TO SERVE US, NOT TO ENSLAVE US. WE SHOULD CONTROL IT, NOT LET IT CONTROL US. THIS MEANS IN MANY CASES, HAVING SOMEONE ELSE ANSWER IT. A COMPETENT SECRETARY CAN HANDLE 50 TO 90% OF ALL CALLS COMING INTO THE AVERAGE MANAGERS OFFICE. IF CALLS AIN'T SCREENED FOR THE BOSS, IT IS USUALLY BECAUSE THE BOSS WONT ALLOW IT. THIS RESULTS IN A TREMENDOUS WASTE OF TIME AND IS DEMOTIVATING TO THE SECRETARY OR ASSISTANT. WHERE MANAGERS HAVE NO SECRETARIES, THEY SHOULD, IF POSSIBLE, PROVIDE EACH OTHER A QUIET HOUR EVERY DAY AWAY FROM THE PHONE TO WORK WITHOUT INTERRUPTION BY PICKING UP EACH OTHERS PHONE. IF NO ONE ELSE IS AVAILABLE, USE AN ANSWERING MACHINE. SURELY, YOU ARENT AT YOUR DESK 100% OF THE TIME. NO ONE EXPECTS YOU TO BE, SO TAKE A QUIET HOUR AND CATCH UP.

TERMINATING A CONVERSATION OUGHT TO BE EASY. SIMPLE CANDOR WORKS BEST. FOR EXAMPLE, "SORRY, JOE, IVE GOT TO GO NOW," OR "I HAVE A MEETING COMING UP IN A FEW MINUTES, JOE, OR SOMEONE IS WAITING TO SEE ME, MARY, IS THERE SOMETHING ELSE WE SHOULD TALK ABOUT?" EFFECTIVE HOUSEWIVES HAVE MANY TECHNIQUES SIMILAR TO THESE, AND SOME ARE MORE INNOVATIVE, SUCH AS HAVING LONG CORDS AND SHOULDER HOLDERS ON THEIR KITCHEN PHONES SO THEY CAN WALK AROUND DOING OTHER THINGS WHILE LISTENING OR TALKING ON THE PHONE.

THE TOP INSURANCE SALESMAN WAS NOTED FOR ANSWERING EVERY CALL THAT CAME IN WHILE HE WAS IN THE OFFICE. HE SPENT SO MUCH TIME ANSWERING COMPLAINTS ABOUT POLICIES AND REQUESTS FOR INFORMATION BOTH OF WHICH OTHER DEPARTMENTS COULD HAVE DONE BETTER, HE HAD NO TIME FOR SELLING. BUT THEN HE HAD THE LARGEST GROUP ACCOUNT IN TOWN. ONE DAY HE WAS HEADING OUT THE DOOR WHEN HIS PHONE RANG. HE STOPPED SUDDENLY, WENT BACK TO HIS DESK AND ANSWERED THE PHONE. THEN HE STOPPED AGAIN AND THOUGHT, TURNED BACK AND HEADED OUT THE DOOR Muttering, SOMEBODY ELSE CAN TAKE THAT, IM GOING OUT TO MAKE CALLS. THOSE WHO HEARD HIM REMARKED, THIS WAS A MAJOR CHANGE IN HIS BEHAVIOR. HE REALIZED THAT SOMETIMES ANSWERING THE PHONE IS THE WRONG THING TO DO IF IT PREVENTS YOU FROM ACHIEVING MORE IMPORTANT OBJECTIVES. IF CALLS CANNOT BE ANSWERED BY A SECRETARY, PERHAPS THEY CAN BE REFERRED TO SOMEONE ELSE WITH THE NECESSARY INFORMATION. IF THIS IS NOT APPROPRIATE, THEN A CALL-BACK AT A SPECIFIED TIME MAY SUFFICE. IN SUPPORT OF CALL-BACKS, ONE MANAGEMENT EXPERT OBSERVED, NO ONE EXPECTS A PHYSICIAN OR SURGEON TO ANSWER THE PHONE DURING AN EXAMINATION OR OPERATION, NO JURIST
IS EXPECTED TO ANSWER THE PHONE WHILE HE IS IN COURT, NO PROFESSOR IS EXPECTED TO ANSWER HIS PHONE WHILE TEACHING A CLASS. WHY THEN SHOULD AN IMPORTANT BUSINESS EXECUTIVE BE EXPECTED TO ALWAYS BE ON TAP AND AVAILABLE TO ANYONE CALLING?

IN ADDITION TO TELEPHONE INTERRUPTIONS, THE DROP-IN VISITOR RANKS HIGH ON THE LIST OF TIME WASTERS FOR MANAGERS EVERYWHERE. ONE OF THE WORST MYTHS EVER PERPETRATED ON MANAGERS HAS BEEN THAT OF THE OPEN DOOR. DECADES AGO, CERTAIN BEHAVIORAL SCIENTISTS BEGAN ESPousing THE CONCEPT THAT THE MANAGER'S DOOR SHOULD BE OPEN TO ANYONE WITH A LEGITIMATE PROBLEM. THEY MEANT THAT THE MANAGER'S DOOR SHOULD BE OPEN TO THOSE NEEDING HELP, NOT STANDING OPEN AT ALL TIMES TO ALL PASSERSBY WHETHER THEY HAVE ANYTHING TO TALK ABOUT OR NOT. TODAY, THE OPEN DOOR POLICY INCREDIBLY HAS COME TO MEAN JUST THAT; THE MANAGER'S DOOR IS TO BE OPEN, PRESUMABLY TO ENHANCE COMMUNICATION. OF COURSE, THE PROBLEM IS THAT AN OPEN DOOR ENHANCES THE WRONG KIND OF COMMUNICATION, THAT OF IDLE CONVERSATION WITH CORRIDOR WANDERERS, OFTEN WITH NOTHING BETTER TO DO THAN DROP IN FOR A CHAT, OR PERHAPS TO WHILE AWAY A LITTLE TIME UNTIL THEY CAN SEE THE PERSON NEXT DOOR, WHICH PERHAPS WAS THEIR INTENDED PURPOSE IN THE FIRST PLACE. SINCE THE AVERAGE MANAGER IS INTERRUPTED EVERY EIGHT MINUTES ALL DAY LONG, IT IS CLEAR THAT BLOCKS OF UNINTERRUPTED TIME ARE THE MOST PRECIOUS COMMODITY AND THE SCARCEST IN HIS OR HER EXISTENCE. THE OPEN DOOR VIRTUALLY MANDATEs THAT INTERRUPTIONS WILL CONTINUE NONSTOP ALL DAY LONG. NO ONE WANTS TO PASS BY A FRIENDS OR ACQUAINTANCE'S OFFICE WITHOUT LOOKING IN, IF THE DOOR IS OPEN. THE ANSWER IS SIMPLE - CLOSE IT! MANY MANAGERS, HOWEVER, ARE AFRAID TO DO THIS BECAUSE THEY HAVE AN OPEN DOOR POLICY. AGAIN, THE ANSWER IS SIMPLE. WE DEFINE THE WORD "OPEN" TO MEAN "ACCESSIBLE", WHICH IS WHAT WAS CLEARLY INTENDED IN THE FIRST PLACE. THUS, THE OPEN DOOR CAN BE CLOSED WHENEVER AND AS LONG AS DESIRED. THE PERSON NEEDING INFORMATION CAN ALWAYS GET IT EITHER IMMEDIATELY OR AS QUICKLY AS NECESSARY THROUGH THE COOPERATION OF THE SECRETARY, OR ASSISTANT, WHO UNDERSTANDS THAT THE CLOSED DOOR DOES NOT MEAN "INACCESSIBLE." OVERSENSITIVE OR INSECURE MANAGERS WITH AN EXCESSIVE BEHAVIORAL ORIENTATION OFTEN INSISTED ON DOORS REMAINING OPEN TO DEMONSTRATE THAT MANAGERS WERE AVAILABLE AT ANY TIME. SADLY, THIS ENCOURAGES DEPENDENCE BY SUBORDINATES AND MANDATES CONTINUAL INTERRUPTIONS THAT WILL FRAGMENT THE MANAGER'S DAY, THUS PREVENTING THE ACCOMPLISHMENT OF HIS OR HER OWN OBJECTIVES. IT WILL ALSO TEND TO FOSTER UPWARD DELEGATION OF DECISIONS, FORCING HIM/HER TO WORK BELOW HIS/HER LEVEL AND INVOLVING HIM/HER IN DETAILS THAT TAKE TIME AWAY FROM MORE
IMPORTANT MATTERS WHY SHOULD A HOUSEWIVES DOOR ALWAYS BE OPEN TO NEIGHBORS WANTING TO CHAT IF SHE HAS MORE IMPORTANT MATTERS THAT NEED TO BE TAKEN CARE OF? WHY SHOULD A STUDENT BE EXPECTED TO LEAVE THE DOOR OPEN WHEN CRAMMING FOR A FINAL EXAM? WHY SHOULD DOCTORS, LAWYERS, PERSONNEL DIRECTORS, EXECUTIVES BE EXPECTED TO BE ALWAYS AVAILABLE WHEN THEY HAVE IMPORTANT MATTERS BEFORE THEM? OF COURSE, THEIR DOORS CAN'T BE OPEN WHENEVER THEY CHOOSE. INDEED THEY MAY WELL HAVE AN OPEN-DOOR POLICY IF THEY DESIRE IT, BUT IT SHOULD MEAN ACCESSIBLE, NOT PHYSICALLY OPEN. PERHAPS THE WORST THING ABOUT THE OPEN DOOR IS THE INFLEXIBILITY AND THE LOSS OF FREEDOM IT IMPLIES. RESPONSIVENESS TO CHANGING SITUATIONS, THE VARYING NEEDS OF SUBORDINATES AND THE SHIFTING PRIORITIES OF THE JOB ALL SUGGEST FREEDOM IN SUCH MATTERS AS KEEPING ONE'S OFFICE DOOR OPEN, OR CLOSED. THE KEY IS NOT THE DOOR, BUT THE MANAGER, HOUSEWIFE, STUDENT, AND HOW THEY HANDLE THE SITUATION.

AS IF THE OPEN DOOR PRACTICE HAS NOT BEEN DAMAGED ENOUGH, WE NOW HAVE OFFICE ARCHITECTS DESIGNING OPEN OFFICES IN WHICH DOORS HAVE BEEN ELIMINATED ALL TOGETHER. THE CONCEPT HAS BEEN SOLD UNDER THE GUIDANCE OF FLEXIBILITY, ECONOMY, AND ENHANCED COMMUNICATION. ON THE LATTER COUNT, ENHANCEMENT OF COMMUNICATIONS, THOUSANDS OF VICTIMS OF THIS LATEST OFFICE FAD WILL TESTIFY TO ITS FAILURE. AS WITH THE OPEN DOOR IT IS THE WRONG KIND OF COMMUNICATION THAT IS ENHANCED, AND WHILE THE DESPERATE MANAGER SEeks TO CONTROL THE STEADY STREAM OF INTERRUPTIONS, THERE IS NO DOOR THAT CAN BE CLOSED. THERE IS ONLY A REMOTE CONFERENCE ROOM THAT NEVER SEEMS TO BE AVAILABLE WHEN THE MANAGER NEEDS IT MOST. AS FOR ECONOMY, OPINIONS VARY. BY REDUCING THE SIZE OF OFFICES CONSIDERABLY, MORE DESKS CAN BE PROVIDED IN A SMALLER SPACE. TO BE SURE THIS REPRESENTS ECONOMY BUT AT A SUBSTANTIAL COST TO MORALE THAT WOULD BE DIFFICULT TO MEASURE. WHEN COSTS OF COMPLICATED WIRING FOR PHONES AND LIGHTING WERE ADDED, SOME ORGANIZATIONS HAVE DISCOVERED ULTIMATE COSTS FAR EXCEEDED ORIGINAL ESTIMATES. AS FOR FLEXIBILITY, INDEED MOVEABLE PARTITIONS CAN EASILY ACCOMMODATE A FAST-GROWING ORGANIZATION. IN LIMITED SITUATIONS, THEN, THIS COULD BE AN ADVANTAGE TO BE WEIGHED AGAINST THE OTHER CONSIDERABLE DISADVANTAGES. THERE IS ONE COMPLAINT HEARD OVER AND OVER AGAIN BY HUNDREDS OF MANAGERS WHO HAVE BEEN MOVED FROM PRIVATE OFFICES INTO WHAT THEY REFER TO AS THOSE FIVE-SIDED CUBICLES. IT IS THE TOTAL LOSS OF PRIVACY. ALL CONVERSATIONS ON THE PHONE OR WITH SUPERIORS CAN BE OVERHEARD. THE BENEFITS OF OPEN OFFICE LANDSCAPING HAVE BEEN GROSSLY OVERSOLD TO THE MANAGEMENT COMMUNITY. IT DENIES PRIVACY AND THE ABILITY TO CONTROL.
INTERRUPTIONS FOR THOSE ALREADY CARRYING THE HEAVIEST BURDENS OF THE ORGANIZATIONS. NO WONDER THAT SOME ORGANIZATIONS, AFTER ASSESSING THE EXTENT OF MANAGERIAL DISSATISFACTION, HAVE ABANDONED THE OPEN OFFICE ENTIRELY. IN ONE CASE THIS OCCURRED AFTER SPENDING HUNDREDS OF THOUSANDS OF DOLLARS TO INSTALL THE SYSTEM. EXCEPT FOR LOWER-LEVEL SUPERVISORS, WHERE PARTITIONS MIGHT ENHANCE PRIVACY, THE OPEN OFFICE IS CLEARLY CONTRARY TO THE BEST INTEREST OF MANAGERIAL EFFECTIVENESS AND TIME UTILIZATION. THE CLUTTERED DESK HAS LONG BEEN THOUGHT TO SIGNAL A CLUTTERED MIND. THAT IS, WE’VE THOUGHT THAT ABOUT OTHERS WHO’VE ALLOWED THEIR DESKS TO BECOME NIGHTMARES OF CONFUSION. BUT SOMEHOW, WHEN IT’S OUR OWN DESK THAT BECOMES LITTERED WITH THE FILES, MEMOS, AND TRIVIA OF THE DAY, THAT’S DIFFERENT. WE QUICKLY RATIONALIZE, “OH, WELL. I CAN FIND ANYTHING I REALLY WANT. THAT’S WHAT IS IMPORTANT.” HOWEVER, THAT ISN’T WHAT IS IMPORTANT. TRUE, YOU CAN FIND ANYTHING IN TIME. BUT WHAT ABOUT ALL THAT TIME WASTED LOOKING FOR IT? AND THE TIME SPENT FINDING OUT THAT WHAT YOU WANT ISN’T THERE? AND WHAT ABOUT THE TIME YOU ARE ABSENT AND NO ONE ELSE CAN FIND ANYTHING EITHER?

HOWEVER, TIME LOST SEARCHING IS NOT THE WORST PART OF A STACKED DESK. IT’S THE INTERRUPTIONS YOU EXPERIENCE EVERY TIME YOU LOOK AT IT. A GERMAN EXECUTIVE IN HEIDELBERG ASKED WITH A QUIZZICAL LOOK IN HIS EYE WHETHER I REALLY KNEW WHY PEOPLE CLUTTERED THEIR DESKS, THEN HE VOLUNTEERED: “IT’S BECAUSE OF ALL THE THINGS WE DON’T WANT TO FORGET. WE PUT THEM ON TOP OF THE DESK WHERE WE WILL SEE THEM, AND WE FORGET WHAT WE WERE WORKING ON. AS THE STACKS GROW HIGHER, WE CAN’T REMEMBER WHAT’S UNDERNEATH, SO WE BEGIN LOOKING FOR THINGS IN THE STACKS.” TIME IS WASTED, BOTH RETRIEVING LOST ITEMS AND THE INTERRUPTIONS CAUSED BY LOOKING AT ALL THOSE THINGS WE DID NOT WANT TO FORGET. RALPH CORDIER, DURING HIS SUCCESSFUL TENURE AS CEO OF GENERAL ELECTRIC, WAS ASKED ABOUT HIS CLEAN DESK, FOR WHICH HE IS FAMOUS. THE MANAGER WAS GIVEN A SWIFT RESPONSE, “WHY SHOULDN’T IT BE? ISN’T ONE IMPORTANT THING ENOUGH TO BE DOING AT A TIME?” IT MAKES IT EASIER TO FINISH ONE TASK WITHOUT BEING INTERRUPTED BY ANOTHER. MANAGERS, HOUSEWIVES, PROFESSIONALS, STUDENTS, EVERYONE COULD BENEFIT BY FOLLOWING THESE SIMPLE RULES:

1. CLEAR YOUR DESK OF EVERYTHING EXCEPT THE PROJECT AT HAND.

2. DO NOT PERMIT OTHER THINGS TO BE PUT ON YOUR DESK UNTIL YOU ARE READY FOR THEM. ALL PROJECTS SHOULD HAVE A PLACE IN A FILE OR DRAWER, AND THEY OUGHT TO BE IN THAT PLACE.
3. Resist temptation to leave a project you are on for another more appealing one, or because you are tired of it. Take all possible action on one task before moving to another.

4. Send the completed work on its way. Recheck priorities and start on the next most important project.

5. Enlist your secretary or assistant to help in keeping your desk clear.

6. Don't allow this practice to become a fetish so that you cannot work if a single paper is out of place. And don't spend more time staying organized than getting your work done.

Here are a few other simple rules that can help. Have junk mail screened and unimportant paperwork done by others. If your filing system isn't working, design one that does. This might be a good long term project for your secretary. Remember, over 90% of what's filed in most offices will never be needed or looked at again. If in doubt, or if a copy can be retained elsewhere, toss it and delegate. Remember that paper follows responsibility when you delegate. The paperwork ought to be where the work is being done. Keep yourself organized with "to do" lists, daily written plans, and weekly plan sheets. Some managers think it's beneath their dignity to keep lists, or say their memory is dependable enough that they should not have to write things down. On to paper, off your mind. Don't clutter your mind when a simple list will do the job for you. Every housewife knows this and many housewives are better managers than business executives for this and other reasons. The home is every bit as difficult to manage as the office. Finally, handle it once. When you pick up something, dispose of it. Approve it. Reject it. Return it for more information. Read it and toss it. Do not put it back where you will have to read it again. The average manager would dispose of 80% of the daily "in" box on this "first handle" technique. However, the average manager only disposes of 20% in this fashion. No wonder desks are cluttered — so handle everything you can only once.

We saw that one of the greatest causes of our cluttered desk was failure to delegate. We turn now to one of the most serious of all time wasters. We define managing as "achieving objectives"
THROUGH OTHERS.” WE CAN GET NOTHING DONE THROUGH OTHERS IF WE ARE NOT ABLE TO DELEGATE. AND BY DEFINITION, IF WE ARE UNABLE TO DELEGATE WE ARE UNABLE TO MANAGE. YOU MAY BE THE BEST “DO IT YOURSELF” EVER TO COME DOWN THE PIKE, BUT GETTING IT DONE THROUGH OTHERS INSTEAD OF DOING IT YOURSELF IS THE BIG DIFFERENCE. IT IS THE MOST SIGNIFICANT DIFFERENCE BETWEEN SUCCESSFUL MANAGERS AND THOSE ASPIRING TO BE.

THE FEARFUL COST OF INEFFECTIVE DELEGATION IS STREWN ACROSS MOST OF THE CLUTTERED DESKS IN EVERY ORGANIZATION IN THE WORLD. THE CLUTTER ITSELF IS THE COST. JUST ASK YOURSELF HOW MUCH OF THIS MESS WOULD HAVE GOTTEN DONE IF I'D HAVE GIVEN IT TO THE PERSON WHO COULD AND THEREFORE SHOULD HAVE DONE IT IN THE FIRST PLACE? HOW MUCH OF IT SHOULD NEVER HAVE GOTTEN HERE AT ALL? HOW MUCH OF IT HAVING GOTTEN HERE BUT NOT FINISHED YET COULD STILL BE GIVEN TO SOMEONE ELSE TO COMPLETE? MANAGERS WHO CANNOT DELEGATE EFFECTIVELY PAY OTHER COSTS. THEY ATTEMPT TOO MUCH, MISS DEADLINES, WORK UNDER RELENTLESS PRESSURE, WORK LONGER AND LONGER HOURS, AND FALL FURTHER AND FURTHER BEHIND. THEY ARE CAUGHT IN THE TIME TRAP OF TOO MUCH TO DO IN TOO LITTLE TIME.

WHAT ARE THE CAUSES OF THE SILENT BUT INSIDIOUS TIME THIEF- LACK OF DELEGATION. THEY ARE EASY TO IDENTIFY THOUGH FEW MANAGERS HAVE DONE SO. START WITH INSECURITY. THE FEAR THAT THE DELEGATED TASK MAY BE DONE WRONG, OR AT LEAST NOT AS WELL AS YOU WOULD DO IT. WE CALL THIS THE “DO IT YOURSELF” SYNDROME. EVERY ONE OF US HAS SAID AT ONE TIME OR ANOTHER: “SEE, BY THE TIME I'VE CALLED BILL AGAIN, TAKEN THE TIME TO EXPLAIN IT TO HIM, HOPEDE HE UNDERSTOOD IT, FOUND OUT HE DIDN'T, EXPLAINED IT AGAIN, WAITED FOR HIM TO GET IT DONE, CHECKED IT ONLY TO DISCOVER HE DID IT WRONG, REVIEWS HIS MISTAKES WITH HIM, WAITED FOR HIM TO COMPLETE IT AGAIN, I COULD HAVE FINISHED IT FASTER MYSELF AND HAD IT RIGHT THE FIRST TIME.” WHAT WE FAIL TO SEE IS THE COST OF TIME OF SHOWING SOMEONE HOW TO DO A JOB RIGHT REPAYS ITSELF MANY TIMES OVER AGAIN IN THE FUTURE WHEN THE JOB IS DONE BY THE PERSON WE HAVE TAUGHT. THERE ARE MANY OTHER REWARDS IN ADDITION TO THE VAST AMOUNTS OF YOUR TIME THAT IS SAVED TO BE APPLIED TO MORE IMPORTANT TASKS. THERE IS THE ENHANCED MOTIVATION TO THE PERSON YOU HAVE TRUSTED TO DO THE JOB. DELEGATION IS THE MOST POWERFUL TRAINING TOOL EVER INVENTED. IT RESULTS IN DIRECT ON-THE-JOB TRAINING. WHY HAS THE POWER OF THIS TOOL BEEN SO OVERLOOKED IN OUR TRAINING AND DEVELOPMENT PROGRAMS? OTHER REASONS FOR NOT DELEGATING INCLUDE LACK OF CONFIDENCE IN STAFF, NOT DELEGATION AUTHORITY COMPENSATORY WITH RESPONSIBILITY, GIVING UNCLEAR AND INCOMPLETE INSTRUCTIONS.
FAILURE TO ESTABLISH APPROPRIATE CONTROLS, OVER CONTROL, FAILURE TO FOLLOW-UP, BEING UNDERSTAFFED, HAVING UNTRAINED OR INADEQUATE STAFFS, AND SO ON. WHEN WE LOOK FOR SOLUTIONS TO INEFFECTIVE DELEGATION, WE ARE PLEASANTLY SURPRISED TO SEE THAT THEY COVER VIRTUALLY THE ENTIRE MANAGEMENT PROCESS. THIS IS UNDERSTANDABLE SINCE WE HAVE ALREADY OBSERVED THAT A MANAGER THAT CANNOT DELEGATE EFFECTIVELY CANNOT MANAGE ACCORDING TO THE VERY DEFINITION OF MANAGEMENT. FIRST YOU MUST KNOW YOUR GOALS AND OBJECTIVES BEFORE YOU CAN DECIDE WHICH TASKS TO DELEGATE. AFTER YOU HAVE SET PRIORITIES ON THESE OBJECTIVES, YOU MUST DECIDE WHICH OF THEM OTHERS CAN HANDLE AND ORGANIZE THESE TASKS IN A MANNER SUITABLE FOR DELEGATION. THEN, SELECT THE BEST PERSONS FOR THE TASKS TO BE DELEGATED. EXPERTS IN THE FIELD OF PLACEMENT OBSERVE THAT IN MANY ORGANIZATIONS AS FEW AS ONE-THIRD OF THE PERSONNEL ARE IN JOBS SUITED TO THEIR REAL CAPABILITIES. COMMUNICATE INSTRUCTIONS WITH CLARITY TO ENSURE UNDERSTANDING AND MOTIVATION. TAKE STEPS TO ENSURE COORDINATION AND TEAMWORK. REMEMBER TO STRESS RESULTS, NOT METHODS. THE PEOPLE TO WHOM YOU DELEGATE ENJOY USING THEIR MINDS, TOO. FINALLY, WE MUST PROVIDE FOR PROGRESS REPORTS TO ENSURE THAT OUR OBJECTIVES ARE ACCOMPLISHED ON TIME AND IN ACCORDANCE WITH THE PLAN.

WE SPOKE EARLIER ABOUT THE MISPERCEPTION REGARDING THEIR ABILITY TO CONDUCT EFFECTIVE MEETINGS. ALWAYS COMPLAINING ABOUT MEETINGS OF OTHERS, NEVER THEIR OWN. THE SAME THING IS TRUE OF DELEGATION. WE OFTEN COMPLAIN ABOUT THE DELEGATION DEFICIENCIES OF OUR BOSS AND OTHERS, NEVER CONSIDERING OUR OWN DEFECTS IN THIS AREA. WE SHOULD CONSIDER ONE FINAL ASPECT OF DELEGATION, UPWARD AND REVERSE DELEGATION. TAKING PROBLEMS INSTEAD OF ANSWERS BACK TO THE BOSS. WE BECOME OVERDEPENDENT ON OUR OWN BOSS AND OUR TEAM COMES TO US FOR ANSWERS THEY COULD AND SHOULD FIND INDEPENDENTLY. WE NEED TO REFUSE TO MAKE DECISIONS FOR SUBORDINATES OR THEY WILL NEVER LEARN TO MANAGE ON THEIR OWN, AND MUCH OF OUR TIME WILL BE TAKEN UP DOING THE WORK THEY SHOULD BE ACCOMPLISHING. IF A MEMBER OF YOUR TEAM NEEDS HELP, ASK THE RIGHT QUESTIONS TO GUIDE HIM OR HER TO THE ANSWER. REFUSE TO ACCEPT A PROJECT UNTIL YOU ARE SURE THE TEAM MEMBER HAS DONE EVERYTHING HE/ SHE CAN TO COMPLETE IT. REMEMBER THAT SUCCESSFUL EXECUTIVES HAVE LEARNED THEY CAN INCREASE THEIR EFFECTIVENESS THROUGH DELEGATION WHILE AT THE SAME TIME MAKING THE JOBS OF THOSE AROUND THEM MUCH MORE MOTivating AND REWARDING.

WHEN WE FAIL TO DELEGATE WE FIND OURSELVES INVARiABLY ATTEMPTING TOO MUCH. THE COST OF THIS TIME WASTERS MAY BE WORKAHOLICISM, CRISIS MANAGEMENT, TOTAL DISORGANIZATION. THERE MAY BE A NUMBER
OF REASONS FOR US FALLING INTO THIS TRAP. INCLUDED AMONG THE
CAUSES WOULD BE UNREALISTIC TIME ESTIMATES, WHICH RESULT IN OUR
THINKING WE CAN GET MORE DONE THAN IS REASONABLE TO EXPECT, OR
STARTING LATE, SO WE HAVE LESS TIME TO COMPLETE TASKS THAN WE
NEED. RESPONDING TO THE URGENT SO THAT IMPORTANT THINGS ARE LEFT
to the end when there is not enough time to finish them. The need to
ACHIEVE WHICH LEADS US TO TAKE ON MORE THAN WE SHOULD.
INSECURITY, WHICH MAKES US ATTEMPT MORE TO IMPROVE OUR WORTH
DESIRE TO IMPRESS THE BOSS, OVERAMBITION, OVERCONFIDENCE. EGO.
THE DESIRE TO APPEAR COOPERATIVE BY NEVER SAYING NO. BEING
UNDERSTAFFED OR HAVING AN OVERDEMANDING JOB OR BOSS. IF YOU ARE A
NORMAL PERSON YOU CAN DOUBTLESS IDENTIFY WITH A NUMBER OF THESE
CAUSES. IT IS HELPFUL TO DO THIS BECAUSE THEN THE SOLUTIONS ARE
EASY. AMONG THE MOST COMMON SOLUTIONS PRACTICED BY SUCCESSFUL
MANAGERS ARE ESTIMATING TIME REQUIREMENTS REALISTICALLY AND
ADDITION A CUSHION, SAY 20%, ON THE DEADLINES TO ACCOMMODATE FOR
MURPHY'S 3RD LAW, STARTING TASKS EARLY WHENEVER POSSIBLE TO
ALLOW TIME TO REACT TO MISTAKES AND CRISSES WE CAN BE SURE WILL
Occur. KEEPING A HEALTHY PERSPECTIVE ON EGO, THE NEED TO ACHIEVE,
OVERAMBITION AND OVERCONFIDENCE TEMPER THE DESIRE TO PLEASE THE
BOSS WITH THE RECOGNITION THAT CUTTING BACK ON YOUR
RESPONSIBILITIES MAY PERMIT YOU TO DO A BETTER JOB AND INCREASE
YOUR PRODUCTIVITY ON THE FEW TOP PRIORITIES THAT REALLY COUNT.
SINCE 20% OF OUR EFFORT PRODUCES 80% OF OUR RESULTS IT IS CLEAR
THAT WE CAN WORK LESS AND GET MORE DONE IF WE CONCENTRATE ON THE
RIGHT THINGS. AS PETER DRUCKER PUT IT, "EFFICIENCY IS DOING THINGS
RIGHT, EFFECTIVENESS IS DOING RIGHT THINGS RIGHT." ATTEMPTING
LESS TAKES COURAGE BUT THE NEED TO DO SO SHOULD BE PRESENTED TO
THE BOSS IN TERMS OF DOING A BETTER JOB ON IMPORTANT MATTERS,
WHICH MEANS GREATER PRODUCTIVITY IN THE LONG RUN. IF YOU ARE
UNDERSTAFFED, TAKE TIME LOGS TO DETERMINE WHETHER THE TIME OF YOUR
EXISTING STAFF IS BEING WELL UTILIZED. IF NOT, ADDRESS THAT PROBLEM
FIRST. ONLY THEN CAN YOU TELL IF YOU ARE TRULY UNDERSTAFFED OR MORE
LIKELY UNDERORGANIZED AND NOT MANAGING TIME EFFECTIVELY.
CONTROL THE INNATE DESIRE TO BE THE GOOD GUY BY AGREEING TO ANYTHING ANYONE
ASKS OF YOU. BY CONQUERING THE TIME WASTER "ATTEMPTING TOO MUCH",
YOU WILL GAIN THE RESPECT AND ENJOY THE SATISFACTION OF GETTING
YOUR OWN JOB DONE; OF ACHIEVING YOUR OWN AND YOUR BOSS'S TOP
PRIORITY, OF GETTING MORE DONE IN LESS TIME; THE ULTIMATE
SATISFACTION OF THE EFFECTIVE MANAGER OF TIME.

ONE REASON WE ATTEMPT TOO MUCH IS ANOTHER TIME WASTER. THE
INABILITY TO SAY NO. N-O. WHY IS IT ALMOST IMPOSSIBLE FOR US TO SAY
THAT LITTLE TWO-LETTERED WORD. WE CONTINUE TO SAY "YES" TO EVERY
REQUEST IN BUSINESS AND EVEN AT HOME. THIS OFTEN MEANS THAT WE
WILL DO A LESS THAN ADEQUATE JOB, BECAUSE WE ACCEPT ASSIGNMENTS BEYOND OUR ABILITY TO COMPLETE IN THE LIMITED TIME WE HAVE. PERHAPS THEY SHOULD HAVE BEEN DONE BY SOMEONE ELSE OR NOT AT ALL. THERE ARE SEVERAL REASONS FOR OUR INABILITY TO SAY NO. WE DO WANT TO HELP OTHERS AND TO WIN APPROVAL. WE ARE AFRAID OF OFFENDING OTHERS. WE FEEL THAT ALWAYS SAYING YES WILL GIVE US THE GOOD GUY IMAGE. WIN FRIENDS AND INFLUENCE PEOPLE, MAKE OTHERS INDEBTED TO US. PERHAPS EVEN GET ON THE GOOD SIDE OF THE BOSS AND ENHANCE OUR PROSPECTS FOR PROMOTION. PERHAPS THE SINGLE GREATEST CAUSE FOR NOT SAYING NO IS NOT HAVING OUR OWN PRIORITIES CLEAR. THEN WE HAVE NO REASON FOR SAYING NO, NOT EVEN AN EXCUSE. ROBERT UPDEGRAFTH, IN HIS CLASSIC BOOK CALLED \textbf{ALL THE TIME YOU NEED}, SPOKE TELLINGLY OF OUR INABILITY TO SAY NO. "OVER THE YEARS I HAVE ListENED TO PEOPLE COMPLAIN ABOUT NOT HAVING THE TIME TO DO AND I'VE DISCOVERED THAT MANY OF THEM SUFFER FROM A COMMON TROUBLE. THEY ARE TIMID ABOUT USING THE GREATEST TIME SAVING WORD IN THE ENGLISH LANGUAGE. THE LITTLE TWO-LETTERED WORD NO. SAYING YES TOO OFTEN IS THE TIMID APPROACH AND IT CAN HAVE DISASTROUS RESULTS. WE SPEND ALL DAY GETTING THINGS DONE FOR OTHERS. AT THE END OF THE DAY WE REALIZE THAT WE HAVE GOTTEN NOTHING DONE THAT REALLY MATTERED TO US. WE MUST RECOGNIZE THAT IF WE FAIL TO GET OUR WORK DONE, WE MAY LOSE INSTEAD OF GAIN RESPECT. IT'S ONE THING TO BE ON TOP OF YOUR JOB AND BE ABLE TO HELP OTHERS WHEN THEY REALLY NEED IT. IT'S QUITE ANOTHER THING TO BE DOING JOBS FOR OTHERS AND FAILING TO ACHIEVE OUR OWN OBJECTIVES. IF YOU ARE EFFECTIVE IN YOUR WORK YOU WILL NOT OFFEND OTHERS BY SAYING NO WHEN IT IS NECESSARY. REMEMBER THAT YOUR BEST EXCUSE IS PRIOR COMMITMENT TO YOUR OWN AND YOUR BOSS'S PRIORITIES. HOW DO WE SAY NO TO UNREASONABLE REQUESTS? THERE ARE FOUR SIMPLE REQUESTS. FIRST, LISTEN TO THE REQUEST TO ENSURE THAT YOU UNDERSTAND ITS IMPORTANCE. IF THE PERSON ASKING THE FAVOR IS NOT GIVEN THE CHANCE TO EXPLAIN ITS IMPORTANCE, HE WILL BE OFFENDED. SECOND, ASSUMING THAT IT IS A REQUEST THAT YOU SHOULD DECLINE, SAY NO. DON'T HEM AND HAW AND SAY MAYBE... BUT... A SIMPLE NO, I'M SORRY, I CAN'T HELP YOU NOW WILL SUFFICE. THIRD, IF YOU FEEL AN EXPLANATION WILL HELP, GIVE THE REASONS WHY YOU CAN NOT ASSIST. FOURTH, OFFER ALTERNATIVES. FOR EXAMPLE, "IF IT CAN WAIT UNTIL TOMORROW, I CAN GIVE YOU AN HOUR OF MY TIME," OR "MAYBE BETTY CAN HELP YOU." THERE ARE FOUR STEPS TO SAYING NO. YOU CAN SUMMARIZE THEM IN JUST FOUR WORDS. LISTEN, NO, REASONS, ALTERNATIVES. WHY NOT LIST THESE FOUR WORDS ON A 3x3 CARD AND TAPE IT TO THE TELEPHONE WHERE YOU WILL SEE IT THE NEXT TIME YOU START TO SAY YES.

AND NOW FOR OUR LAST TIME WASTER. \textbf{PROCRASTINATION}. EVERYONE IT SEEMS IS AN EXPERT AT PUTTING THINGS OFF. PROCRASTINATION COMES EASILY TO ALL OF US. THERE ARE MANY CAUSES FOR THIS COMMON
PHENOMENON: LAZINESS, FORGETFULNESS, PREFERENCE FOR DOING PLEASANT TASKS FIRST. PUTTING OFF UNPLEASANT ONES. THE HABIT OF DOING EASY THINGS FIRST AND POSTPONING DIFFICULT ONES. THE FEAR OF MAKING MISTAKES OR PERFECTIONISM. FAILURE TO MEET DEADLINES. LACK OF SELF-DISCIPLINE. DISTRACTIONS. INTERUPTIONS. LEAVING TASKS UNFINISHED. ALL OF THESE ARE CONTRIBUTING FACTORS TO THIS PERVERSIVE TIME WASTER CALLED PROCRASTINATION. A SIMPLE REVIEW OF THESE CAUSES MAKES A NUMBER OF THE SOLUTIONS OBVIOUS. SET DEADLINES AND GO PUBLIC BY ANNOUNCING THEM. SCHEDULE THE DIFFICULT AND UNPLEASANT TASKS FIRST AND FOLLOW YOUR SCHEDULE. THE SATISFACTION OF CROSSING OFF THE MOST IMPORTANT TASKS EARLY IN THE MORNING IS A REWARD IN ITSELF, AND AS MANAGERS SAY, MAKES THE REST OF THE DAY SEEM DOWNHILL. FEAR OF MISTAKES AND PERFECTION CAUSE US TO PUT THINGS OFF. NO ONE LIKES TO COMPLETE A TASK WRONG. DELAY SEEMS EXCUSABLE, BUT MISTAKES ARE INTOLERABLE. SO MANY OF US SUFFER FROM PERFECTIONISM WHICH MEANS WE WANT EVERYTHING TO BE PERFECT. WE CANNOT TOLERATE MISTAKES. WE MUST RECOGNIZE THAT PERFECTIONISM IS UNATTAINABLE AND THAT DELAYING FOR FEAR OF ITS BEING WRONG WILL OFTEN BE WORSE THAN COMPLETING IT EARLY SO THAT ANY MISTAKES CAN BE CORRECTED. A POOR DECISION MAY BE BETTER THAN NONE. FRANK NONAS, AN OUTSTANDING CHIEF EXECUTIVE IN INDUSTRY AND GOVERNMENT WHERE HE MANAGED A BUDGET OF OVER $7 BILLION EXPLAINS IT THIS WAY. "BY MAKING FASTER DECISIONS, MANAGERS CAN GAIN THE COMPETITIVE ADVANTAGE OF TIME. IF DECISIONS ARE WRONG WE WILL HAVE MORE TIME TO TAKE CORRECTIVE ACTIONS. "PARALYSIS OF ANALYSIS" DESCRIBES THE MANAGER WHO CAN NEVER SEEM TO REACH A FINAL CONCLUSION, WHO ALWAYS WANTS MORE FACTS, WHO ALWAYS NEEDS A LITTLE MORE TIME TO THINK IT OVER. WE MUST ACCEPT THE FACT THAT ALL DECISIONS INVOLVE RISK. MISTAKES SHOULD BE TREATED AS TEACHERS. WE SHOULD LEARN FROM THEM, NOT FEAR THEM OR BE INTIMIDATED BY THEM. IN SOLVING THE TIME WASTER PROCRASTINATION ALSO REMEMBER TO CONTROL INTERRUPTIONS AND RESIST THE TEMPTATION TO DROP TASKS IN THE MIDDLE WITHOUT FINISHING THEM. REWARD YOURSELF BY PUTTING OFF THAT COFFEE BREAK UNTIL THE JOB IS FINISHED. TAKE A TRIP YOU'VE BEEN WANTING TO TAKE AFTER ACCOMPLISHING SOME LONG-RANGE OBJECTIVE. NORMAN VINCENT PEALE USED TO DELAY TURNING DOWN SPEAKING ENGAGEMENTS HE COULD NOT ACCEPT BECAUSE HE DID NOT LIKE REFUSING PEOPLE. OFTEN HE DELAYED TOO LONG SO HE COULD NOT BACK OUT GRACEFULLY. WHEN HE BEGAN MAKING DECISIONS QUICKLY HE WAS HAPPIER AND SO WERE THE PEOPLE WHO HE WAS DEALING WITH BECAUSE THEY HAD MORE TIME TO MAKE ALTERNATE PLANS.

NOW TO SUM UP. I HAVE GIVEN YOU THE SOLUTIONS TO THE TOP TEN TIME WASTERS IN THE WORLD. BY USING THESE TECHNIQUES YOU SHOULD EASILY
SAVE TWO HOURS PER DAY. IN FACT, THE QUIET HOUR ALONE HAS SAVED COUNTLESS MANAGERS TWO HOURS A DAY BECAUSE IN A QUIET HOUR WITHOUT ANY INTERRUPTIONS IT IS EASY TO GET THREE HOURS OF REGULAR WORK DONE.

BUT WHAT WILL YOU DO WITH THESE EXTRA TWO HOURS A DAY? I ASKED THAT QUESTION BECAUSE IF YOU HAVEN'T THOUGHT ABOUT IT YOU WILL PROBABLY WASTE IT. IN THE PAST FEW YEARS I HAVE ASKED MANAGERS AND SECRETARIES TO ESTIMATE THE AMOUNT OF TIME WASTED BY THEIR TOP FIVE TIME WASTERS. THE AVERAGE IS 2-1/2 HOURS A DAY AND SOME HAVE ADMITTED TO FOUR HOURS WASTED EACH DAY. THIS IS NOT SURPRISING SINCE THE AVERAGE MANAGER IS ONLY 30% EFFECTIVE DURING HIS HIGHER WORKING DAY. THEREFORE, AN ADDITIONAL 2-1/2 HOURS OF PRODUCTIVITY OR LEISURE WOULD BE AVAILABLE TO US IF WE ONLY SOLVED OUR TOP FIVE TIME WASTERS. ISN'T IT TIME THAT WE VIGOROUSLY PURSUE THESE HOURS. WHEN ASKED HOW THEY WOULD SPEND THE TIME SOME HAVE SUGGESTED SUCH THINGS AS PLANNING AND THINKING. EVALUATING PERFORMANCE, DEVELOPING MANAGEMENT CONCEPTS, DEVELOPING SHORTCUTS TO PAPERWORK, ORGANIZING THE BOSS, TIME FOR FAMILIES, HOBBIES, EXERCISE, DEVELOPING NEW BUSINESS, AND READING IN THEIR FIELD. IN A BUSINESS SURVEY, 83% OF CORPORATE PRESIDENTS HAVE NO TIME TO READ AND 72% HAVE NO TIME TO THINK OR PLAN. TAKE A MINUTE NOW AND LIST THE WAY YOU WOULD SPEND TWO HOURS A DAY IF YOU HAD THAT EXTRA TIME. NOW YOU WOULD NOT BE ABLE TO MANAGE YOUR TIME UNTIL YOU KNOW WHERE IT IS GOING. TO FIND OUT WHERE IT IS GOING, YOU MUST KEEP A TIME LOG. EVEN THE MOST EXPERIENCED AND EFFECTIVE MANAGERS WHO TAKE PERIODIC TIME LOGS ARE APPALLED TO DISCOVER HOW MUCH TIME IS SLIPPING AWAY FROM THEIR CONTROL. LIST YOUR GOALS FOR THE DAY AT THE TOP AND SET DEADLINES FOR ACCOMPLISHING EACH OF THEM. NOTE EVERY ACTION AS THE DAY PROGRESSES. DO NOT WAIT UNTIL NOON OR THE END OF THE DAY BECAUSE NO MEMORY IS THAT GOOD AND YOU WILL FORGET ALL THE DETAIL. RECORD EVERY INTERRUPTION AS MOST OF US PERMIT OURSELVES TO BE INTERRUPTED ALL DAY LONG. THIS IS ONE OF THE BIGGEST TIME WASTERS OF ALL. IT TAKES THREE TIMES AS LONG TO RECOVER FROM AN INTERRUPTION AS IT DOES TO ENDURE IT. IF YOU FAIL TO RECORD THESE INTERRUPTIONS YOU WILL HAVE NOWAY OF ANALYZING THIS CRITICAL TIME WASTER. MOST TIME LOGS ALLOW ONLY ONE LINE FOR EVERY TEN TO FIFTEEN MINUTE PERIOD. THIS IS TOTALLY INADEQUATE BECAUSE IN THAT TIME YOU MIGHT HAVE AS MANY AS FIVE OR MORE SEPARATE ACTIONS TO RECORD, ESPECIALLY WHEN YOU INCLUDE INTERRUPTIONS. YOUR TIME LOG WILL CONFIRM THE TIME WASTERS THAT YOU HAVE ALREADY IDENTIFIED AND IT WILL REVEAL NEW ONES. LIST ALL OF THE CAUSES AND SOLUTIONS YOU CAN THINK OF. DEVELOP YOUR PLAN FOR ATTACKING THESE TIME WASTERS. FOR EXAMPLE, YOU MIGHT TARGET SOLVING YOUR FIRST THREE IN THE FIRST MONTH, THE NEXT THREE IN THE
SECOND MONTH, AND THE LAST FOUR TIME WASTERS. IN THE THIRD MONTH, IMPLEMENT YOUR PLAN AT ONCE. DON'T PROcrastinate. IN 30 DAYS MEASURE YOUR RESULTS. CHECK YOUR PROGRESS. WHAT HAS WORKED WELL? REVIEW YOUR PROBLEMS. WHAT PLANS DID NOT WORK OUT? HOW CAN YOU GET THEM BACK ON THE TRACK AND LAUNCH YOUR NEXT MONTH'S PLAN TO ATTACK YOUR NEXT SET OF TIME WASTERS. REPEAT YOUR PROCESS IN THE THIRD MONTH AND YOU SHOULD HAVE SOLVED THE TOP TEN TIME WASTERS IN THE WORLD. DON'T EXPECT ALL OF THEM TO DISAPPEAR COMPLETELY, THAT WOULD BE PERFECTIONISM. HOWEVER, THOSE THAT ARE NOT ELIMINATED SHOULD AT LEAST BE UNDER CONTROL. IN THE PROCESS YOU SHOULD HAVE SAVED AT LEAST 2 HOURS A DAY. NOT ONLY WILL YOU SAVE TIME, YOU WILL ALSO BE GETTING MORE DONE BECAUSE YOU WILL CONCENTRATE ON DOING THE IMPORTANT THINGS FIRST. BY GETTING MORE DONE IN LESS TIME YOUR EFFECTIVENESS WILL IMPROVE DRAMATICALLY AND SINCE ALL TIME WASTERS ARE STRESS INDUCERS YOU WILL SIGNIFICANTLY DECREASE THE STRESS AND TENSION IN YOUR LIFE. AS YOUR TIME GOES, SO GOES YOUR LIFE.
THE DIVISION MANAGER HAD RECENTLY HEARD A LECTURE ON MANAGEMENT-BY-OBJECTIVES. ENTHUSIASM, KINDLED AT THAT TIME, TENDED TO GROW THE MORE HE THOUGHT ABOUT IT. HE FINALLY DECIDED TO INTRODUCE THE CONCEPT AND SEE WHAT HEADWAY HE COULD MAKE AT HIS NEXT STAFF MEETING.

HE RECOUNTED THE THEORETICAL DEVELOPMENTS IN THIS TECHNIQUE, CITED THE ADVANTAGES TO THE DIVISION IN ITS APPLICATION, AND ASKED HIS SUBORDINATES TO THINK ABOUT ADOPTING IT.

IT WAS NOT AS EASY AS EVERYONE HAD THOUGHT. AT THE NEXT MEETING SEVERAL QUESTIONS WERE RAISED.

"DO YOU HAVE DIVISION GOALS ASSIGNED TO YOU FOR NEXT YEAR?" THE FINANCE MANAGER WANTED TO KNOW.

"NO, I DO NOT," THE DIVISION MANGER REPLIED. "I HAVE BEEN WAITING FOR CORPORATE TO TELL ME WHAT IS EXPECTED BUT THEY ACT AS IF THEY WILL DO NOTHING ABOUT THE MATTER."

"WHAT IS THE DIVISION TO DO THEN?" THE MANAGER OF PRODUCTION ASKED, RATHER HOPING THAT NO ACTION WOULD BE INDICATED.

"I INTEND TO LIST MY EXPECTATIONS FOR THE DIVISION," THE MANAGER SAID. "THERE IS NOT MUCH MYSTERY ABOUT THEM. I EXPECT $30,000,000 IN SALES, A PROFIT ON SALES BEFORE TAXES OF 8 PERCENT, A RETURN ON INVESTMENT OF 15 PERCENT, AN ON-GOING PROGRAM IN EFFECT BY JUNE 30, WITH SPECIFIC CHARACTERISTICS I WILL LIST LATER, TO DEVELOP OUR OWN FUTURE MANAGERS, COMPLETED DEVELOPMENT WORK ON OUR XZ MODEL BY THE END OF THE YEAR, AND EMPLOYEE TURNOVER STABILIZED AT 5 PERCENT."

THE STAFF WAS SOMEWHAT STUNNED THAT THEIR SUPERIOR HAD THOUGHT THROUGH TO THESE VERIFIABLE OBJECTIVES WITH SUCH CLARITY AND ASSURANCE. THEY WERE ALSO SURPRISED ABOUT HIS SINCERITY IN WANTING TO ACHIEVE.

"DURING THE NEXT MONTH I WANT EACH OF YOU TO TRANSLATE THESE OBJECTIVES INTO VERIFIABLE GOALS FOR OUR OWN FUNCTIONS. NATURALLY THEY WILL BE DIFFERENT FOR FINANCE, MARKETING, PRODUCTION, ENGINEERING AND ADMINISTRATION. HOWEVER YOU STATE THEM, I WILL EXPECT THEM TO ADD UP TO THE REALIZATION OF THE DIVISION GOALS."
THE DIVISION MANAGER ANNOUNCED THE FOLLOWING OBJECTIVES FOR THE DIVISION:

1. SALES = $30,000,000
2. PROFITS/SALES = 8%
3. ROI = 15%
4. A PROGRAM TO DEVELOP FUTURE MANAGERS IN EFFECT BY JUNE 30
5. TO COMPLETE DEVELOPMENT WORK ON THE XZ MODEL BY DEC. 31
6. TO STABILIZE EMPLOYEE TURNOVER AT 5%

HE ASKED HIS MANAGERS TO DEVELOP GOALS FOR THEIR FUNCTIONS THAT WOULD ADD UP TO THE REALIZATION OF THE DIVISION GOALS.
A MEDIUM-SIZED ELECTRIC COMPANY

"YOU CAN'T RUN A BUSINESS ON TOMORROW'S PROFITS OR ON YESTERDAYS MISTAKES."

PRESIDENT

EXECUTIVE V.P.

V.P., CORP.
STAFF.

V.P. FINANCE

CHIEF
COUNSEL

V.P., INDUSTRIAL
PRODUCTS
GROUP

V.P., MILITARY
PRODUCTS
GROUP

V.P., CONSUMER
PRODUCTS
GROUP

THE V.P. INTERFERES ONLY
IF DIVISION PERFORMANCE
IS PESSIMISTIC. HE CAN HIRE
AND FIRE.

GENERAL MANAGER,
ELECTRIC MOTOR
DIVISION

EACH DIVISION IS A
PROFIT CENTER

DIR. OF
RESEARCH

DIR. OF
ENG.

DIR. OF
MANUFACTURING

CONTROLLER

EACH DIVISION MANAGER SETS GOALS FOR:
1. NET PROFITS
2. NET PROFITS/DIV. ASSETS (%)
3. MARKET SHARE
4. PRODUCT LEADERSHIP
5. USE OF HUMAN RESOURCES 6. CORPORATE CITIZENSHIP
THE THREE LEVELS OF PARTICIPATIVE MANAGEMENT AND THEIR RELATIONSHIP TO DELEGATION.

1. LEVEL 1: "HERE ARE YOUR OBJECTIVES." (NO PARTICIPATION. THIS IS AUTHORITARIAN. THE MANAGER MAKES THE DECISION.)

2. LEVEL 2: "HERE ARE SEVERAL OBJECTIVES I BELIEVE ARE REALISTIC FOR YOU. WHAT DO YOU THINK OF THEM?" (PARTICIPATION IS INVITED AND ENCOURAGED, BUT THE MANAGER MAKES THE DECISION).

3. LEVEL 3: "LET ME HAVE YOUR RECOMMENDED OBJECTIVES." (FULL PARTICIPATION IS ENCOURAGED.)

4. IN DEPTH DELEGATION REQUIRES MANAGERS TO OPERATE AT LEVEL 3.
WHY PARTICIPATE?

1. TO ACHIEVE THE BEST RESULTS
   (PARTICIPATION HAS IMPROVED PRODUCTIVITY AND PROFITS
   IN THE U.S., JAPAN AND OTHER COUNTRIES)
   (QUALITY CIRCLES ARE BASED ON PARTICIPATION).

2. TO IMPROVE TEAMWORK AND REDUCE SUBOPTIMIZATION.

3. TO REDUCE RESISTANCE TO CHANGE.

4. TO IMPROVE THE CLIMATE OF THE ORGANIZATION.

5. TO INCREASE MOTIVATION AND COMMITMENT.
EASTMAN CAROLINA'S QUALITY CIRCLES

1. REDUCED WASTE BY 2-3% (WASTE EACH YEAR IS 60-70 MILLION POUNDS)

2. IMPROVED MORALE (THE WORKERS FEEL THEY ARE PART OF A "TEAM")

3. THEY ARE ALSO USED TO IMPROVE SAFETY AND TO INCREASE PRODUCTIVITY.

4. THERE ARE LESS GRIEVANCES.
Texas Instruments Incorporated (A)
(Condensed)

On April 17, 1959, Texas Instruments Incorporated (TI) of Dallas, Texas, merged with the Metals and Controls Corporation (M & C) of Attleboro, Massachusetts. One of the fastest growing large corporations in the country, from 1946 through 1958 TI achieved a compound annual growth of 38% in sales and 42% in net income. Its principal business was in electronic and electro-mechanical equipment services for oil, gas, and minerals. The president had publicly predicted that volume would more than double in 1959 to a sales level near $200 million. Almost half this growth, he added, might come through mergers, with M & C contributing $42-45 million.

TI was so highly regarded by the market that in May 1960 its common stock was selling at about 70 times the 1959 earnings of $3.39 a share.

M & C Activities

M & C—itself the product of a 1932 merger and a postwar diversification—had three major groups of products: clad metals, control instruments, and nuclear fuel components and instrumented cores. The company had grown steadily and in 1959 had plants in two U.S. locations and five foreign countries. Reflecting the corporate names of M & C's predecessors, the clad metal lines were known as General Plate (GP) products and the control instrument lines were known as Spencer products. The former included industrial, precious, and thermostat metals; fancy wire; and wire and tubing, while the latter included motor protectors, circuit breakers, thermostats, and precision switches. Among the Spencer products were some that utilized as raw materials such GP products as thermostat bimetallics and clad electrical contacts.

Apart from that portion of GP's precious metal products manufactured for the jewelry trade (where appearance and fast delivery

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Exhibit 1
Premerger Metals and Controls Organization

Source: Interviews and company records
a. Detail on M & C Nuclear not disclosed  
b. Responsible for factory-customer coordination on specifications, prices, delivery, and new applications on different product lines (broken down approximately as shown in the manufacturing department)  
c. Responsible for long-range product development for CP lines  
d. Worked on new applications and process designs for CP lines  
e. Principal operations in Spencer production departments were parts-making and assembly  
f. Principal operations in CP industrial, precious, and thermalmetal metal departments were bonding and rolling; in CP wire and alloy wire departments, drawing; and in CP platinum department, milling and refining. Some CP facilities were shared, and roughly 5% of direct labor hours for each CP department was devoted to work for other departments  
g. Units making two CP and three Spencer parts reported to Alken.
from stock were key considerations, most GP and Spencer products had to be designed to specific customer requirements and produced to customer order. Thus, engineering know-how and close coordination between the sales and production departments on delivery dates were important. To serve its several thousand customers, many of whom purchased both Spencer and GP products, the company maintained a sales force of 50 in the field, divided into Spencer and GP teams. Due to the technical nature of the products and their fast-changing applications, a company sales force with a high degree of engineering competence was essential.

With Spencer products facing important competition from four other firms in the $10- to $40,-
million annual sales bracket, tight control of costs was important for securing the large orders generally placed by the kinds of customers who purchased these products. Buyers included manufacturers of fractional horsepower motors, household appliances, air conditioning, and aircraft and missiles. In contrast, GP industrial metals had no direct competition, although clad metals designed for industrial use meet with competition from alloys.

M & C's Premerge Organization

When TJ took over M & C, a task force of four junior executives had just completed a critical study of M & C's organizational structure at the acting president's request. Up to that point, M & C's nuclear activities were conducted by an entirely separate subsidiary, while the GP and Spencer activities were organized as shown in Exhibit 1.

Reporting to the acting president at the top level was a tier of predominantly functional executives (the vice presidents for marketing, engineering, and finance; the treasurer; and the controller). At the third and fourth levels of organization, the structure increasingly showed two breakdowns by product lines. For example, at the fourth level in manufacturing these were four separate groups corresponding to the major Spencer lines and six groups corresponding to the major GP lines. Approximately the same breakdown appeared among the fourth-level product specialists in marketing. Although there was no profit responsibility at this level, the controller had been sending these marketing specialists a monthly P&L by product line, in the hope of encouraging informal meetings among the people in marketing, engineering, and production who were working on the same lines.

Even at the second level, the predominantly functional division of responsibilities was neither complete nor exclusive. Thus, the vice president for marketing was also the vice president of Spencer Product, and in this capacity he had reporting to him the Spencer engineers. As a result, the company's vice president of engineering was, in effect, the vice president only of GP engineering, although he also served in an otherwise functional role by acting as the vice president of M & C International. (In 1958 exports and other foreign sales totaled about $2 million.)

After confidential interviews with 140 people, members of the M & C task force reportedly concluded that this organizational structure was causing or contributing to a number of company problems. Accordingly, the task force recommended sweeping changes, first to the acting president by whom they had been appointed, and then to his successor, Edward G. Vetter, a 39-year-old TJ vice president who was brought in following the merger.

Vetter's Review and Appraisal

As soon as he arrived at M & C, Vetter spent the better part of four days in closed meetings with task force members. At the same time he scheduled public meetings with all executives; he devoted these sessions to general discussions of his aims for the organization and to reassurances that drastic changes would not be made.

From these discussions, Vetter learned that a large number of M & C Employees believed that the three major functional departments were not cooperating well enough in the exploitation of new product opportunities based on existing mark-ets and skills. Although in a few isolated instances marketing, engineering, and production personnel concerned with a particular product had formed small informal groups to work on common problems, the three depart-ments were not seen as working together with maximum effectiveness, particularly in new product development. The staff blamed top management's inattention, the absence of a comprehensive plan, and the lack of clear-cut responsibility and authority for this situation.

The lack of cooperation among the functional groups was also evident in the continual squab-
bling between process engineers and production supervision; with neither group willing to accept the other's suggestions for improvements in manufacturing methods. Since both groups reported to different vice presidents, conflicts too often came up for resolution at top levels. Here, however, decisions were frequently postponed and issues left unresolved.

Vetter was also told by many members of the organization that the personal influence of the marketing division's product specialists played too large a role in company decisions. Formally assigned to coordinate certain aspects of factory-customer relations (see notes to Exhibit 1), these specialists were said to determine the amount of R&D time given to particular lines. As a result, some lines had grown quite strong while promising opportunities somewhere had been neglected. Similarly, personal relationships between product specialists and production personnel largely determined scheduling priorities.

After studying these problems, Edward Vetter decided that M & C provided a golden opportunity for applying TV's philosophy of organization which was called product-customer centered groups. Basically, this plan involved putting a single manager in charge of sales, manufacturing, and engineering on a particular product line, and then making this manager responsible for profits. This type of structure, Vetter noted, was what had been proposed by M & C's own task force on organization. According to TV's president, this plan offered advantages not only in managing existing lines, but also in finding new opportunities for discovering and serving new customer needs.

While collecting information on M & C's organizational arrangements, Mr. Vetter directed the following set of notes for his own use:

It appears as if natural product groups already exist here. General Pate, Spencer, and Nucler have always been separate, and International sales are set apart under Richard Myers. Within these major groupings there is also a somewhat parallel division of the manufacturing and marketing facilities along product lines. There are 10 production departments that are each organized to produce a particular product line, while there is an almost parallel organization of marketing product specialists under James Bradford.

Bringing together product managers and production supervisors for similar product lines would seem to be the logical implementation of TV's management philosophy. Of course, we problem would face the arrangement of some of the production facilities in order to locate all the equipment under a product manager's control in one area. While we do have TV product-manufacturing departments, some of these share facilities and perform work for one another. In addition, the parts department performs fabrication operations for several production departments. In some of this, there is a majority of equipment that would have to be physically relocated. We estimate that some duplicate equipment will have to be purchased if we go ahead with product-centered decentralization. In order to accomplish this, about $1.5 million will have to be spent almost three years before it would otherwise have been committed.

I believe that the "inside" product specialist—the man at the factory who lives with both the manufacturing and the marketing problems for his line—is a key man. Our products are mainly engineered to customer order and, as such, require a good deal of coordination on delivery dates, specifications, and special applications. In addition to performing this liaison, the product manager could be the man who sees ideas for new product applications from their marketing contacts and then transmit these to the engineering personnel at the factory.

These men would not be salesmen. A field sales force would still be needed to make regular calls on all of our customers and to cultivate the associations with our customers' engineering staffs. One significant question here is how to organize the sales force. These men must be skilled and quite expensive to employ—each salesman should enter commitments of at least $1 million yearly in order to justify his expenses. Since our customers are spread all over the country, it would appear economical to assign field salesmen by geographical areas—each to still all, or at least a number of, our products. Unfortunately, this system might take away a good measure of the responsibility for the sales supervision. Our problem here is to leave sales responsibility at the product group level without having an undue duplication of field sales personnel. The freezing down of responsibility and authority would mean that we would need new "management skill" in order for the product managers to be able to manage the little companies of which each would be in
change. The product manager must be capable of making sales, manufacturing, financial, and engineering decisions. He is no longer judged against a budget but becomes responsible for profits. We would need talented men to fill these positions—a shift in the organizational structure would undoubtedly force us to hire some new people. Nevertheless, there are tremendous benefits to be gained in terms of giving more people the chance to display their talents and in just plain better functioning of the M & C division.

The organization of engineering personnel brings up a whole hornet's nest of questions. First of all, there are two distinct engineering functions: product engineers, those concerned with current product designs and new applications for existing products, and advanced engineers, those who work on long-term product development. There is little doubt that the new application sales effort would benefit from placing the product engineering personnel in close organizational contact with the markets. This would mean splitting engineering up among all the product groups and would probably make for a less efficient overall operation. Decentralization of the advanced engineering groups is also a sensitive problem. Again, it would probably receive a more marketing-oriented stimulus if it were placed under the supervision of the product managers. I wonder, however, if he might not be motivated to cut long-term development more drastically than top management normally would in times of business recession. Furthermore, I wonder if the economies of centralized advanced engineering and research in terms of combined effort and personnel selection are not so great as to make decentralization of this function an extremely poor choice. The basic question we have to answer here is to what degree should we sacrifice operating economy in order to give our engineering personnel a greater marketing orientation.

Scheduling has long been a bone of contention here wherever facilities are shared. Conflicts by priorities between product specialties are always occurring. If we decentralize, however, the amount of facilities that are shared will decrease substantially and this problem should be alleviated.

Again, we have the basic choice of retaining the centralized scheduling groups or splitting the function up among the various product groups.

In addition to the above issues, Vetter also considered the proper timing for an organizational change. He was debating whether it should be made gradually, or whether the transfer in corporate ownership provided a convenient opportunity for making radical changes with a minimum of employee resistance. In general, M & C personnel recognized that the continual top management conflict of recent years necessitated a change. While they were pleased by the fact that a recognized leader in the industry had taken over the company, they expressed some regrets because the family that had founded the company was no longer associated with it.
Texas Instruments Incorporated (B)

In May 1960, Tom Pringle, the manager of the Industrial Metals product department at Texas Instruments Metals & Controls Division (M&C), was considering several courses of action in the face of his department's failure to meet forecasted sales and profits during the first four months of 1960. The rebuilding of inventories by M&C's customers, which had been expected as an aftermath of the settlement of the 1959 steel strike, had not materialized, and shipments from Pringle's product department were running about 12% below forecast. Furthermore, incoming sales commitments during these four months were 15% below expectations. The product department's direct profit, according to preliminary statements, was 19% below plan.

In light of these adverse developments, Pringle was studying three specific moves that would improve his profit performance: (1) eliminating his $30,000 advertising budget for the latter half of 1960, (2) postponing the addition of two engineers to his group until 1961, and (3) reducing further purchases of raw materials in order to improve his department's return on assets ratio. Pringle had been reluctant to make any concessions in his department's scale of operations, since there was a very strong accent on rapid growth throughout the Texas Instruments (TI) organization. This attitude toward expansion also appeared to prevail in the new top management group in the M&C Division. The enthusiasm of TI's management had caught on at M&C with the formation of the decentralized product-centered organization.

The 1959 Reorganization

In June 1959, just three months after M&C had become a division of TI, Edward O. Vetter, the division vice president, instituted a product-centered organization. This decentralization was carried

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out in accordance with TI's policy of placing ultimate responsibility for profitable operations at the product level. The framework that emerged was similar to that found elsewhere in the company.

Vetter organized four major product groups at M&O: General Plate, Spencer Controls, Nuclear Products, and International Operations. To augment these groups, six centralized staff units were organized at the division level: R&D, legal, industrial engineering, control, marketing, and personnel (Exhibit 1). The four managers of the product groups and the six managers of these staff departments, along with Vetter, made up the management committee for the M&O Division. This committee was a sounding board for helping each responsible manager make the proper decision required by his or her job responsibility. In the case of profit performance, the ultimate responsibility for the division was Vetter's. Within each product group, several product departments were established. The General Plate (GP) products group, for example, included the Industrial Metals, Electrical Contacts, Industrial Wire, and Precious Metals departments (Exhibit 2). The manager of each of these departments was responsible for its profit performance. Each manager was supported by staff units such as industrial engineering and administration which reported directly to the group manager (Burt Turnbull for GP products). The expenses of these staff units were charged to the individual product departments, proportionally to the volume of activity in the various departments, as measured by direct labor hours or by sales dollars less raw materials cost. The product departments were also charged with those expenses over which the manager and supervisory group were able to exercise direct control, such as labor and materials.

The field sales force of 50 was centralized under the manager for marketing, Al Scofield (Exhibit 1). These salespeople were divided about evenly into two major selling groups: one for GP products and the other for Spencer products. The 25 salespeople assigned to GP and the 25 assigned to Spencer were shared by the four GP and four Spencer product departments. Each individual product department maintained inside marketing personnel who performed such functions as pricing, developing marketing strategy, and order follow-up; they also provided the field sales engineers with information on new applications, designs, and product specifications for its particular line.

The Industrial Metals Department

As manager of the Industrial Metals department of the GP group, Pringle was responsible for the profitability of two product lines: (1) industrial metals, and (2) thermostat metals. Sales of this department were approximately $4 million in 1959 (all figures have been disguised). His department's sales were split about evenly between these lines, although industrial metals had the greater growth potential owing to the almost infinite number of possible clad metals for which an ever increasing number of applications was being found. He was in charge of the marketing, engineering, and manufacturing activities for both these lines and had six key subordinates (see Figure A).

The function of the marketing managers in the Industrial Metals department (Bud Safin and Joe Brackman) was to supervise the inside selling units. These units were responsible for developing marketing strategy, pricing, contacting customers on special requests, and factory problems; they were also responsible for promotional activities and for coordinating product development and sales. In May 1960, in addition to its regular work, the Industrial Metals inside selling unit was developing a manual of special applications for its products which it hoped would improve the ability of the field sales force to envision new uses. The production managers had line responsibility for the efficient use of manufacturing facilities, for meeting delivery promises to customers, and for expenses incurred in producing the department's products. The product and process engineering group had responsibility for designing new products and devising new production processes. The production control manager formulated guidelines to aid the foremen in scheduling work through the plant and supervised the expeditors and clerks, who served as a clearing house for information on delivery dates; the manager was also responsible for ordering raw materials and maintaining a balanced inventory. According to TI's policy of placing ultimate responsibility for profitable operations at the product level, Tom Pringle's performance was measured, to a large extent, by the actual profits earned by the Industrial Metals department.
The old M&C system of evaluating performance according to fixed and variable departmental budgets had been supplemented by establishing these profit centers. Although the system passed actual profit responsibility to the product department manager level, TI's top management had always retained some control over the profit centers by requiring each manager to formulate a one-year plan, subject to review by higher management. As a result, profit planning was instituted whereby each manager set forth a detailed plan for the year's operations under the direction of the management committee. A manager's actual performance was continually being evaluated against the plan.

Formulation of the Profit Plan

In October 1959, Tom Pringle began to prepare his department's profit plan for 1960. This was part of a companywide effort in which all department managers participated. The first step in the process was to prepare a detailed estimate of expected sales for the year. These estimates were gathered from two sources: the inside selling units and the field sales force. Management felt that one would serve as a good check on the other. Furthermore, it believed that widespread participation in preparing the plan was one way to insure its effectiveness. Accordingly, Bud Sabin and Joe Brackman began to prepare estimates of 1960 sales by product lines, with the help of the individual product specialists within the inside marketing group. Sabin and Brackman were also aided by TI's central marketing group, which prepared a report estimating normal growth for their product lines. Pringle suggested that they prepare their estimates by subdividing the market into three parts: sales resulting from normal industry growth at current levels of market penetration; increased sales resulting from further penetration of the market with existing products; and increased sales from new products detailed by specific customers. At the same time, Herb Glemer, the manager of GP's field sales force, asked the field engineers to predict the volume of orders that each industrial Metals customer would place in 1960, without referring to the reports being readied by the product marketing groups. In this way, the marketing managers made forecasts by product line and the field force made forecasts by customer.

Figure A
Organization Chart, Industrial Metals Department
The field selling force came up with estimated third-quarter sales of $2,300,000 for 1960, and the inside group estimated sales of $2,420,000. Pringle felt that these two estimates were in reasonably good agreement. On the other hand, Bud Sabin, the industrial metals marketing manager, estimated sales of $3,050,000, while Skinner’s group predicted only $2,500,000. Sabin predicted that 70% of the increase would come from normal growth, 50% from increased market penetration with existing products, and 30% from new products. Sales for Sabin’s group had been $1,400,000 in 1958 and $2,100,000 in 1959. Pringle felt that the disparity between the two estimates was significant, and he discussed the matter with both of them. All three finally decided that the sales force had submitted a conservative estimate and agreed that Sabin’s figure was the more realistic goal.

Once the sales estimates of $5,470,000 were agreed upon by Pringle and his marketing managers, the process of estimating manufacturing costs began. The manufacturing superintendents, Chuck Tobin and Jim Suhure, received the thermostat and industrial metals sales estimates. They were instructed to forecast direct labor costs, supervisory salaries, and overhead expenses. These forecasts were to be made for each manufacturing area, or cost center, under their supervision. Suhure was responsible for five cost centers and Tobin for four; each of these centers was directly supervised by a foreman. These expenses would be forecast monthly and then used as a yardstick against which the actual expense performance of the manufacturing personnel could later be measured.

Suhure had previously calculated the hourly labor cost and the output per hour for each of his cost centers for 1959. To estimate 1960 salaries and wages, he then increased 1959 expenses proportionately to the expected sales increase. He followed the same procedure in determining 1960 overhead expenses such as expendable tools, travel, telephone, process supplies, and general supplies. Tobin’s task was somewhat simpler, since the sales projections for his cost centers required a level of output that exactly matched the current production level. For salaries and wages, he merely used as his 1960 estimate the actual cost experience that had been reported on the most recent monthly income statement he received. For overhead, he applied a historical percent-of-sales ratio and then reduced his estimate by 3% to account for increased efficiency. In discussing the overhead estimate with his foremen, Tobin informed them that he had allowed for an 8% efficiency increase.

Since this was the first time any attempt at such detailed planning had been made at M&C, and since the M&C accounting system had recently been changed to match that of Texas Instruments, very little historical information was available. For this reason, Pringle did not completely delegate the responsibility for various marketing and manufacturing estimates to his subordinates. Instead, he worked in conjunction with them to develop the forecasts. He hoped that his participation in this process would insure a more accurate forecast for the year. Furthermore, he hoped to develop his supervisors’ abilities to plan ahead.

Pringle estimated direct materials cost and consumption factors himself. Since it was impossible to predict what all the various strip metal prices would be, he calculated the ratio of materials expense to sales for 1959 and applied it to the 1960 sales projections for each of the product lines in his department.

The marketing, administration, and engineering groups, which serviced Pringle’s Industrial Metals group, forecasted expenses by detailing their personnel requirements and then applying historical ratios of expenses to personnel to estimate their own expenses. From these dollar figures, Pringle was able to estimate what proportion of these amounts would be charged to his department.

With the various forecasts in hand, Pringle estimated a direct profit of $1,392,000 on a sales volume of $5,470,000. Once this plan had been drawn up, it was reviewed by the division management committee together with the specific profit and sales goals that had been established for the division. When the plans of each product department were reviewed in terms of the specific group goals, it became obvious that the combined plans of the Group’s product departments were not sufficient to meet the overall goal, and that—based on market penetration, new product developments, and other factors—the planned sales volume for Industrial Metals should be revised upward to $6,050,000 and direct profit to $1,457,000 (Exhibit 3). This re-
vision was discussed among Vetter, Turnbull, Scofield, and Pringle; they agreed that it was a difficult but achievable plan.

Actual Performance, 1960

On May 10, Tom Pringle received a detailed statement comparing the actual performance of his department for January through April with his budget (Exhibit 4). Sales were 12% below plan and direct profit was 19% below plan.

In addition to these figures, manufacturing expenses by cost centers were accumulated for Pringle. He passed these along to the production superintendents after he had made adjustments in the budgeted expense figures to allow for the sales decline. Pringle had devised a variable budget system whereby he applied factors to the forecast expenses to indicate what an acceptable expense performance was at sales levels other than the planned volume. Tobin and Sughrue then analyzed the actual expenses and, one week later, held meetings with their foremen to discuss the causes of both favorable and unfavorable variances. The most common explanation of favorable manufacturing variances was either extremely efficient utilization of labor or close control of overhead. Unfavorable variances most frequently resulted from machine delays calling for overtime labor payments.

Specific Problems

Pringle was faced with three possible courses of action in view of his department’s poor performance these past months. He was considering the effects of eliminating his $30,000 advertising budget for the remainder of 1960, postponing the addition of two new engineers to his staff for six months, and reducing raw materials purchases in order to decrease inventory and thus improve his department’s return on assets performance.

He had discussed the possibility of eliminating the advertising budget with Sabini and Brackman, but he had not yet reached a conclusion. Advertising expenditures had been budgeted at $30,000 for the final six months of 1960. The Industrial Metals department ads were generally placed in trade journals read by design engineers in the electrical, automobile, and appliance industries. Pringle did not know for certain how important these advertisements were to his sales force. He did know that all of his major competitors allocated about the same proportion of sales revenue for advertising expenditures, and that Industrial Metals’ ads were occasionally mentioned by customers.

In late 1959, Pringle had made plans to increase his engineering staff from 8 to 10 engineers in mid-1960. He felt that the two new engineers could begin functioning productively by early 1961. They could help to revise certain processes, which were yielding excessive scrap, help develop new products, and assist the field engineers in discovering new applications for existing products. Pringle estimated that postponing the hiring of these two engineers for six months would save $20,000 in engineering salaries and supporting expenses.

Pringle also knew that one of the important indicators of his performance was the department’s ratio of direct profit to assets used. This figure had been budgeted at 40% for 1960, but actual results to date were 31%. Pringle was considering reductions in raw materials purchased in order to decrease inventories and thus improve performance. He had discussed this possibility with Phil Waterman, the production control manager for Industrial Metals. Pringle knew that significant improvements in the over-all ratio could be made in this way, since raw materials inventories accounted for almost 20% of total assets and were at a level of 10 months’ usage at present consumption rates. He recognized, however, that this course of action required accepting a greater risk of running out of materials. This risk was important to assess, since most customers required rapid delivery, and Pringle’s suppliers usually required four months’ lead time to manufacture the non-standard size metals in the relatively small lots required for Industrial Metals’ cladding operation.

The Purpose of the Profit Plan

The degree to which the plan was used as a method for evaluating performance and fixing compensation was completely clear to Pringle. Everyone seemed to recognize that this first effort was imperfect, and that it had errors built in because of inadequate historical data. He had never been explicitly informed of the extent to which top management desired product performance. Pringle stated that during the month immediately following the initiation of the plan, he had concluded that short-term per-
formance was much less significant than long-run growth, and that he had preferred to concentrate on the longer-run development of new products and markets.

Pringle knew that the M&O operating committee met every Monday to review the performance at each product department from preliminary reports. Customarily, Burt Turnbull, the manager of the C* group, discussed both Pringle’s incoming sales commitments and actual manufacturing expenses with him before each meeting. Pringle also knew that each manager was given a formal appraisal review every six months by his or her superior. It was common knowledge that the department’s performance in relation to its plan was evaluated at both these sessions. Furthermore, Pringle was aware of the fact that Turnbull’s performance as product group manager would be affected by his own performance with Industrial Metals. Over a period of months, Pringle had learned that the management committee utilized the comparison of actual and planned performance to pinpoint trouble spots. On occasion, Vetter had called him in to explain any significant deviations from plan, but normally he was represented at these meetings by Burt Turnbull. It was Pringle’s impression that Vetter had been satisfied with the explanations he had given.

In their day-to-day decisions, Pringle’s subordinates seemed to be influenced only in a very general way by the profit plan. They reviewed their monthly performance against plan with interest, but generally tended to bias their decisions in favor of long-run development at the expense of short-run deviations from the plan. More recently, however, Pringle realized that top management was not satisfied with his explanations of failure to meet plans. The manager, though not stated explicitly, seemed to be that he was expected to take whatever remedial and alternate courses of action were needed to meet the one-year goals. He was certain that real pressure was building up for each department manager to meet his one-year plan.

In commenting on the use of planning at M&O, Edward Vetter, the division vice president, stated four major purposes of the program:

- Set a par for the course. Vetter believed that performance was always improved if the manager possessed a realistic objective for his performance and was informed in advance of what was expected of him.
- Develop management ability. Vetter believed that the job of manager was to coordinate all the areas for which he was given responsibility. He saw the planning process as a tool for improving these managerial skills.
- Anticipate problems and look ahead. Vetter felt that the planning process gave the department managers a convenient tool for planning personnel requirements and sales strategy. It also set goals so that shifts in business conditions could be detected quickly and plans could be altered.
- Yield Texas Instruments into one unit. The basic goals for each division were formulated by Vetter in recognition of overall company goals as disseminated by Haggerty, the company president. These were passed down to the product department level by the product group manager at each division. Profit planning was thus being carried out by the same process by every department manager in the corporation.

Vetter recognized, however, that many reasons could exist for performance being either better or worse than planned. He stated that in his experience, extremely rigid profit plans often motivated managers to budget low in order to provide themselves with a safety cushion. In his view, this made the entire profit planning process worthless.
Exhibit 1
Organization Chart, Metals & Controls Division

Division Manager
E.D. Voter

Management Committee

Control
Controller
T. Biele

Industrial Engineering
Chief Engineer
F. Sorner

Marketing
Manager
A. Scottfi

Personnel
Manager
T. Metz

Research & Development
Manager
G. Stedman

Legal
Division Counsel
T. O'Meara

International
Subsidiaries
Board of Directors

M & C Nuclear, Inc.
Board of Directors

International A
Manager
D. Myers

Nuclear A
Manager
H. Burl

Spencer A
Manager
J. Bradleys

Note: The chart shows relationships only and not the relative importance of positions.
A. Each product group incorporated product development, manufacturing, and inside sales.
Exhibit 2
Organization Chart, General Plate Products Group

Manager
B. Turnbull

Administration Manager
R. O'Neill

Industrial Engineering Manager
T. Victory

Chief Rolling Engineer
W. Baseman

Process Engineering Manager
T. Peterson

Electrical Contacts Manager
F. Armor

Industrial Metals Manager
T. Pringle

Industrial Wire Manager
S. Becker

Precious Metals Manager
C. Crandon

Note: The chart shows relationships only and not the relative importance of positions.
### Exhibit 3
**Industrial Metals Department**
**Initial and Revised Profit Statements for 1960**

<table>
<thead>
<tr>
<th></th>
<th>Initial</th>
<th>Revised</th>
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<tr>
<td>Sales</td>
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<td>$6,020,000</td>
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<tr>
<td>Direct labor</td>
<td>435,000</td>
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</tr>
<tr>
<td>Direct material</td>
<td>1,920,000</td>
<td>2,115,000</td>
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<tr>
<td>Overhead</td>
<td>875,000</td>
<td>968,000</td>
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<tr>
<td>Marketing</td>
<td>325,000</td>
<td>346,000</td>
</tr>
<tr>
<td>Administration</td>
<td>52,000</td>
<td>161,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>382,000</td>
<td>393,000</td>
</tr>
<tr>
<td>Direct profit</td>
<td>1,392,000</td>
<td>1,587,000</td>
</tr>
</tbody>
</table>

Note: All figures have been disguised.

### Exhibit 4
**Industrial Metals Department**
**Comparison of Actual and Budgeted Performance, January–April 1960**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>Actual</th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$2,030,000</td>
<td>$1,780,000</td>
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<tr>
<td>Direct labor</td>
<td>160,000</td>
<td>142,400</td>
</tr>
<tr>
<td>Direct material</td>
<td>704,000</td>
<td>593,000</td>
</tr>
<tr>
<td>Overhead</td>
<td>322,000</td>
<td>287,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>100,000</td>
<td>116,400</td>
</tr>
<tr>
<td>Administration</td>
<td>54,000</td>
<td>55,800</td>
</tr>
<tr>
<td>Engineering</td>
<td>136,000</td>
<td>136,600</td>
</tr>
<tr>
<td>Direct profit</td>
<td>154,000</td>
<td>448,800</td>
</tr>
</tbody>
</table>

Note: All figures have been disguised.
TEXAS INSTRUMENTS (A)  (B)

A. OBJECTIVES
1. RAPID GROWTH OF SALES (T.I.'S SALES GREW BY 33% FROM 1946-1956)

B. MAJOR POLICIES
1. DECENTRALIZED ORGANIZATION STRUCTURE
2. STRONG EMPHASIS ON R & D AND ENGINEERING
3. INTERNATIONAL PRODUCTION AND SALES
4. BOTH INTERNAL GROWTH AND GROWTH BY MERGER (50% OF SALES GROWTH)
5. PROFIT PLANNING (ONE-YEAR PLANS FOR EACH PROFIT CENTER AND PRODUCT MANAGER, WHO ARE EVALUATED ON PIA=P/PS*SI/A)

C. WHAT IS TOM PRINGLE'S MAIN PROBLEM?
D. IS PRINGLE EXPECTED TO MEET HIS LONG-RUN GOALS?
E. IS PRINGLE EVALUATED ON LONG-RUN GOALS?
F. IS PRINGLE INTERESTED IN THE LONG-RUN SUCCESS OF HIS DEPARTMENT?
G. HOW WERE PRINGLE'S GOALS ESTABLISHED FOR 1960?
H. WHAT ALTERNATIVES HAS PRINGLE CONSIDERED TO ACHIEVE HIS OBJECTIVES?
I. SHOULD PRINGLE TAKE THE CONTEMPLATED ACTIONS?
J. IF PRINGLE DOES TAKE THE CONTEMPLATED ACTIONS, WILL HE ACHIEVE HIS GOALS?
K. WHY DID VETTER CHANGE THE ORGANIZATIONAL STRUCTURE?
L. WHAT SHOULD PRINGLE DO?
M. EVALUATE TOM PRINGLE AS A MANAGER.
TEXAS INSTRUMENTS (A) (B)

A. Objectives

2. "High" profits (T.I.'s net income increased by 42% per year from 1946 - 1958).

B. Major Policies

1. Decentralised organization structure
2. Strong emphasis on R & D and engineering
3. International production and sales
4. Both internal growth and growth by merger (50% of sales growth)
5. Profit planning (one-year plans for each profit center and product manager, who are evaluated on P/A = P/S x S/A

C. What is Tom Pringle's main problem?

D. Is Pringle expected to meet his long-run goals?

E. Is Pringle evaluated on long-run goals?

F. Is Pringle interested in the long-run success of his department?

G. How were Pringle's goals established for 1960?

H. What alternatives has Pringle considered to achieve his objectives?

I. Should Tom Pringle take the contemplated actions?

J. If Pringle does take the contemplated actions, will he achieve his goals?

K. Why did Vetter change the organization structure?

L. What should Pringle do?

M. Evaluate Tom Pringle as a manager.
### VARIANCES

<table>
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<th>SALES ($000)</th>
<th>DIRECT PROFIT ($000)</th>
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<tbody>
<tr>
<td><strong>1. ACTUAL VS. REVISED BUDGET (JAN-APRIL) 1960</strong></td>
<td></td>
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<tr>
<td>Actual</td>
<td>$2020-1780 = (12%)</td>
<td>$554-548.8 = (19.0%)</td>
</tr>
<tr>
<td>Revised</td>
<td>$2020</td>
<td>$554</td>
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<tr>
<td><strong>2. REVISED BUDGET VS. ORIGINAL (FOR 1960)</strong></td>
<td>$6050-5470 = (9.6%)</td>
<td>$1587-1392 = (12.3%)</td>
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<td>Revised</td>
<td>$6050</td>
<td>$1587</td>
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**VARIANCE (ACTUAL VS. ORIGINAL):**

- (Actual) = 2.4%
- (Revised) = 6.7%
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<thead>
<tr>
<th>Costs</th>
<th>Total Managed</th>
<th>Administration</th>
<th>Total</th>
<th>Engineering</th>
<th>Marketing</th>
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<tr>
<td>$1,311,720</td>
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<td>$48,250</td>
<td>$1,360,000</td>
<td>$100,000</td>
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<td>$48,250</td>
<td>$1,360,000</td>
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<td>$1,460,000</td>
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**Variance**

<table>
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<tr>
<th>Actual Spending</th>
<th>Budget</th>
<th>Volume Adjusted</th>
<th>Costs</th>
<th>Total Managed</th>
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<tr>
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<td>Variance Spending</td>
<td>Volume-Adjusted Budget</td>
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<td>----------------</td>
<td>--------</td>
<td>-------------------</td>
<td>------------------------</td>
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<tr>
<td>Overhead</td>
<td>1,051,400</td>
<td>1,051,400 - 282,000 = 769,400</td>
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<tr>
<td>Materials</td>
<td>625,000</td>
<td>625,000 - 625,000 = 0</td>
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<tr>
<td>Labor</td>
<td>141,400</td>
<td>141,400 - 141,400 = 0</td>
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<td>$141,400</td>
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<tr>
<td>Total</td>
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<td>1,817,800 - 327,400 = 1,490,400</td>
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### Calculation of RoA, If Pringle Selects the 3 Choices

**January - April, 1960**

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<th></th>
<th>Budget</th>
<th>Volume-Adjusted Budget</th>
<th>Actual</th>
<th>Variance</th>
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</thead>
<tbody>
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<td>Sales</td>
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<td>$1,780,000</td>
<td>$1,788,000</td>
<td>($1,000)</td>
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<td>Direct Labor</td>
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<td>($1,000)</td>
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<tr>
<td>Direct Material</td>
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<td>625,000</td>
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<td>285,000</td>
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<td>Marketing</td>
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<td>54,000</td>
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<td>($7,800)</td>
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<tr>
<td>Engineering</td>
<td>126,000</td>
<td>111,800</td>
<td>136,600</td>
<td>($24,800)</td>
</tr>
</tbody>
</table>

**Budgeted Profits**

\[
\text{Total Assets} = \frac{\$1,587,000}{\text{Total Assets}} = \$3,967,500
\]

\[
\text{RoA} = \frac{\text{40%} \times \text{Total Assets}}{\text{Raw Materials} = 20\% \times \text{Assets}} = \$793,500
\]

**RoA If Pringle Takes the 5 Contemplated Actions:**

- **1960 Profits**
  \[
  \text{1960 Profits} = \$48,800 \times 3 = \$1,366,400 + 50,000 = \$1,396,400
  \]

- **1960 Total Assets**
  \[
  \text{1960 Total Assets} = \$3,967,500 - 317,400 = \$3,650,100
  \]

- **RoA**
  \[
  \text{RoA} = \frac{\$1,396,400}{\$3,650,100} = 38.2\%
  \]

For 1960 = 40%
THE ENVIRONMENT FOR GENERAL PLATE PRODUCTS

1. DESIGNED TO SPECIFIC CUSTOMER REQUIREMENTS

2. PRODUCED TO CUSTOMER ORDER

3. HIGHLY ENGINEERED

4. THERE IS NO DIRECT COMPETITION FOR GENERAL PLATE METALS, BUT CLAD METALS FOR INDUSTRIAL USES MEET COMPETITION FROM ALLOYS.

5. CLOSE COORDINATION BETWEEN SALES AND PRODUCTION IS NEEDED.

6. IT IS ESSENTIAL TO HAVE A SALES FORCE THAT HAS A HIGH DEGREE OF ENGINEERING COMPETENCE.
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<td><strong>JANUARY</strong></td>
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<tr>
<td>Met objective, turnaround time = 1.05 days. None over 5 days - personally reviewed 50 out of 90 data packs</td>
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<td><strong>FEBRUARY</strong></td>
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<tr>
<td>Met objective, turnaround time = 0.605 days. None over 6 days - personally reviewed 43 out of 57 D/Ps</td>
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<td><strong>MARCH</strong></td>
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<td>Met objective, turnaround time = 0.666 days. None over 5 days - personally reviewed 26 out of 63 D/Ps</td>
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<tr>
<td><strong>APRIL</strong></td>
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<tr>
<td>Met objective, turnaround time = 0.576 days. None over 5 days - personally reviewed 21 out of 66 D/Ps</td>
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<td><strong>MAY</strong></td>
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<td>Met objective, turnaround time = 0.687 days. None over 5 days - personally reviewed 12 out of 57 D/Ps</td>
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<td><strong>JUNE</strong></td>
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<tr>
<td>Met objective, turnaround time = 0.283 days. None over 1 day - personally reviewed 4 out of 50 D/Ps</td>
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<td><strong>JULY</strong></td>
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<tr>
<td>Met objective, turnaround time = 0.282 days. None over 2 days - personally reviewed 10 out of 44 D/Ps</td>
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<tr>
<td><strong>AUGUST</strong></td>
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<tr>
<td>Met objective, turnaround time = 0.407 days. None over 3 days - personally reviewed 20 out of 38 D/Ps</td>
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<td><strong>SEPTEMBER</strong></td>
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<tr>
<td>Met objective, turnaround time = 0.302 days. None over 2 days - personally reviewed 45 out of 45 D/Ps</td>
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<td><strong>OCTOBER</strong></td>
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<td>Coordinate Mailed in Data Package Reviews to Maintain Average Turnaround Time of Less Than 2 Days with 100% Processed in Less Than 8 Days.</td>
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<td>PMS OBJECTIVES</td>
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## PROJECT STATUS REVIEW

**PRIORITY**

**PROJECT DESCRIPTION**

**OBJECTIVE**

**DATE ASSIGNED**

**ESTIMATED COMPLETION DATE**

TARGET □  DEADLINE □

**PROJECT OUTLINE**

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At the age of thirty-six, I was the general manager of the biggest division in the world's second largest company. At the same time, I was virtually unknown. Half the people at Ford didn't know who I was. The other half couldn't pronounce my name.

When Henry Ford called me over to his office in December of 1960, it was like being summoned to see God. We had shaken hands a few times, but this was the first time we ever had a real conversation. McNamara and Beacham had already told me they had sold Henry on the idea of making me head of the Food Division, but they asked me to play dumb. They knew that Henry would want to give me the impression it was his idea.

I was thrilled by the promotion, but I could see that it put me in a delicate position. On the one hand, I was suddenly running the company's elite division. Henry Ford had personally entrusted me with the crown jewels. On the other hand, I had bypassed a hundred older and more experienced people on my way up the ladder. Some of them, I knew, were resentful of my quick success. In addition, I still had no real credentials as a product man. At this point in my career there was no one that people could point to and say: "Iacocca did that one."

That left me with the area I did know: the people side of the business. I had to find out whether all my training in sales and marketing could be applied to working with people. I had to use
everything I had learned from my father, from Charlie Beach, and from my own experience and common sense. It was testing time.

One of my first ideas came from Wall Street. The Ford Motor Company had finally gone public only four years earlier, in 1916. Now we were owned by a large group of stockholders, who were keenly interested in our health and productivity. Like other publicly-held corporations, we sent those stockholders a detailed financial report every three months. Four times a year they kept tabs on us through those quarterly reports, and four times a year we paid them a dividend out of our earnings.

If our stockholders had a quarterly review system, why shouldn’t our executives? I asked myself. I began to develop the management system I still use today. Over the years, I’ve regularly asked my key people—myself and the people I supervise—five basic questions. What’s your objective for the next ninety days? What are your goals, your priorities, your hopes? And how do you intend to go about achieving them?

On the surface, this procedure may seem like little more than a tough-minded way to make employees accountable to their boss. It is that, of course, but it’s also much more, because the quarterly review system makes employees accountable to themselves. Not only does it force each manager to consider his own goals, but it’s also an effective way to remind people not to lose sight of their dreams.

Every three months, each manager sits down with his immediate superior to review the manager’s past accomplishments and to chart his goals for the next term. Once there is agreement on these goals, the manager puts them in writing and the supervisor signs off on it. As I’ve learned from Mr. Vasella, the discipline of writing something down is the first step toward making it happen. In conversation, you can get away with all kinds of vagueness and nonsense, often without even realizing it. But there’s something about putting your thoughts on paper that forces you to get down to specifics. That way, it’s harder to deceive yourself—or anybody else.

The quarterly review system sounds almost too simple—except what it works. First, it sends the message that performance is a key concept, and the manager is more productive and gets him motivated on his own. Third, it helps create a better relationship between the two. The quarterly review forces managers to pause and consider what they’ve accomplished, what they expect to accomplish next, and how keen they intend to go about it. I’ve never found a better way to stimulate fresh approaches to problem-solving.
Another advantage of the quarterly review system—especially in a big company—is that it keeps people from getting bored. It's very hard to get lost in the system if you've reviewed every quarter by your superior and, indirectly, by his boss and his boss's boss. This way, good guys don't get passed over. And equally important, bad guys don't get to hide.

Finally, and this is perhaps most important of all, the quarterly review system forces a dialogue between a manager and his boss. In an ideal world, you wouldn't need to institute a special structure just to make sure that kind of interaction takes place. But in a structure and his boss don't get along very well, at least four times a year they still have to sit down to decide what they're going to accomplish together in the months ahead. There's no way they can avoid the meeting, and over time, as they gradually come to know each other better, their working relationship usually improves.

During these quarterly meetings, it's the boss's responsibility to respond to each manager's plan. The boss might say: "Listen, I think you're shooting a little high, but if you think you can do all that in the next ninety days, why not give it a shot?" Or: "This plan makes good sense, but there are some priorities here that I don't agree with. Let's talk it over." Whatever the nature of the discussion, the boss's role begins to shift. Gradually he becomes less of an authority figure and more of an adviser and senior colleague.

If I'm Dave's supervisor, I might begin by asking Dave what he hopes to get done in the next three months. He might tell me he wants to raise our market penetration by half a point. At that point I'll say: "Fine. Now, how do you intend to do that?"

Before I ask that question, Dave and I have to agree on the specific goal he's working for. But that's rarely a problem. If there's any conflict between us, it's much more likely to center on how rather than on what. Most managers are reluctant to let their people run with the ball. But you'd be surprised how fast an informed and motivated guy can run.

The point Dave feels he has set his own goals the more likely it is that he'll go right through a brick wall in order to reach them. After all, he's decided on them himself, and he has the boss's stamp of approval. And because Dave wants to do things his own way, it'll be his utmost to prove his way makes good sense.

The quarterly review system works equally well when Dave doesn't measure up. At that point the boss usually doesn't have to say anything.
More often than not, Dave will bring it up himself, because his boss is so touchy, efficient.

In my experience, after the ninety days are up, the guy who hasn't succeeded will usually come in and explain apologetically that he didn't make his goal before the boss says anything. If that happens for several quarters in a row, the guy begins to doubt himself. He tries to realize that this is his problem—and not the boss's fault.

Even then, there's usually still time to take some constructive action. Often the guy himself will say: "Look, I can't handle my job. I'm in over my head. Can you move me somewhere else?"

It's far better for everybody when an employee comes to his decision on his own. Every company has lost good people who have simply been in the wrong job and who might have found more satisfaction as well as greater success if they could have been moved to another area instead of being fired. Obviously, the earlier you can detect this kind of problem, the better your chances of solving it.

Without a regular system of review, a manager who isn't working out in a particular area may build up resentment against his boss. Or the manager may imagine that the reason he failed to reach his target is that the boss holds a grudge against him. He sees too many cases where somebody was in the wrong job for years. More often than not, there was no way for management to find that out until it was too late.

Normally, I'm not in favor of switching people around. I'm skeptical of the current fad of rotating people through various departments of a company as through all skills were interchangeable. They're not. It's like taking a cardiologist and saying: "He's a great heart surgeon. Next week, let's have him deliver a baby." I'll be the first to tell you that obstetrics is a completely different line of work and that having some expertise in one area doesn't translate into skill or experience in another. The same thing is true in the business world.

At Ford and later at Chrysler, I've always tried to get the people who worked for me to use my quarterly review system. "This is the way I control things," I explain. "And I'll show you how it works. I'm not saying you have to do it my way. But if you don't, you better find something else that produces the same results."

After using this system for many years, I've learned to watch for but potential problems. First people sometimes bite off more than they can chew. In some cases that's a blessing in disguise, because it indicates that the guy is stretching, and for him, even a partial success may be worth a great deal. Any supervisor worth his salt would rather
deal with people who attempt too much than with those who try too little.

The other problem is the boss's tendency to interfere too early. And as I came up through the ranks, I saw one of the worst. I couldn't resist the temptation to get into a guy's box, but through patience I learned. For the most part, the quarterly review session is self-regulating. It works best when I don't interfere. When it runs itself, it keeps people glued together in a constructive way, headed toward appropriate and agreed-upon objectives. You can't ask for more than that.

If I had to sum up in one word the qualities that make a good manager, I'd say that it all comes down to decisiveness. You can use the fanciest computer in the world and you can gather all the charts and numbers, but in the end you have to bring all your information together, set up a timetable, and act.

And I don't mean act rashly. In the press, I'm sometimes described as a flamboyant leader and a hip-shooter, a kind of fly-by-decal-at-the-part-party politician. I may occasionally give that impression, but if that image were really true, I could never have been successful in this business.

Actually, my management style has always been pretty conservative. Whenever I've taken risks, it's been after squaring myself with the research and the market studies supported my instincts. I may act on my gut feelings—but only if my hunches are supported by the facts.

Too many managers let themselves get weighed down in their decision-making, especially those with too much education. I once said to Philip Caldwell, who became the top man at Ford after I left, "The trouble with you, Phil, is that you went to Harvard, where they taught you not to take any action until you've got all the facts. You've got ninety-five percent of them, but it's going to take you another six months to get that last five percent. And by the time you do, your facts will be out of date because the market has moved on you. That's what life is all about—timing."

A good business leader can't operate that way. It's perfectly natural to want all the facts and to hold out for the research that guarantees a particular program will work. After all, if you're about to spend $300 million on a new product, you want to be absolutely sure you're on the right track.

That's fine in theory, but real life just doesn't work that way. Obviously, you're responsible for gathering as many relevant facts and
projections as you possibly can. But at some point you’ve got to take
that leap of faith. First, because even the right decision is wrong if it’s
made too late. Second, because in most cases there’s no such thing as
certainty. There are times when even the best managers is like the
lone boy with the big dog waiting to see where the dog wants to go so
he can take him there.

What constitutes enough information for the decision-maker? It’s
impossible to put a number on it, but clearly when you move ahead
with only 50 percent of the facts, the odds are stacked against you.
If that’s the case, you had better be very lucky—or else come up with
some terrific hunches. These are times when that kind of gamble is
called for, but it’s certainly no way to run a railroad.

At the same time, you’ll never know 100 percent of what you
need. Like many industries these days, the car business is constantly
changing. For us in Detroit, the great challenge is always to figure
out what’s going to appeal to customers three years down the road.
I’m writing these words in 1954, and we’re already planning our
models for 1957 and 1958. Somehow, I have to try to predict what’s
going to sell three and four years from now, even though I can’t say
with any certainty what the public will want next month.

When you don’t have all the facts, you sometimes have to draw
on your experience. Whenever I read in a newspaper that Lee Iacocca
likes to shoot from the hip, I say to myself: “Well, maybe he’s been
shooting for so long that by this time he has a pretty good idea of how
to hit the target.”

To a certain extent, I’ve always operated by gut feeling. I like to
be in the trenches. I was never one of those guys who could just sit
around and strategize endlessly.

But there’s a new breed of businessmen, mostly people with
M.B.A.’s, who are wary of intuitive decisions. In part, they’re right.
Normally, intuition is not a good enough basis for making a move,
but many of these guys go to the opposite extreme. They seem
to think that every business problem can be structured and reduced to
a case study. That may be true in school, but in business there has to
be somebody around who will say: “Okay, folks, it’s time. Be ready to
go in one hour.” When I read historical accounts of World War II
and D-Day, I’m always struck by the same thought: Eisenhower al-
most blew it because he kept vacillating. But finally he said: “No
matter what the weather looks like, we have to go ahead now. Wait-
ing any longer could be even more dangerous. So let’s move it!”
The same lesson applies to corporate life. There will always be
those who will want to take an extra month or two to do further
research on the stage at the roof on a new car. While that research
may be helpful, it can wear havoc on your production plans. After a
certain point, when most of the relevant facts are in, you find yourself
at the mercy of the law of diminishing returns.

That’s where a certain amount of risk-taking is essential. I realize
it’s not for everybody. There are some people who won’t leave home
in the morning without an umbrella even if the sun is shining.
Unfortunately, the world doesn’t always wait for you while you try to
anticipate your losses. Sometimes you just have to take a chance—
and correct your mistakes as you go along.

Back in the 1960s and through most of the 1970s, these things
didn’t matter as much as they do now. In those days the car industry
was like a golden goose. We were making money almost without
being. But today, few businesses can afford the luxury of slow decision-
making, whether it involves a guy who’s in the wrong job or the
planning of a whole new line of cars five years down the road.

Despite what the textbooks say, most important decisions in cor-
porate life are made by individuals, not by committees. My policy has
always been to be decisive, all the way to the point of decision.
Then I become the ruthless commander. Okay, the team of everybody,”
I say. “Here’s what we’re going to do.”

You’ll always need committees, because that’s where people share
their knowledge and intentions. But when committees replace
individuals—and Ford these days has more committees than General
Motors—then productivity begins to decline.

To sum up: nothing stands still in this world. I like to go duck
hunting, where constant movement and change are facts of life. You
can aim at a duck and get it in your sights, but the duck is always
moving. In order to hit the duck, you have to move your gun. But a
committee faced with a major decision can’t always move as quickly
as the events it’s trying to respond to. In the time the committee is
ready to shoot, the duck has flown away.

In addition to being decision-makers, managers also have to be
motivators.

When I was general manager of the Ford Division, I was invited
to speak to the Sloan Fellows at MIT’s Alfred P. Sloan School of
Management. The Sloan Fellows were a very talented group with a
first-rate program that gave them a week in Europe studying the
Common Market, a week on Wall Street, a week in the Pentagon, and so on.

Every Thursday night, a guest speaker from business or industry would meet with the students. When they asked me to address one of those gatherings back in 1962, I was honored but also a little nervous. "Just relax," I was told. "The students meet after dinner in the lounge. You'll say a few words about the ex-business, and then they'll ask you some questions."

So I spoke briefly about manufacturing and selling automobiles, and then I asked for questions and comments. With such a bright group, I was expecting some very abstract and theoretical queries, so I was surprised when somebody said to me: "How many people work in the Ford Division?"

"We have about eleven thousand people," I responded.

"Well," he said, "you're spending today and tomorrow here in Cambridge. While you're away from the office, who motivates those eleven thousand people?"

It was a very important question, and I still remember the face of the young man who asked it. He hit the nail on the head, because management is nothing more than motivating other people.

Obviously, I couldn't know the names of all eleven thousand people who worked for me. So there had to be something else in addition to the quarterly review system that was motivating them all.

The only way you can motivate people is to communicate with them. Although I was a member of the debating team in high school, I used to be afraid of public speaking. For the first few years of my working life, I was an introvert, a shrinking violet.

But that was before I took a course in public speaking at the Dale Carnegie Institute. At the time, I had just been appointed national truck training manager at Ford. The company sent a group of us to Dale Carnegie to learn the ins and outs of public speaking.

The course started off by trying to get us out of our shells. Some people—and I was one of them—could talk all day in front of one or two people, but speaking before a whole group makes them pretty nervous.

Our exercise I remember was that we had to talk off the cuff for two minutes about something we knew nothing about—such as Zen Buddhism, for example. You could start off by saying you didn't know what it was, but then you'd have to keep going—and pretty soon you'd find something to say. The point was to train you to think on your feet.
We learned some basic techniques of public speaking that I still practice. For example, you may know your subject, but you have to keep in mind that your audience is组成 in cold. So start by telling them what you're going to tell them. Then tell them. Finally, tell them what you've already told them. I've never deviated from that plan.

Another technique we learned was that you should always get your audience to do something before you finish. It doesn't matter what it is—write your congressman, call your neighbor, consider a certain proposition. In other words, don't leave without asking for the order.

As the weeks went by, I started to feel more relaxed. Pretty soon I was willing to get up and speak without being asked, I liked the challenge. The whole point was to make us less inhibited, and in my case it certainly worked. Once I started speaking, I couldn't get enough of it. (I'm sure there are those who wish I hadn't learned to like it so much!)

To this day, I'm a great believer in the Dale Carnegie Institute. I've known a lot of engineers with terrific ideas who had trouble explaining them to other people. It's always a shame when a guy with great talent can't tell the board or a committee what's in his head. More often than not, a Dale Carnegie course would make all the difference.

Not every manager has to be an orator or a writer. But more and more kids are coming out of school without the basic ability to express themselves clearly. I've sent dozens of introverted guys to Dale Carnegie at the company's expense. For most of them it's made a real difference.

I only wish I could find an institute that teaches people how to listen. After all, a good manager needs to listen at least as much as he needs to talk. Too many people fail to realize that real communication goes in both directions.

In corporate life, you have to encourage all your people to make a contribution to the common good and to come up with better ways of doing things. You don't have to accept every single suggestion, but if you don't get back to the guy and say, "Hey, that idea was terrific, and put him on the back, he'll never give you another one. That kind of communication lets people know they really count.

You have to be able to listen well if you're going to motivate the people who work for you. Right there, that's the difference between a mediocre company and a great company. The most fulfilling thing for
As a manager, it is to watch someone the situation has labeled as just
suitable or mediocre really come into his own, all because someone has
listened to his problems and helped him solve them.

Of course, the most common way to communicate with your
people is to talk to them as a group. Public speaking, which is the best
way to motivate a large group, is entirely different from private
conversation. For one thing, it requires a lot of preparation. There's
just no way around it—you have to do your homework. A speaker may
be very well informed, but if he hasn't thought out exactly what he
wants to say today to this audience, he has no business taking up
other people's valuable time.

It's important to talk to people in their own language. If you do it
well, they'll say, "Gee, he said exactly what I was thinking." And
when they begin to respect you, they'll follow you to the death. The
reason they're following you is not because you're providing some mysteri-
ous leadership, it's because you're following them.

That's what Bob Hope is doing when he sends an advance man
to scout his audience so that he can make jokes that are special to
them and their situation. If you're watching on television, you might
not understand what he's saying. Nevertheless, the live audience al-
ways appreciates it when a speaker has taken the trouble to learn
something about who they are. Not everyone can afford an advance
man, but the message is clear: public speaking does not mean impers-
nonal speaking.

Although I could probably speak off the cuff for two hours, I
always work from a script. Speaking extemporaneously is simply too
exhausting. Compose a script using a prepared text and deviating from
it whenever I feel the need.

When I speak to a group at Chrysler, I'm less likely to be enter-
taining than when I'm on the dinner circuit. With my own people,
my goal is to be as direct and as straightforward as possible. I've found
that the best way to motivate them is to let them know the game plan
so they can all be part of it. I have to explain my own goals, just as
the other executives have to set their own objectives with their
superiors. And if they meet those objectives, they should be re-
warded with more than kind words. Money and a promotion ate the
tangible ways a company can say: most valuable player.

When you give a guy a raise, that's the time to increase his
responsibility. While he's in a good frame of mind, you reward him
for what he's done and, at the same time, you motivate him to do
even more. Always hit him with more while he's up, and never be too
tough on him when he's down. When he's upset over his own failure, you aim the risk of hurting him deadly and taking away his incentive to improve. Or, as Charlie Beacham used to say, "If you want to give a man credit, put it in writing. If you want to give him hell, do it on the phone."

Charlie Beacham would preach against trying to be a one-man band. "You want to do everything yourself," he used to say, "You don't know how to delegate. Now, don't get me wrong. You're the best guy I've got. Maybe you're even as good as two guys put together. But even so—that's still only two guys. You've got a hundred people working for you right now. What happens when you get ten thousand?"

He had foresight, because at the Ford Division I had eleven thousand. He taught me to stop trying to do everybody's job. And he taught me how to give other people a goal—and how to motivate them to achieve it.

I've always felt that a manager has achieved a great deal when he's able to motivate one other person. When it comes to making the place run, motivation is everything. You might be able to do the work of two people, but you can't be two people. Instead, you have to inspire the next guy down the line and get him to inspire his people.

Once, at a private dinner with Vince Lombardi, the legendary football coach and a friend of mine, I asked him about his formula for success. I wanted to know exactly what made a winning team. What he told me that evening applies as much to the business world as it does to sports.

"You have to start by teaching the fundamentals," Lombardi said. "A player's got to know the basics of the game and how to play his position. Next, you've got to keep him in line. That's discipline. The men have to play as a team, not as a bunch of individuals. There's room for prima donnas."

He continued: "But there have been a lot of coaches with good ball clubs who know the fundamentals and have plenty of discipline but still don't win the game. Then you come to the third ingredient: if you're going to play together as a team, you've got to care for one another. You've got to buy each other. Each player has to be thinking about the next guy and saying to himself: 'If I don't block that man, Paul is going to get his legs broken. I have to do my job well in order that he can do his.'"

"The difference between mediocrity and greatness," Lombardi said that night, "is the feeling these guys have for each other. Most
people call it team spirit. When the players are imbued with that
warm feeling, you know you’ve got yourself a winning team.

Then he blurted out almost self-consciously: “But Lee, what
am I telling you for? You run a company. It’s the same thing,
whether you’re running a ball club or a corporation. After all, does
one man build a car all by himself?”

Lombardi told me he’d like to visit Ford and see how cars are
made, and I promised to invite him out to Detroit. But shortly after
our dinner together, he was hospitalized with a fatal illness. I had met
him only a couple of times, but his words have stayed with me.
“Every time a football player goes out to ply his trade, he’s got to play
from the ground up—from the soles of his feet right up to his head.
Every inch of him has to play. Some guys play with their heads, and
sure, you need to be smart to be number one in anything you try. But
most important, you’ve got to play with your heart. If you’re lucky
enough to find a guy with a lot of head and a lot of heart, he’s never
going to come off the field second.”

He was right, of course. I’ve seen too many guys come along who
are smart and talented but who just can’t play on a team. These are
the managers about whom other people say: “I wonder why he didn’t
go further?” We all know such people, the ones who seem to have it
all and yet never make much progress. I’m not talking here about the
guys who don’t really want to move ahead, or those who are just plain
dumb. I’m thinking of the go-getters who followed a plan, went to school,
get a good job, worked hard—and then nothing came of it.

When you speak to these guys, they’ll often tell you that they’ve
had some bad breaks or perhaps a boss who didn’t like them. Invariably,
they present themselves as victims. But you have to wonder why they
had only bad breaks and why they never seemed to look for good
ones. Certainly luck plays a part. But a major reason capable people
fail to advance is that they don’t work well with their colleagues.

I know a man who’s been working in the car business all his life.
He’s highly educated and well organized. He’s a brilliant strategist,
probably one of the most valuable people in his company. Yet he’s
never risen to the top ranks, because he just doesn’t have the ability to
handle people.

Or look at my own career. I’ve seen a lot of guys who are smarter
than I am and a lot who know more about cars. And yet I’ve lost
them in the smoke. Why? Because I’m tough? No. You don’t succeed
for very long by kicking people around. You’ve got to know how to
talk to them, plain and simple.
Now, there's one phrase that I hate to see on any executive's evaluation—no matter how talented he may be—and that's the line:

"He has trouble getting along with other people."

To me, that's the kiss of death. "You've just destroyed the guy," I always think. "He can't get along with people? Then he's got a real problem, because that's all we've got around here. No dogs, no aper... only people. And if he can't get along with his peers, what good is he to the company? If he's an executive, his whole function is to motivate other people. If he can't do that, he's in the wrong place."

Then there's the prima donna. Nobody likes this type, although if he's sufficiently talented he may be tolerated. At Ford, there was one executive who wanted to have his office refurbished in antiques. He put through a request to have it redecorated to the tune of $1.25 million. (That's one room and half a bath!) I happened to see Henry Ford's response, and I could tell he was angry by the message he scrawled on the memo, which said simply: "Make do with three-quarters of 2 million." This executive knows a lot about the car industry, but in my opinion his style makes him ineffective as a manager.

I recall another case many years ago in which Ford hired a top executive to help straighten out the marketing department. Eventually he got himself fired by doing the unthinkable—he hired his own personal PR man. He tried to make it look as though the guy were winning in as a consultant, but the truth emerged soon enough. This executive's biggest concern was that his own accomplishments would be chronicled in the newspaper. Not surprisingly, he didn't last very long.

At the same time, a certain degree of self-promotion is natural and even necessary. I've seen managers who are too shy or too scared to deal with the press, and they want anyone to know how much they've done. Although General Motors has encouraged this kind of faceless personality with some success, it's not for me. If your top executives don't have some ego drive, how will your company stay stirred up and competitive?

There's a world of difference between a strong ego, which is essential, and a large ego—which can be destructive. The guy with a strong ego knows his own strengths. He's confident. He has a realistic idea of what he can accomplish, and he moves purposefully toward his goal.

But the guy with a large ego is always looking for recognition. He
constantly needs to be cut out on the back. He thinks he's out above
everyone else. And he talks down to the people who work for him.

The Wall Street Journal once said that I had "an eye as big as an
outdoors." But if that were really true, I don't think I'd be effective in
a business that depends so highly on the ability to work well with
other people.

I've already said that I believe in writing things down. But this,
too, can be carried to extremes. Some people seem to enjoy turning a
company into a paper mill. In part, it's human nature. There are
always situations in an office where some people feel a strong need
to cover their ass by producing a memo for the file. True, putting
your ideas on paper is usually the best way of thinking them through.
But that doesn't mean everything you write should be circulated to
your colleagues.

The best way to develop ideas is through interacting with your
fellow managers. This brings us back to the importance of teamwork
and interpersonal skills. The chemistry among two or three people
sitting down together can be incredible—and it's been a big part of my
own success.

So I'm a great believer in having executives spend time together
talking—not always in formal meetings but simply shooting the breeze,
helping each other out, and solving problems.

People who visit my office at Chrysler are often surprised that I
don't have a computer terminal on my desk. Maybe they forget that
everything that comes out of a computer, somebody has to put in.

The biggest problem facing American business today is that most
managers have too much information. It paralyzes them, and they don't
know what to do with it all.

The key to success is not information. It's people. And the kind
of people I look for to fill top-management spots are the eager beavers.
These are the guys who try to do more than they're expected to.
They're always reaching. And reaching out to the people they work
with, trying to help them do their jobs better. That's the way they're
built.

Then there are the other guys, the nine-to-five gang. They just
want to get along and be told what to do. They say: "I don't want to
be in the rat race. It might affect my heartbeat."

Just because you get involved and excited and really tear into
things doesn't mean you'll die of hypertension next week.

So I try to look for people with that drive. You don't need many.
With twenty-five of these guys, I could run the government of the United States.

At Chrysler, I have about a dozen. What makes these managers special is that they know how to delegate and how to motivate. They know how to look for the pressure points and how to set priorities.

They're the kind of guys who can say, "Forget that, it'll take ten years. Here's what we gotta do now."
GUIDELINES FOR WRITING OBJECTIVES

UNDER NORMAL CIRCUMSTANCES, A WELL-FORMULATED OBJECTIVE MEETS THE FOLLOWING CRITERIA:

1. IT STARTS WITH "THE WORD "TO", FOLLOWED BY AN ACTION OR ACCOMPLISHMENT VERB.

2. IT SPECIFIES A SINGLE KEY RESULT TO BE ACCOMPLISHED.

3. IT SPECIFIES A TARGET DATA FOR ITS ACCOMPLISHMENT.

4. IT SPECIFIES MAXIMUM COST FACTORS.

5. IT IS AS SPECIFIC AND QUANTITATIVE (AND HENCE MEASURABLE AND VERIFIABLE) AS POSSIBLE.

6. IT SPECIFIES ONLY THE "WHAT" AND "WHEN"; IT AVOIDS VENTURING INTO THE "WHY" AND "HOW".

7. IT RELATES DIRECTLY TO THE ACCOUNTABLE MANAGER'S ROLES AND MISSIONS AND TO HIGHER-LEVEL ROLES, MISSIONS, AND OBJECTIVES.

8. IT IS READILY UNDERSTANDABLE BY THOSE WHO WILL BE CONTRIBUTING TO ITS ATTAINMENT.

9. IT IS REALISTIC AND ATTAINABLE, BUT STILL REPRESENTS A SIGNIFICANT CHALLENGE.

10. IT PROVIDES MAXIMUM PAYOFF ON THE REQUIRED INVESTMENT IN TIME AND RESOURCES, AS COMPARED WITH OTHER OBJECTIVES BEING CONSIDERED.

11. IT IS CONSISTENT WITH THE RESOURCES AVAILABLE OR ANTICIPATED.

12. IT AVOIDS OR MINIMIZES DUAL ACCOUNTABILITY FOR ACHIEVEMENT WHEN JOINT EFFORT IS REQUIRED.

13. IT IS CONSISTENT WITH BASIC COMPANY OR ORGANIZATIONAL POLICIES AND PRACTICES.
14. It is willingly agreed to by both superior and subordinate, without undue pressure or coercion.

15. It is recorded in writing, with a copy kept and periodically referred to by both superior and subordinate.

16. It is communicated not only in writing, but also in face-to-face discussions between the accountable manager and those subordinates who will be contributing to its attainment.
SHORT-TERM OBJECTIVES CRITIQUE

OBJECTIVES MODEL: TO (ACTION OR ACCOMPLISHMENT VERB) (SINGLE KEY RESULTS) BY (TARGET DATE) AT (COST).

THE FOLLOWING OBJECTIVES MAY OR MAY NOT MEET THE CRITERIA FOR A WELL-STATED OBJECTIVE. REVIEW EACH OF THEM, IDENTIFYING THOSE WHICH ARE STATED PROPERLY AND CORRECTING THOSE THAT ARE NOT.

1. TO UPDATE THE INDIRECT COST MANAGEMENT MANUAL.

2. TO BEAT THE SCHEDULED COMPLETION DATE FOR DETAILED FABRICATION OF THE WIDGET SUBASSEMBLY BY ONE MONTH WITHIN COST BUDGET ESTABLISHED.

3. TO REDUCE THE ACCIDENT RATE IN DEPARTMENT X BY 9% IN 1988 BY IMPLEMENTING A PROGRAM OF JOB SAFETY ANALYSIS.

4. TO COMPLETE THE REFURBISHMENT OF BUILDING 21 BY 10/1/88 AT A COST LESS THAN $56,000.

5. TO REDUCE THE AVERAGE COST OF PROCESSING NEW HIRES BY 9/1/89.

6. TO CONDUCT 350 CANDIDATE SEARCHES AND 200 SUPERVISORY SELECTION BOARD MEETINGS DURING 1988 AT A COST NOT TO EXCEED 3,000 WORK-HOURS OF DIRECT EFFORT.

7. TO DECREASE AVERAGE NUMBER OF WORK-HOURS PER ENGINEERING ORDER TO 8, WITHOUT LOSS IN PRESENT QUALITY, BY 12/1/88.

8. TO QUALIFY FOR MY BOSS' JOB BY 12/31/88 AT A COST NOT TO EXCEED 200 HOURS OF MY PERSONAL TIME AND $150 OUT-OF-POCKET.
SHORT TERM OBJECTIVES CRITIQUE

1. TO PUBLISH A REVISED VERSION OF THE INDIRECT COST MANAGEMENT MANUAL IN LINE WITH CURRENT LEGAL AND ADMINISTRATIVE REQUIREMENTS, BY 6/30/88 AT A COST NOT TO EXCEED 200 WORK-HOURS AND $500 OF PRINTING EXPENSE. (UNLESS THE WORD "UPDATE" HAD A VERY CLEAR MEANING TO ALL CONCERNED, A QUALIFICATION OF THE KEY RESULT, SIMILAR TO THE ONE HERE, IS NECESSARY. ALSO, THERE WAS NO COMPLETION DATE OR COST ESTIMATE.)

2. (THE OBJECTIVE, AS STATED, MEETS ALL OF THE CRITERIA FOR A WELL-STATED OBJECTIVE. IT IMPLIES A PREVIOUS PUBLISHED SCHEDULE WHICH IS NOW BEING REvised WITHOUT ANY ADDITIONAL EXPENSE TO WHAT WAS ALREADY BUDGETED. WHILE, TECHNICALLY, THE SPECIFIC IDENTIFICATION OF A COMPLETION DATE AND EXACT COST MIGHT BE MORE CORRECT, THE MOTIVATIONAL VALUE OF THE WORD "BEAT" COUPLED WITH INFORMATION THAT WAS ALREADY FAMILIAR TO THOSE WITH A "NEED TO KNOW", PROVIDED TO MAKE THIS STATEMENT OF THE OBJECTIVE FAR MORE USEFUL.)

3. TO REDUCE THE ACCIDENT RATE IN DEPARTMENT X BY 5% IN 1988 AT A COST NOT TO EXCEED 150 WORK-HOURS AND $500 OF OUT-OF-POCKET EXPENSE. (BY IMPLEMENTING A PROGRAM OF JOB SAFETY ANALYSIS IS A "HOW" AND DOES NOT BELONG IN THE OBJECTIVE UNLESS YOU WISH TO LIMIT THE MEANS OF ACHIEVING IT TO THAT ALONE. ALSO, NO COST WAS IDENTIFIED.)

4. (THIS OBJECTIVE MEETS ALL CRITERIA. IT ALSO PRESUMES A PRE-EXISTING PLAN WHICH IS NOW BEING BROUGHT UP TO DATE.

5. TO REDUCE THE AVERAGE COST OF PROCESSING NEW HIRES BY 10% OF 1387 AVERAGE FOR ONE YEAR EFFECTIVE 9/1/88 WITHIN EXISTING BUDGET AND AT AN IMPLEMENTATION COST NOT TO EXCEED 100 WORK-HOURS. (THE WORD "REDUCE" HAS LITTLE MEANING WITHOUT A "HOW MUCH". ALSO, THE PERIOD FOR THE REDUCTION AND THE COST OF IMPLEMENTING THE EFFORT NEED TO BE IDENTIFIED.)

6. TO CONDUCT 350 CANDIDATE SEARCHES DURING 1988 AT A COST NOT TO EXCEED 1,000 WORK-HOURS OF DIRECT EFFORT. TO CONDUCT 200 SUPERVISORY SELECTION BOARD MEETINGS DURING 1988 AT A COST NOT TO EXCEED 3,000 WORK-HOURS OF DIRECT EFFORT. (THERE ARE TWO KEY RESULTS IDENTIFIES WITH NEITHER ONE CLEARLY SUBORDINATED TO THE OTHER. IF BOTH ARE IMPORTANT ENOUGH TO BE IDENTIFIED, THERE SHOULD BE TWO OBJECTIVES.)
7. To decrease average number of work-hours per engineering order to 8, without loss in present quality, by 12/1/88, within existing budget and at an implementation cost not to exceed 100 work-hours. (A cost limit is necessary.)

8. (This objective meets all criteria, assuming the qualifications for the boss job can be clearly identified. Of course, that does not identify what will happen to the boss, but perhaps that belongs in a different objective.)
SHORT-TERM OBJECTIVES CRITIQUE

IN ORDER TO BE EFFECTIVE, AN OBJECTIVE MUST BE SPECIFIC. THE KEY WORDS IN MAKING A SPECIFIC OBJECTIVE ARE WHAT, WHEN, AND HOW MUCH. THE FOLLOWING EXAMPLES OF OBJECTIVES SATISFY THE KEY WORDS:

EXAMPLES OF OBJECTIVES:

PLANT MANAGER
- COMPLETE 75% OF THE CONSTRUCTION ON THE NEW ASSEMBLY LINE BY JUNE 1, AT THE CUMULATIVE COST OF $12,000.
- CHANGE THE WIDGET LINE OVER TO A FRAMIS LINE BETWEEN JUNE 3 AND JUNE 6 AT A MAXIMUM COST OF $1,200, AND LOSING NOT MORE THAN 25 HOURS OF PRODUCTION TIME.

DIRECTOR OF RESEARCH
- PHASE OUT ALL EFFORT ON THE DESIGN OF PRODUCT "E" BY THANKSGIVING.
- RECRUIT TWO PH.DS IN ELECTRICAL ENGINEERING BY JANUARY 4.

LEGAL DIRECTOR
- RECRUIT A YOUNG LAWYER SPECIALIZING IN CONTRACT LAW BY APRIL 21, FOR NOT MORE THAN $20,000.
- REDUCE TRAVEL COSTS TO OVERSEAS DIVISIONS BY 15% THIS YEAR.

REGIONAL SALES MANAGER
- INCREASE SALES VOLUME IN TEXAS BY 5% BEFORE MAY 15.
- RESTRICT TRAVEL EXPENSES TO NOT MORE THAN A 3% INCREASE DURING THE NEXT YEAR.
- ESTABLISH A $50,000 SALES VOLUME FOR THE NEW DESK IN DISTRICT IV BY APRIL 1.

PUBLIC RELATIONS DIRECTOR
- PREPARE AND DISTRIBUTE THE NEW PR MANUAL BY AUGUST 15 AT A COST OF $13,000 OR LESS.
- REDUCE PUBLIC HOSTILITY TO THE COMPANY BY FOUR POINTS ON THE FLANDERS OPINION SCALE SURVEY BY OCTOBER 1.

DATA PROCESSING MANAGER
- DECREASE FROM 10 TO 5 DAYS THE AMOUNT OF TIME REQUIRED TO DISTRIBUTE THE MONTHLY REPORT OF OPERATIONS WITHOUT AN INCREASE IN TOTAL COSTS.

SOME EXAMPLES OF VAGUE AND SPECIFIC OBJECTIVES ARE AS FOLLOWS:

VAGUE: INCREASE COMPANY MORALE.
SPECIFIC: ESTABLISH A 100% CLUB BY JUNE 15 FOR EMPLOYEES WHO MET ALL THEIR ANNUAL OBJECTIVES.

VAGUE: IMPROVE EMPLOYEE RELATIONS.
SPECIFIC: BY MARCH 1, ESTABLISH MONTHLY SESSIONS FOR EMPLOYEES TO AIR GRIEVANCES TO A COMPANY OFFICER.

VAGUE: INCREASE SALES VOLUME.
SPECIFIC: BEGINNING MAY 1, OFFER A 5% DISCOUNT ON ALL ORDERS OF 2,000 UNITS OR MORE TO ACHIEVE AN INCREASE IN SALES VOLUME OF 8% BY JULY 1.
EXAMPLE:

1. THE PERFORMANCE OF A QUALITY CONTROL DIRECTOR CANNOT BE EVALUATED ON THE BASIS OF SUCH A VAGUE DESCRIPTION OF HIS/HER ACCOUNTABILITY AS "TO RECOMMEND AND ADMINISTER A QUALITY CONTROL PROGRAM DESIGNED TO ASSURE THE COMPANY'S PRODUCTS ARE OF THE HIGHEST QUALITY."

2. THE PERFORMANCE OF A DATA PROCESSING MANAGER CAN BE EVALUATED ON THE BASIS OF BEING ACCOUNTABLE FOR "DECREASING FROM TEN TO FIVE DAYS THE AMOUNT OF TIME REQUIRED TO DISTRIBUTE THE MONTHLY REPORT OF OPERATIONS WITHOUT AN INCREASE IN TOTAL COSTS."
What are some examples of an Action or Accomplishment Verb?

These verbs are examples:

- Advise
- Assemble
- Assign
- Audit
- Check
- Classify
- Collect
- Compare
- Compile
- Complete
- Compute
- Conduct
- Construct
- Control
- Correct
- Create
- Decide
- Deliver
- Determine
- Direct
- Evaluate
- Find
- Formulate
- Give
- Handle
- Hire
- Identify
- Implement
- Inform
- Inspect
- Install
- Instruct
- Interpret
- Interview
- Issue
- Make
- Notify
- Obtain
- Operate
- Organize
- Persuade
- Plan
- Prepare
- Process
- Program
- Provide
- Recommend
- Record
- Report
- Represent
- Review
- Revise
- Schedule
- Select
- Set Up
- Speak
- Summarize
- Supervise
- Supply
- Terminate
- Trace
- Train
- Verify
- Write

What are some examples of Results that may be Appropriate for Writing Objectives?

Quantity (How Many?)

- Units produced per shift
- Orders processed per work period
- $ Volume sold
- Number of new developments produced

Quality (How Good?)

- Test failure rate
- Scrap loss
- Reject ratio
- Batting average
- Service life

Timeliness (How Long?)

- On time delivery
- Percent reports turned in on time
- Grievances handled in three days
- Turnaround time on requests

Cost (How Much?)

- Percent deviation from budget
- Dollar cost of downtime
- Estimated versus actual cost
- Work hours needed to complete
WHAT ARE THE DIFFERENT TYPES OF OBJECTIVES?

- Routine Objectives: Encompass the regular units of a production (products or services) provided by you and your section.

  Examples - To produce minimum sales of $x in product A by December 1, at a cost not to exceed $y and 2 work hours.
  - To respond to at least 95% of all customer correspondence within three days, effective January 1.

- Problem-solving Objectives: State apparent and measurable results of problems that you solve.

  Examples - To reduce lost time due to mechanical failure by 37% at a cost not to exceed $y and 2 work hours by December 1.
  - To reduce professional personnel turnover rate by 8% per year.

- Innovative Objectives: Focus on significant breakthroughs, innovations or new developments that may raise your rate of production or provide new or expanded services.

  Examples - To identify present customers where product line utilization can be expanded by February 15.
  - To develop and implement, by January 1, a new measurement method, in line with pre-established criteria, for the PMS program at a cost not to exceed 200 work hours.

- Developmental Objectives: Contribute to your own personal growth and improvement of skills.

  Examples - To complete selling skills program by July 1.
  - To review technical journals and distribute to all department members a summary on state-of-the-art microprocessing every six months.

GUIDELINES FOR WRITING OBJECTIVES

- Objectives specify what result is to be accomplished by when (and at what cost if appropriate or possible).

- Objectives should be realistic and attainable, while they shouldn't be "mission impossible". They should include enough "stretch" to stimulate your energy and creativity.

- Objectives should be readily understandable by employee and manager.
Employee objectives should be consistent with the higher-level roles, missions and objectives; they should be traceable to the organization's objectives.

Objectives specify only the what and when; they avoid the how and why.

Objectives are agreed to by both the manager and employee, recorded in writing and periodically reviewed by both. The manager and employee each keep a copy of the objectives.

Objectives are not "cast in concrete"; they specify the employee's strong convictions about required accomplishment. If obstacles are encountered, an alternative objective or action may be developed.

What is the relationship between job elements and objectives?

Objectives stem from job elements. Job elements indicate what the major job responsibilities are, while objectives tell the employee what they need to accomplish in order to fulfill their responsibilities. Every job element has at least one objective.
In summary, what we are suggesting is that you proceed through the following basic steps.

1. How do you know when a job is well done? Not just an "I just know" answer, but what is it that tells you when the job is being done well (indicators)? What are the elements you are looking for? This requires some searching and seeking on your part to get behind that particular question.

2. List all the ways you can tell when a job is being done well. There may be many ways which are not obvious to you until you start to write them down.

3. Pick those ways that seem to come the closest to giving you an accurate measure, which indeed tells you when the job is being done properly.

4. Get agreement between yourself and the person on the job as the one, two, three best ways to measure the job, and look at the balance between one part of the job and another, or one expected result and another.

EXAMPLES OF EXPECTED RESULTS

The following list sets forth some typical quantitative illustrations of expected results.

<table>
<thead>
<tr>
<th>What is to be Measured</th>
<th>Ways to Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>- Units produced</td>
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<tr>
<td></td>
<td>- Number of sales</td>
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<td></td>
<td>- Items entered in a ledger</td>
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<td></td>
<td>- Number of letters typed</td>
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<td></td>
<td>- Earnings on commissions</td>
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<td></td>
<td>- Number of calls per day</td>
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<td>- Reports completed by X date</td>
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<td>Quality</td>
<td>- Number of rejects</td>
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<td></td>
<td>- Cost of spoiled work</td>
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<td></td>
<td>- Errors in filing</td>
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<td></td>
<td>- Number of returned goods</td>
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<td></td>
<td>- Number of disgruntled customers</td>
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<td></td>
<td>- Warranty costs</td>
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<tr>
<td>Lost Time</td>
<td>- Days off the job</td>
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<tr>
<td>Category</td>
<td>Measures</td>
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<td>---------------------------</td>
<td>--------------------------------------------------------------------------</td>
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<tr>
<td>Lost Time (cont.)</td>
<td>- Days tardy</td>
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<td></td>
<td>- Days sick</td>
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<td></td>
<td>- Number of visits to the first-aid room</td>
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<td>- Number of claims</td>
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<td>- Length of frequency of unauthorized visits</td>
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<td></td>
<td>- Turnover</td>
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<td></td>
<td>- Length of service</td>
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<td></td>
<td>- Number of quits</td>
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<td>- Number of discharges</td>
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<td>- Transfers due to unsatisfactory performance</td>
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<td>- Transfers at employee's request</td>
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<tr>
<td>Training</td>
<td>- Time to reach expected results</td>
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<td></td>
<td>- Cost of material used in training</td>
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<td></td>
<td>- The rate at which individuals advance</td>
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<td>- Successful completion of a course</td>
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<td>- Number of training programs</td>
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<td>- Number of people ready for assignment</td>
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<td></td>
<td>- Number of promotable persons</td>
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<tr>
<td>Employee Satisfaction</td>
<td>- Number of grievances</td>
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<td>- Number of complaints from employees</td>
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<td></td>
<td>- Results of a morale or attitude survey</td>
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<tr>
<td></td>
<td>- Number of contributions and suggestions made via a suggestion program</td>
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<tr>
<td>Sales Volume (Output)</td>
<td>- Number of units sold</td>
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<tr>
<td></td>
<td>- Number of new units sold vs. old</td>
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<td></td>
<td>- Penetration of the market</td>
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<tr>
<td>Controlling Expenses</td>
<td>- Plus or minus budget</td>
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<td></td>
<td>- Reduction in expenses from previous period</td>
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<tr>
<td></td>
<td>- Number and value of new cost-reducing procedures</td>
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<tr>
<td>Profit Realization</td>
<td>- Return on invested capital</td>
</tr>
</tbody>
</table>
Profit Realization (cont)
- Percentage of profits to sales
- Profit by product line

Technical Accomplishments
- Number of research projects completed on time and within budget
- Cost of each research project against budget
- Extent of contribution and amount of innovation in the project (i.e. highly creative ideas)
- Dollars of savings realized from project
- Potential contribution to total sales and profits

Maintenance
- Amount of downtime
- Cost of maintenance per machine
- Maintenance budget plus or minus
- Ratio of maintenance cost to production cost

These are but a few of the quantifiable expressions which may be used in setting up expected results.
POINTS ON SETTING OBJECTIVES

1. Set daily, weekly, monthly, annual, and long-run goals
2. Your objectives should be measurable
3. Make sure your objectives are challenging, but achievable
4. Set deadlines for completing each goal
5. Your goals should be consistent with your organization's and your manager's goals
6. Goals should be flexible in case things change in the environment
7. Goals should be written
8. People should participate in setting their goals so that they will be committed to achieving them
**SETTING GOALS AND DEADLINES**

Instructions. Go over the list of your subordinates and the types of assignments they like best. Decide on the assignment for each of your subordinates and determine what you think is a fair deadline or goal. Indicate this deadline on the chart below.

Then, call in each subordinate and attempt to set a deadline or goal for the task together. Indicate the agreed-upon deadline or goal on the chart below.

In the last column you will notice the date the assignment is actually completed. You won’t be able to fill in this right now, in most cases, but keep it up to date over the next few weeks or months and see how your own estimate of the time required for a task compares with the actual time elapsed. Do you find that setting deadlines with your subordinates contributes to greater efficiency?

<table>
<thead>
<tr>
<th>NAME</th>
<th>TASK</th>
<th>MY DEADLINE OR GOAL</th>
<th>MUTUAL DEADLINE OR GOAL</th>
<th>ACTUAL DATE OF COMPLETION</th>
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IF WE LEARN THE POLICIES, PROCEDURES, GOALS, OBJECTIVES, STANDARDS AND EXPECTATIONS OF OUR ORGANIZATION AND WE ADMINISTER THEM TO OUR EMPLOYEES IN AN HONEST, FAIR AND CONSISTENT MANNER, WE WILL EARN OUR SUBORDINATES' RESPECT.
**Profile of Organizational Characteristics**

**Title of manager or supervisor you report to:______________**

**Number of years in current unit:______________**

---

**Instructions:** For each question below, circle a number on the scale of 1 to 20 that best represents your opinion of each question. When you have completed this questionnaire, mail it to Professor Donald Huffmire in the postage-paid envelope provided.

---

### Leadership

1. How much confidence and trust in you do your supervisors show?  
   - Virtually None  
   - Some  
   - Substantial Amount  
   - A Great Deal  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

2. How free do you feel to talk to your supervisors about your job?  
   - Not Very Free  
   - Somewhat Free  
   - Quite Free  
   - Very Free  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

3. How often are your ideas and opinions sought and used by your supervisors?  
   - Seldom  
   - Sometimes  
   - Often  
   - Very Frequently  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

---

### Motivation

4. In motivating you and appraising your performance, do your supervisors mostly use:  
   - 1. Fear, 2. Threats, 3. Punishment  
   - 4. Rewards, 5. Involvement  
   - 1, 2, 3  
   - Occasionally 4  
   - Some 3  
   - Mostly 4, Some 3 and 5  
   - 5 and 4  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

5. Where do you feel most of the responsibility is for achieving departmental goals?  
   - Mostly at Top  
   - Mostly Managerial, Not Rank & File  
   - At All Levels  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

---

### Communication

6. How much cooperative teamwork exists within the department?  
   - Very Little  
   - Some  
   - Substantial Amount  
   - Great Deal  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

---

### Direction

7. What is the usual direction of information flow?  
   - Downward  
   - Mostly Downward  
   - Down & Up  
   - Side-by-Side  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

---

### Accuracy

8. How is downward communication accepted?  
   - Usually Inaccurate  
   - Often Inaccurate  
   - Often Accurate  
   - Almost Always Accurate  
   
   1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

---

Revised: February 6, 1987
Profile of Organizational Characteristics

10. How accurate and complete is the information you receive from your subordinates? 

<table>
<thead>
<tr>
<th>Usually Inaccurate &amp; Incomplete</th>
<th>Often Inaccurate &amp; Incomplete</th>
<th>Often Accurate &amp; Complete</th>
<th>Almost Always Accurate &amp; Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  2  3  4  5  6  7  8</td>
<td>9  9  9  10  11  12  13  14</td>
<td>15  16  17  18  19  20</td>
<td></td>
</tr>
</tbody>
</table>

11. How well do your supervisors or managers know the work problems faced by you? 

<table>
<thead>
<tr>
<th>Not Very Well At All</th>
<th>Generally Have Some Knowledge</th>
<th>Pretty Well</th>
<th>Extremely Well</th>
</tr>
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<tbody>
<tr>
<td>1  2  3  4  5  6  7  8</td>
<td>9  9  9  10  11  12  13  14</td>
<td>15  16  17  18  19  20</td>
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</table>

12. At what levels are decisions made? 

<table>
<thead>
<tr>
<th>Mostly at Top Policy at Top, Some Delegation</th>
<th>Broad Policy at Top, More Delegation</th>
<th>At All Levels, Well Integrated</th>
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<tbody>
<tr>
<td>1  2  3  4  5  6  7  8  9  10  11  12  13  14</td>
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13. Are you involved in decisions made by your supervisors about your work? 

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<thead>
<tr>
<th>Almost Never</th>
<th>Occasionally</th>
<th>Usually</th>
<th>Fully Involved</th>
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14. What does the decision-making process contribute to motivating you? 

<table>
<thead>
<tr>
<th>Nothing</th>
<th>Very Little</th>
<th>Some Positive Contribution</th>
<th>Substantial Contribution</th>
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<tbody>
<tr>
<td>1  2  3  4  5  6  7  8  9  10  11  12  13  14  15  16  17  18  19  20</td>
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</table>

15. How are the work objectives for your unit established? 

<table>
<thead>
<tr>
<th>Orders Issued, No Comments Invited</th>
<th>Orders Issued, Some Comments Invited</th>
<th>After Discussion, Orders Issued</th>
<th>By Group Participation (Encouraged in Crisis)</th>
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<tbody>
<tr>
<td>1  2  3  4  5  6  7  8  9  10  11  12  13  14  15  16  17  18  19  20</td>
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16. Do you agree with the work objectives for your unit? 

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Some Disagreement</th>
<th>Mostly Agree</th>
<th>Strongly Agree</th>
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<td>1  2  3  4  5  6  7  8  9  10  11  12  13  14  15  16  17  18  19  20</td>
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17. Where do you think the work of your unit undergoes performance review? 

<table>
<thead>
<tr>
<th>Almost Always from the Top</th>
<th>Most Often from Other Top or Middle Managers</th>
<th>From Top &amp; Middle, Some Review at Lower Levels</th>
<th>Widely Shored at All Levels</th>
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18. Does your unit frequently do things differently from the ways established by the supervisors? 

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<tr>
<th>Yes</th>
<th>Usually</th>
<th>Sometimes</th>
<th>No</th>
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19. What are cost, productivity, and other data about your unit used for? 

<table>
<thead>
<tr>
<th>Policing &amp; Punishment</th>
<th>Reward &amp; Punishment</th>
<th>Reward: Self-guidance &amp; Problem-solving</th>
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Fig. 34: Management system used by Weldon Plant prior to January, 1962, as seen by upper management, supervisors, and assistant supervisors.
THE BASIC PRINCIPLES OF "SYSTEM 4"

1. PRINCIPLE OF SUPPORTIVE RELATIONSHIPS (WORK WITH PEOPLE TO IMPROVE THEIR COMPETENCE AND FEELINGS OF SELF-WORTH)

2. HOLD HIGH PERFORMANCE GOALS AND EXPECT THEM TO BE MET (CHALLENGING BUT ACHIEVABLE GOALS)

3. HIGH PARTICIPATION

4. BE BOTH PEOPLE AND PRODUCTION-ORIENTED

5. CREATIVE GROUP PROBLEM-SOLVING

6. BUILD HIGHLY MOTIVATED WORK GROUPS (TEAMS) THAT ARE "LINKED" TOGETHER BY PEOPLE HAVING OVERLAPPING MEMBERSHIPS IN TWO GROUPS.
BASIC PRINCIPLES OF "SYSTEM 4" APPLIED TO TEXAS INSTRUMENTS, INC.

1. PRINCIPLE OF SUPPORTIVE RELATIONSHIPS (TO IMPROVE COMPETENCE AND FEELINGS OF SELF-WORTH)

   (1) THE ORGANIZATION STRUCTURE FOSTERS SUPPORTIVE RELATIONS
   (2) THE MANAGEMENT COMMITTEE IS THERE TO SUPPORT LINE MANAGERS
   (3) STAFF GROUPS ARE AVAILABLE TO SUPPORT LINE MANAGERS
   (4) THE NEW STRUCTURE GAVE MORE PEOPLE A CHANCE TO DISPLAY THEIR TALENTS
   (5) PERFORMANCE REVIEWS (FEEDBACK) WAS GIVEN (WEEKLY REVIEWS OF DEPARTMENTS BY THE MANAGEMENT COMMITTEE AND SEMI-ANNUAL REVIEWS OF DEPARTMENT MANAGERS)
   (6) VETTER WORKS WITH HIS MANAGERS TO "GROW MANAGEMENT ABILITY"
   (7) PRINGLE WORKED WITH HIS MANAGERS DURING THE FIRST PLANNING PERIOD TO "DEVELOP THE ABILITY OF HIS MANAGERS TO PLAN AHEAD"
   (8) PRINGLE WAS GIVEN MUCH RESPONSIBILITY AND AUTHORITY (A CHANCE TO GROW) -- HE WAS A "KEY MAN"
   (9) POSITIVE (THEORY) ASSUMPTIONS WERE MADE ABOUT PRINGLE
   (10) TURNBULL DID NOT PROVIDE PRINGLE WITH SUPPORT

2. HOLD HIGH PERFORMANCE GOALS AND EXPECT THEM TO BE MET

   (1) PRINGLE'S P/A WAS RAISED AND IT WAS EXPECTED TO BE MET
   (2) T.I. EXPECTED PRINGLE TO ACHIEVE NOT ONLY HIS SHORT-RUN GOALS BUT ALSO HIS LONG-RUN GOALS (BUT THIS WAS NOT COMMUNICATED CLEARLY TO HIM)
   (3) FIELD SALESMEN WERE EXPECTED TO BRING IN $1 MILLION PER YEAR
3. HIGH PARTICIPATION

1) VETTER PARTICIPATED WITH PRINGLE IN DEVELOPING THE PROFIT AND SALES FORECAST
2) PRINGLE PARTICIPATED WITH HIS PEOPLE IN DEVELOPING THE FORECASTS, BUT HAD YET TO SOLVE HIS PROFIT AND SALES PROBLEMS
3) THERE IS LITTLE PARTICIPATION BY TURNBULL WITH PRINGLE
4) VETTER PARTICIPATED WITH THE TASK FORCE WHEN HE FIRST TOOK OVER THE MAC DIVISION BEFORE MAKING CHANGES IN THE ORGANIZATION STRUCTURE
5) VETTER PARTICIPATED WITH TURNBULL, SCOFIELD AND PRINGLE ON THE REVISED PROFIT AND SALES PLAN
6) PRINGLE PASSED ALONG THE FIRST FOUR MONTHS RESULTS FOR HIS DEPARTMENT TO HIS PRODUCTION SUPERINTENDENTS TO GET THEIR INPUTS AS TO WHY THIS HAPPENED
7) VETTER PARTICIPATED WITH THE MANAGEMENT COMMITTEE IN SOLVING PROBLEMS
4. BE BOTH PEOPLE-ORIENTATED AND PRODUCTION-ORIENTATED

(1) Vetter reassured the people at M&C that no drastic changes would be made when he first took over the division; he considered the effect of the change on the employees.

(2) Vetter held meetings with M&C's task force when he first took over the division, indicating a desire to gain commitment from the employees before making changes.

(3) The new structure gave more people chances to make decisions.

(4) The new structure helped increase teamwork—it reduced political conflicts.

(5) The new structure clarified authority-responsibility relationships.

(6) Although performance appraisals were held formally every six months for department managers, the performance appraisal system was not clearly explained to Pringle.

(7) Staff groups were provided to give support to department managers if they asked for it.

(8) Pushing the decision-making down is being people-oriented.
5. **CREATIVE GROUP PROBLEM-SOLVING**

(1) THE MANAGEMENT COMMITTEE WAS A GROUP FOR PROBLEM-SOLVING
(2) VETTER MET WITH THE TASK FORCE TO SOLVE THE PROBLEM OF THE ORGANIZATION STRUCTURE
(3) VETTER MET WITH TURNBULL, SCOFIELD, AND PRINGLE IN REGARD TO THE REVISED GOAL
(4) PRINGLE WORKED WITH SABIN AND SKINNER TO RESOLVE THE FORECASTING PROBLEM
(5) THE NEW STRUCTURE PUT PRODUCT ENGINEERS CLOSE TO THE MARKETING PEOPLE SO THAT THEY WOULD WORK MORE COOPERATIVELY TOGETHER ON PROBLEMS
(6) PRINGLE HAD NOT YET WORKED WITH HIS GROUP TO RESOLVE THE LOW PROFIT-SALES PROBLEM

6. **BUILD HIGHLY MOTIVATED WORK GROUPS "LINKED" TOGETHER**

(1) THE MANAGEMENT COMMITTEE INCLUDED MANAGERS FROM ALL MAJOR GROUPS
(2) STAFF GROUPS ARE LINKED TO THE DEPARTMENTS BY HAVING THEIR EXPENSES CHARGED TO THE DEPARTMENTS
(3) PRINGLE'S DEPARTMENT WAS TIED TO CORPORATE THROUGH A HEIRARCHY OF GOALS
(4) 25 OF THE CORPORATE FIELD SALES FORCE WERE TIED TO THE 4 PRODUCT DEPARTMENTS
Planning phase → Control Phase

Step 1: Set objectives participatively

Step 2: Develop action plans

Step 3: Periodically reevaluate objectives and plans and monitor performance

Recycle

Step 4: Conduct annual performance appraisals

Carry out plans
EXAMPLE OF LES' ACTION PLAN
MARK IV LOGIC SYSTEM

OBJECTIVE: TO COMPLETE CONCEPTUAL DESIGN OF MARK IV LOGIC SYSTEM FOR APPROVAL BY DESIGN REVIEW BOARD BY 9/6.

1. REVIEW CUSTOMER DESIGN REQUIREMENTS PACKAGE AND DETERMINE "SCOPE OF WORK" INVOLVED IN DEVELOPING MARK IV LOGIC SYSTEM BY 1/20.

2. PREPARE A PRELIMINARY MANPOWER AND MATERIAL REQUIREMENTS LIST NECESSARY TO DEVELOP THE CONCEPTUAL DESIGN FOR THE MARK IV LOGIC SYSTEM BY 1/20.

3. DEVELOP AN OVERALL FUNCTIONAL BLOCK DIAGRAM AND DEVELOPMENT PLAN FOR THE MARK IV LOGIC SYSTEM AND SUBMIT TO MANAGEMENT FOR APPROVAL TO DEVELOP THE CONCEPTUAL DESIGN BY 3/15.

4. DEVELOP FUNCTIONAL BLOCK DIAGRAMS AND INTERFACE DRAWING FOR CONCEPTUAL MARK IV LOGIC SYSTEM BY 7/15.

5. PROVIDE ASSISTANCE TO TECHNICAL WRITERS AND EDIT THE MAINTENANCE SPECIFICATIONS FOR THE CONCEPTUAL MARK IV LOGIC SYSTEM THROUGHOUT THE PROGRAM.

6. SUBMIT DATE DEVELOPED IN STEPS 1 THROUGH 5 TO DESIGN REVIEW BOARD FOR APPROVAL BY 9/2.
EXAMPLE OF
LESS ACTION PLAN
PORTSMOUTH BAY PROJECT

OBJECTIVE: TO COMPLETE DESIGN OF CONTROL CIRCUITS SYSTEM FOR PORTSMOUTH BAY PROJECT FROM CONCEPTUAL DESIGN TO FINAL DESIGN AND APPROVAL BY DESIGN REVIEW BOARD BY 10/1.

1. REVIEW PORTSMOUTH BAY SYSTEM PROPOSAL AND THE CONTRACT TO DETERMINE CONTROL CIRCUIT REQUIREMENTS BY 1/15.

2. DEVELOP CONCEPTUAL DESIGN PLAN FOR THE CONTROL CIRCUITS FOR PORTSMOUTH BAY PROJECT, REVIEW WITH ENGINEERING MANAGER, AND PRESENT TO DESIGN REVIEW BOARD BY 1/25.

3. REVIEW PORTSMOUTH BAY SYSTEMS DRAWINGS TO DETERMINE INTERFACE SPECIFICATIONS FOR CONTROL CIRCUITS DESIGN BY 2/15.

4. DEVELOP SCHEDULE FOR DEVELOPMENT OF PORTSMOUTH BAY PROJECT CONTROL CIRCUITS INCLUDING INTERFACE NECESSARY WITH OTHER UNITS REQUIRED FOR PROJECT SUPPORT BY 3/1.
5. SCHEDULE AND CONDUCT MEETING WITH UNITS REQUIRED FOR SUPPORT OF PORTSMOUTH BAY PROJECT CONTROL CIRCUIT DESIGN AS REQUIRED.

6. DEVELOP ENGINEERING DRAWINGS FOR PROTOTYPE CIRCUITS BY 7/1.

7. WRITE TEST SPECIFICATIONS FOR MAINTENANCE, ALIGNMENT, AND REPAIR OF PROTOTYPE CONTROL CIRCUITS BY 8/15.
THE ADVANTAGES OF FORMAL LONG-RANGE PLANNING

1. IT HELPS THE ORGANIZATION AND ITS UNITS ADAPT TO A CONSTANTLY CHANGING ENVIRONMENT.
   A. COMPETITION
   B. SHIFTS IN CONSUMER DEMAND
   C. TECHNOLOGICAL CHANGES
   D. SOCIAL ENVIRONMENTAL FACTORS
   E. THE POLITICAL ENVIRONMENT
   F. CHANGES IN THE SKILLS AND ABILITIES OF EMPLOYEES

2. IT HELPS THE ORGANIZATION AND ITS UNITS ACHIEVE THEIR OBJECTIVES.
   A. MANAGERS ARE FORCED TO RELATE THEIR UNITS TO THE OBJECTIVES OF THE ORGANIZATION.
      1. THEREFORE, SUBOPTIMIZATION BY THE DIVISIONS AND DEPARTMENTS IS REDUCED.
      2. IT HELPS OBTAIN COMMITMENT OF THE PARTS OF THE ORGANIZATION TO THE ORGANIZATION'S GOALS, DEVELOPING TEAMWORK.
   B. IT DETERMINES THE "GAP" BETWEEN THE OBJECTIVES AND THE ACTUAL PERFORMANCE IN THE UNITS AND FOR THE WHOLE ORGANIZATION.

3. IT HELPS ALLOCATE RESOURCES MORE EFFECTIVELY.

4. IT PERMITS PARTICIPATIVE MANAGEMENT, INVOLVING MORE PEOPLE IN THE DECISION-MAKING PROCESS
5. IT HELPS MANAGEMENT DEVELOPMENT.

6. IT REDUCES RISK.

7. IT IMPROVES THE TIMING OF STRATEGIES.

8. IT INCREASES PROFITS, SALES, EARNINGS/SHARE, STOCK PRICES (FOR THE FIRMS THAT ENGAGE IN FORMAL LONG-RANGE PLANNING.)
1. PLANNING TAKES TIME IN THE BEGINNING BUT SAVES THREE TO FOUR, OR MORE TIMES AS MUCH TIME IN THE LONG-RUN AND GETS BETTER RESULTS.

2. PLANNING CAN MINIMIZE CRISSES, WHICH TEND TO BE RELATIVELY PREDICTABLE.

3. ALWAYS HAVE CONTINGENCY PLANS.

4. DEVELOP ACTION PLANS FOR EACH OBJECTIVE.
A CASE OF INTERGROUP BEHAVIOR

THE JAMES ENGINEERING COMPANY

THE JAMES ENGINEERING COMPANY IS A MEDIUM-SIZE ENGINEERING DESIGN AND CONSTRUCTION COMPANY LOCATED IN INDIANAPOLIS, INDIANA. THE COMPANY, FOUND BY ITS PRESIDENT, MR. TOM JAMES, IN 1962, SPECIALIZES IN THE DESIGN AND CONSTRUCTION OF SMALL MANUFACTURING AND PROCESSING PLANTS. SINCE THE COMPANY WAS FOUNDED SALES HAVE INCREASED STEADILY AT APPROXIMATELY 18 PERCENT PER YEAR. IN 1974, THE COMPANY RECORDED SALES OF $8 MILLION AND AFTER-TAX PROFIT OF $950,000. THE VAST MAJORITY OF THE COMPANY'S PROJECTS HAVE BEEN LOCATED IN A FIVE STATE AREA INCLUDING INDIANA, KENTUCKY, OHIO, MICHIGAN, AND ILLINOIS. AN INCREASING NUMBER OF CONSTRUCTION PROJECTS, HOWEVER, WERE BEING CONTRACTED EACH YEAR IN THE STATES OF GEORGIA, TENNESSEE, AND ARKANSAS.

INITIALLY, THE PRESIDENT, MR. JAMES, HAD FOUR DEPARTMENT MANAGERS REPORTING DIRECTLY TO HIM: (1) MANAGER OF ENGINEERING DESIGN; (2) MANAGER OF CONSTRUCTION; (3) MANAGER OF CONTRACT SALES; (4) MANAGER OF ADMINISTRATIVE SERVICES. THIS ARRANGEMENT PROVED TO BE SUCCESSFUL DURING THE EARLY YEARS OF JAMES' GROWTH WHEN ONLY ONE OR TWO CONSTRUCTION PROJECTS WERE IN PROCESS. DURING THE LAST TWO YEARS, HOWEVER, AN AVERAGE OF FOUR TO SIX PROJECTS HAVE BEEN IN VARIOUS STAGES OF COMPLETION AT ANY ONE TIME.
WITH THE INCREASING BUSINESS, MR. JAMES WAS CONCERNED THAT THE ORIGINAL DEPARTMENTAL ARRANGEMENT WAS NOT ADEQUATE FOR HANDLING THE NUMEROUS COORDINATION PROBLEMS THAT HAD DEVELOPED. OF PARTICULAR CONCERN TO MR. JAMES WERE PROBLEMS THAT HAD ARISEN WITH CURRENT PROJECTS RELATED TO INCREASED COSTS AND THE INABILITY TO MEET SCHEDULE DEADLINES.

IN ORDER TO OVERCOME THESE PROBLEMS, EARLY IN 1975 MR. JAMES CREATED PROJECT MANAGER POSITIONS AND PROMOTED THREE OF THE COMPANY'S BEST ENGINEERS—JIM THOMAS, CHARLIE HOLT, AND KATHY WILLIAMS—INTO THOSE POSITIONS. THE PROJECT MANAGERS, WHO REPORTED DIRECTLY TO MR. JAMES, WERE GIVEN FULL RESPONSIBILITY FOR COORDINATING ONE OR TWO PROJECTS FROM THE DESIGN STAGE THROUGH CONSTRUCTION. TO ACCOMPLISH THEIR JOBS, THE PROJECT MANAGERS WOULD HAVE TO DEPEND UPON THE EXPERTISE, RESOURCES, AND COOPERATION OF THE OTHER FOUR DEPARTMENTS. ONLY A SECRETARY AND A PLANNING AND COST ANALYST WERE UNDER DIRECT SUPERVISION OF THE PROJECT MANAGERS. THE NEW ORGANIZATIONAL ARRANGEMENT IS SHOWN BELOW.
A CASE OF INTERGROUP BEHAVIOR

(CONTINUED)

AFTER THE PROJECT MANAGER ARRANGEMENT HAD BEEN IN EFFECT FOR APPROXIMATELY ONE YEAR, MR. JAMES HAD THE FOLLOWING CONVERSATION WITH PROJECT MANAGER CHARLIE HOLT.

JAMES - CHARLIE, I CALLED YOU IN TODAY TO GET YOUR INFORMAL EVALUATION OF THE WAY THE PROJECT MANAGER CONCEPT HAS WORKED OUT FOR YOU. AS YOU KNOW, I CREATED YOUR POSITION IN THE BELIEF THAT OUR GROWING NUMBER OF PROJECTS COULD BE BETTER COORDINATED. I MUST SAY, HOWEVER, THAT I REALLY HAVEN'T SEEN ANY MAJOR IMPROVEMENT IN OUR ABILITY TO MEET TIME OR COST SCHEDULES.

HOLT - LET ME SAY THAT I REALLY ENJOY MY JOB. IT'S EXCITING, AND I TRULY LIKE THE AUTONOMY. I HAVE HAD THE OPPORTUNITY TO WORK WITH ALL AREAS OF THE COMPANY AND WITH A VARIETY OF CUSTOMERS. ON THE OTHER HAND, I FEEL TOTALLY FRUSTRATED AND POWERLESS IN TRYING TO GET THE PROJECTS DONE.

JAMES - WHAT DO YOU MEAN, CHARLIE?

HOLT - WELL, IT BASICALLY BOILS DOWN TO A JOB THAT'S ALL "RESPONSIBILITY" BUT NO "AUTHORITY." WE'RE SUPPOSED TO COORDINATE OUR DIFFERENT PROJECTS FROM BEGINNING TO END, BUT WE DON'T HAVE THE POWER OR AUTHORITY OVER RESOURCES TO GET THE JOB DONE.
JAMES - I DON'T UNDERSTAND. YOU REPORT DIRECTLY TO ME—ISN'T THAT AUTHORITY ENOUGH?

HOLT - NOT REALLY, I CAN COME TO YOU WITH BIG PROBLEMS, BUT NOT FOR EVERYDAY ASSISTANCE. GETTING HELP OUT OF THEM IS LIKE PULLING TEETH. I HAVE TO "BEG-BORROW-AND-STEAL" JUST TO KEEP A PROJECT MOVING FORWARD. THIS IS THE MAJOR REASON WHY JIM THOMAS QUIT TWO MONTHS AGO. HE PLAINLY GOT FRUSTRATED WITH THE LACK OF COOPERATION FROM THE OTHER DEPARTMENTS.

JAMES - WHEN I SET UP THIS NEW ARRANGEMENT, I THOUGHT I MADE IT CLEAR TO EVERYONE THAT THE PROJECT MANAGERS WERE THE KEY PEOPLE IN OUR ORGANIZATION. I HOPED THAT THE TOTAL ORGANIZATION WOULD COOPERATE AND SUPPORT YOU PEOPLE.

HOLT - THERE IS COOPERATION, BUT ONLY TO A POINT. THE PROBLEM IS THAT OVER TIME, THE DIFFERENT DEPARTMENT MANAGERS HAVE DEVELOPED PARTICULAR ROUTINES AND PROCEDURES FOR DOING THEIR WORK. WHEN WE COME IN WITH REQUESTS THAT ARE DIFFERENT FROM WHAT HAS BEEN DONE BEFORE—LIKE ASKING FOR MORE DESIGN ENGINEERS TO BE PUT ON A PROJECT THAN WE HAVE DONE BEFORE—ALL WE GET IS THE BIG "PUT-OFF" OR COMMENTS LIKE, "WE JUST DON'T OPERATE THAT WAY IN THIS DEPARTMENT." IT'S JUST FRUSTRATING.

JAMES - I'LL SEE WHAT I CAN DO FOR YOU, CHARLIE.
A CASE OF INTERGROUP BEHAVIOR

(CONTINUED)

LATER THAT WEEK, MR. JAMES CALLED FRANK MILLER, MANAGER OF ENGINEERING DESIGN, INTO HIS OFFICE FOR A CONFERENCE. EXCERPTS FROM THEIR CONVERSATION FOLLOW:

JAMES - FRANK, ANOTHER POINT I'D LIKE TO DISCUSS WITH YOU RELATES TO SOME COORDINATION PROBLEMS I'VE HEARD ABOUT CONCERNING THE PROJECT MANAGERS.

MILLER - I WAS WONDERING WHEN YOU'D BE ASKING QUESTIONS ABOUT THAT GROUP. THEY WERE GOOD ENGINEERS, BUT AS PROJECT MANAGERS, THEY'RE MORE TROUBLE THAN THEY'RE WORTH.

JAMES - EXPLAIN YOURSELF, FRANK.

MILLER - WELL, IF YOU WANT TO GET DOWN TO GUT ISSUES, THE PROJECT MANAGERS ARE MORE CONCERNED WITH POWER GRABBING THAN GETTING THE JOB DONE. THEY ALWAYS OVERSTEP THEIR BOUNDS AS MANAGERS.

JAMES - FOR EXAMPLE?

MILLER - FOR EXAMPLE, THEY CONTINUALLY RUN INTO MY OFFICE DEMANDING MORE PEOPLE ON THIS JOB, QUICKER TURNAROUND ON THAT JOB, SPECIAL CONSIDERATION GIVEN TO CERTAIN CUSTOMERS, MORE RESOURCES GIVEN TO A PROJECT, AND SO ON. WE'VE DEVELOPED A GOOD DESIGN
DEPARTMENT AT JAMES—IF I WENT ALONG WITH ALL THEIR DEMANDS, THEY WOULD HAVE ALL THE DECISION-MAKING POWER AND THE PEOPLE REPORTING TO THEM, WHICH WOULD LEAVE ME AND THE OTHER DEPARTMENT MANAGERS WITHOUT JOBS. THEY'RE SUPPOSED TO COORDINATE PROJECTS, NOT GIVE ORDERS THAT DISRUPT OUR WELL-ESTABLISHED AND EFFECTIVE PROCEDURES.

CASE PRIMER QUESTIONS.

1. EVALUATE THE PROJECT MANAGER ARRANGEMENT: AS AN INTERGROUP MANAGEMENT STRATEGY.

2. EVALUATE FRANK MILLER'S COMMENT CONCERNING THE POWER ACQUISITION BEHAVIOR BY THE PROJECT MANAGERS.

3. WHAT IS THE SOURCE(S) OF CONFLICT BETWEEN THE DEPARTMENT MANAGERS AND THE PROJECT MANAGERS?

4. WHAT SHOULD MR. JAMES DO TO SOLVE THIS PROBLEM?
Principal engineers can only give technical direction.
But no managerial responsibilities.
Reports go to the department manager.
WHEN THE PRESIDENT WENT ON A TWO WEEK BUSINESS TRIP, THE
"ASSISTANT TO" ASKED THE MANAGERS FOR A REPORT ON SETTING UP
INCENTIVE RATES. THEY DID NOT DO IT.
A. TYPICAL MISTAKES IN THE DELEGATION OF AUTHORITY

1. THE AUTHORITY A MANAGER HAS IS NOT DEFINED SPECIFICALLY.

2. THE DECISIONS OF A MANAGER MUST BE RATIFIED BY THE SUPERIOR.

3. SUBORDINATES ARE GIVEN ACCOUNTABILITY FOR RESULTS BUT NOT THE AUTHORITY.

4. SUPERIORS DON'T SUPPORT A SUBORDINATE'S DECISION AFTER IT IS MADE AND REVERSE IT.

B. CHARACTERISTICS OF AUTHORITY NEEDED FOR EFFECTIVE DELEGATION

THE AUTHORITY REQUIRED FOR EFFECTIVE DELEGATION IS CHARACTERIZED BY SEVERAL ATTRIBUTES:

1. AUTHORITY REQUIRED IS PERSONAL, BASED ON THE INDIVIDUAL'S ACCOUNTABILITY, COMPETENCE, CIRCUMSTANCES. THEREFORE AUTHORITY MUST BE TAILORED TO INDIVIDUAL ACCOUNTABILITIES AND MUST BALANCE ACCOUNTABILITIES.

2. THERE MUST BE A TRANSFER OF POWER FROM SUPERIOR TO SUBORDINATE.

3. AUTHORITY MUST BE SPECIFIC AND BE PUT IN WRITING SO THAT SUBORDINATES CAN PROCEED WITHOUT FEAR OF EXCEEDING AUTHORITY GRANTED IN ADVANCE- TO ENABLE PLANNING THESE AUTHORITIES SHOULD BE DIVIDED INTO:
   A. GENERAL AUTHORITIES
   B. SPECIFIC AUTHORITIES
   C. BUDGETARY AUTHORITIES

4. AUTHORITY SHOULD BE RECOMMENDED BY THE SUBORDINATE TO THE SUPERIOR AND APPROVED BY THE SUPERIOR.
5. PROVISION SHOULD BE MADE FOR REVISING THE AUTHORITY AS NEEDED.

6. AUTHORITY SHOULD BE CLEARLY SPELLED OUT WITH THE SUBORDINATE WHEN THE DELEGATION IS GIVEN, NOT AFTER THE ACTIONS ARE TAKEN (THE SUPERIOR SHOULD NOT REVERSE THE SUBORDINATE, IF HE/SHE ACTS WITHIN THE LIMITS SET FORTH.)

7. NORMALLY, AUTHORITY SHOULD BE DELEGATED TO THE LOWEST POSSIBLE ORGANIZATIONAL LEVEL WHERE ALL INFORMATION NECESSARY FOR DECISION MAKING AND ACTION COMES TOGETHER OR IS AVAILABLE.

8. THE AUTHORITY DELEGATED MUST BE PUBLICIZED TO ALL PERSONS WHO MAY BE AFFECTED OR INVOLVED IN THE ACTION.
C. EXAMPLE OF TAILORING AUTHORITY TO ACCOUNTABILITY

ONE OF THE BETTER EXAMPLES OF TAILORING AUTHORITY TO ACCOUNTABILITY IS FURNISHED BY A COMPANY WITH SALES OF $1.5 BILLION IN THE INSTRUMENT, CONTROLS, AND DATA PROCESSING INDUSTRY. THE COMPANY OPERATES WORLDWIDE AND EMPLOYS ABOUT 50,000 PEOPLE. OPERATIONS ARE ORGANIZED BY CORPORATE DIVISIONS HEADED BY DIVISION GENERAL MANAGERS WHO REPORT TO A GROUP EXECUTIVE AT HEADQUARTERS. ALL AUTHORITIES ARE EMBODIED IN A CORPORATE AUTHORITY MANUAL CONSTRUCTED ALONG THE FOLLOWING LINES.

FIRST, THE AUTHORITIES ARE DETERMINED BY ALL PARENT CORPORATION OFFICERS AND THE NUMEROUS DIVISIONAL GENERAL MANAGERS BASED ON THEIR ACCOUNTABILITIES. THEN THESE ARE REDUCED TO WRITING. TOGETHER THEY CONSTITUTE THE BASIC AUTHORITY MANUAL FOR THE CORPORATION AS A WHOLE.

NEXT, THE RECOMMENDED ACCOUNTABILITIES ARE APPROVED FOR EACH MANAGER BELOW THE DIVISION GENERAL MANAGER. THEN, EACH SUBORDINATE RECOMMENDS THE AUTHORITY HE/SHE REQUIRES FOR THE TARGET PERIOD, BASED ON HIS/HER ACCOUNTABILITY. RECOMMENDED AUTHORITIES THAT ARE APPROVED ARE REDUCED TO WRITING. TOGETHER THEY FORM THE DIVISION AUTHORITY MANUAL.

WHEN ALL AUTHORITIES HAVE BEEN AGREED TO, THE COMBINED CONTENTS OF THE CORPORATE AUTHORITY MANUAL AND THE DIVISION MANUAL PROVIDE THE AGREED-UPON AUTHORITIES FOR ALL MANAGERS FROM THE CHIEF EXECUTIVE OFFICER DOWN TO THE LOWEST LEVEL OF MANAGEMENT.

IT WOULD APPEAR AT FIRST GLANCE THAT SHEER SIZE WOULD MAKE IT IMPOSSIBLE FOR THIS COMPANY TO TAILOR AUTHORITIES TO INDIVIDUAL ACCOUNTABILITIES. HOWEVER, ITS MANY YEARS OF SUCCESSFUL PRACTICE PROVIDE DRAMATIC PROOF THAT A LARGE ORGANIZATION NEED NOT FALL BACK ON THE EXPEDIENCY FOLLOWED BY SO MANY OTHERS OF ASSIGNING STANDARD AUTHORITIES FOR EACH LEVEL OF MANAGEMENT WITHOUT REGARD TO THE DIFFERING ACCOUNTABILITIES OF THE VARIOUS MANAGERS—EVEN THOSE WORKING AT THE SAME LEVEL.
Opposite each area of responsibility listed below, there is a space where you should indicate the class of authority you think is delegated to you, according to these descriptions of the four classes.

**Class 1.** Full authority is given to take necessary actions in carrying out the responsibility without consulting or reporting to your immediate supervisor.

**Class 2.** Full authority is given to take necessary actions in carrying out the responsibility, but your immediate supervisor is to be informed of the action taken.

**Class 3.** Authority is limited. You are expected to present your recommendations to your immediate supervisor, and action will not be taken until a decision is reached.

**Class 4.** No authority is normally given. However, you are expected to be thoroughly familiar with the responsibility and to carry out same when acting for your immediate supervisor during the latter’s absence.

**Note:** If you do not know the degree of authority delegated to you in a particular area, place a question mark in the space at the right. If you have no responsibility for a given item, leave the space blank. If you have some additional areas of responsibility, add these to the list and indicate the class of authority delegated to you.

<table>
<thead>
<tr>
<th>RESPONSIBILITIES</th>
<th>CLASS OF AUTHORITY (1, 2, 3, OR 4)</th>
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<tbody>
<tr>
<td>Determining job specifications</td>
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<td>Employee Selections</td>
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<td>Job assignments</td>
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<td>Job training</td>
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<td>Product activity</td>
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<td>Quality of product (or service)</td>
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<td>Implementing standards of performance</td>
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<td>Equipment purchase and/or installation</td>
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<td>Equipment maintenance</td>
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<td>Budgeting</td>
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<td>Coordination within departments</td>
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<td>Relations with other departments</td>
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<td>Staff development</td>
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<td>Responsibilities</td>
<td>Class of Authority</td>
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<tr>
<td>1. Plan for the growing and harvesting of sugar cane for Harley Watson Farms.</td>
<td>III</td>
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<td>2. Prepare annual budget for farm operation by the month</td>
<td>III</td>
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<td>3. Prepare annual budget for following year</td>
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<td>4. Set harvest schedule by cycles</td>
<td>III</td>
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<td>5. Make recommendation on field rotation following harvest season.</td>
<td>III</td>
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<td>6. Follow the objectives for harvesting cane</td>
<td>II</td>
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<td>7. Follow the objectives for growing cane</td>
<td>II</td>
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<tr>
<td>8. Prepare plan on Fall cane plant</td>
<td>III</td>
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<td>9. Keep accurate records on farm operation</td>
<td>II</td>
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<td>10. Proper maintenance for all functions of farm operation</td>
<td>II</td>
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<td>11. Attend CCI meetings</td>
<td>I</td>
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<tr>
<td>12. Purchase of new equipment</td>
<td>III</td>
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<td>13. Prepare annual plan on five year program to dig rock</td>
<td>III</td>
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<tr>
<td>14. Make recommendations on salary increase each August</td>
<td>III</td>
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</tbody>
</table>
Date: 
Issued To: 
Job Title: 
Issued By: 
This guide is intended to clarify the responsibilities that have been delegated to you, and the authority you may exercise in the completion of those assigned responsibilities.

All decisions are subject to established policy. If doubt exists as to the appropriateness of any action, normal reporting channels should be followed in seeking guidance or approval.

Signature: 
(Supervisor)
Date: 
Responsibilities

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<tr>
<th>Financial Control</th>
<th>1</th>
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<tr>
<td>Approve operating expenses up to:</td>
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<td>X</td>
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<td>$500</td>
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<td>$501-5,000</td>
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<td>More than $5,000</td>
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<td>Purchase capital equipment up to:</td>
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<td>$250</td>
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<td>$251-1,000</td>
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<td>More than $1,000</td>
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<tr>
<td>Approve subordinates’ expense reports</td>
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<tr>
<th>Material And Facilities Control</th>
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<tbody>
<tr>
<td>Keep all equipment in good repair</td>
<td>X</td>
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<td>Insure cleanliness and organization of work areas</td>
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<td>Establish and monitor a preventive maintenance program</td>
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<td>Correct equipment and utilities breakdowns:</td>
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<td>Minor</td>
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<td>Major</td>
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<td>Authorize painting and structural repairs:</td>
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<td>Budgeted</td>
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<td>Not Budgeted</td>
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<tr>
<td>Subordinate Relations</td>
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<tr>
<td>Hire new personnel:</td>
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<td>Schedule personnel for training.</td>
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<td>Request development of training courses to meet specific needs, such as technical,</td>
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<td>clerical, supervisory, etc.</td>
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<tr>
<td>Promote personnel:</td>
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<td>X</td>
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<tr>
<td>Non-management within your unit.</td>
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<tr>
<td>Management within your unit.</td>
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<tr>
<td>Non-management to management within your unit.</td>
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<tr>
<td>Schedule vacations</td>
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<td>Authorize vacation carryovers</td>
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<td>Authorize excused absences:</td>
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<td>1 to 3 days</td>
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<td>4 days or more</td>
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<td>Take disciplinary action:</td>
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<td>Oral warning</td>
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<td>Written warning</td>
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<td>Suspension without pay</td>
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<td>Demotion (in your unit)</td>
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<td>Termination</td>
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<td>Prepare written performance appraisals</td>
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<td>Conduct appraisal interviews</td>
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<td>Handle first-step complaints and grievances</td>
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<td>X</td>
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<tr>
<td>Grant merit increases</td>
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<tr>
<td>Administration</td>
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<tr>
<td>Establish proper security measures</td>
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<td>Requisition office and stationery supplies</td>
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<tr>
<td>Establish record-keeping and filing systems</td>
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<tr>
<td>Write interoffice letters and memos to peers</td>
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<td>Write letters and memos to other managers</td>
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<td>Write letters and memos to the general manager or above</td>
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<td>Publish unit policy and procedure bulletins</td>
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<td>Write out-of-company letters:</td>
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<tr>
<td>Routine matters</td>
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<tr>
<td>Non-routine matters</td>
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FUNCTIONAL AUTHORITY

Functional authority can be defined as the authority delegated to an activity (or its staff) that gives members' expertise in a narrow area of specialization such as quality control. The delegation of functional authority enables managers to exercise control over those who are not their subordinates. However, authority granted in this manner is confined to the specialized area for which it was delegated. For example, if the quality inspectors find an operation "out of control" they can require that operation's foreman to suspend production until the problem is corrected.

There is no doubt that functional authority violates the principle of unity of command by introducing a second superior for one particular element of work. Functional authority gives its holder full right and power to command—but in a restricted and specialized area.

Either line or staff personnel can assume functional authority. However, such authority is usually conferred upon a staff man because of his knowledge of specialized subjects such as engineering, law, accounting, packaging, and design.

If the individual exercising functional authority is technically competent and if his use of the authority is clearly understood and accepted, the arrangement will succeed. Functional authority can thus provide an effective short cut in accomplishing objectives.

The main advantage of the delegation of functional authority is that it permits maximum effective use of staff specialization. A staff member given functional authority can intervene in line operations at any point that management designates. The price of this advantage is, of course, violation of unity of command. This drawback may indeed cause
REAL FRICCTIONS IN SOME ORGANIZATIONS. HOWEVER, MANY FEEL THAT GIVING STAFF DIRECT AUTHORITY IN RESTRICTED AREAS OF LINE PERFORMANCE CONTRIBUTES MORE TO EFFICIENCY AND COORDINATION THAN IT DETRACTS.
BUDGETARY AUTHORITIES

(1) Once approved, a “well-prepared” budget can act as a source of authority and permit managers to make decisions within the budget limits.

HOW TO OBTAIN NEEDED AUTHORITY

(1) Authorities should be recommended by subordinates to the superiors and approved by them.

(2) Therefore, the boss must give the subordinates much opportunity to participate in establishing their authority and the amount of their authority.

(3) Provision must be made for revising authority as is required by changing circumstances.

(4) Authorities may be revised either formally or informally.
THE MOST EFFECTIVE DELEGATION OF AUTHORITY OCCURS WHEN THE SUBORDINATE IS ABLE TO ANSWER ALL OF THE FOLLOWING QUESTIONS AFFIRMATIVELY:

1. IS THERE AT LEAST ONE WRITTEN RECORD TO WHICH I CAN REFER—TO WHICH I CAN DETERMINE MY AUTHORITY?

2. DID I PARTICIPATE IN ESTABLISHING MY AUTHORITIES?

3. ARE MY AUTHORITIES TAILORED TO MY ACCOUNTABILITIES?

4. CAN I PLAN AHEAD TO ACCOMPLISH MY ACCOUNTABILITY WITH THE KNOWLEDGE THAT I HAVE REQUISITE AUTHORITY?

5. CAN I NORMALLY ACT WITHOUT FEAR OF EXCEEDING MY AUTHORITY OF HAVING MY ACTION REVERSED BY HIGHER AUTHORITY?

6. DO MY SUPERIORS, SUBORDINATES, AND PEERS HAVE SUFFICIENT KNOWLEDGE OF THE AUTHORITY I ENJOY?

7. HAS AN ADEQUATE CONTROL AND FEEDBACK BEEN ESTABLISHED—FOR BOTH MY BOSS’S BENEFIT AND MINE—AS TO HOW I AM CARRYING OUT MY AUTHORITY?

IF IT IS NOT POSSIBLE TO ANSWER QUESTIONS POSITIVELY, THE REQUISITE AUTHORITY IS PROBABLY LACKING, AND THE WEAKNESS SHOULD BE REMEDIED.
RESPONSIBILITY -- AUTHORITY CHART

<table>
<thead>
<tr>
<th>Subordinate's name</th>
<th>Date</th>
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<table>
<thead>
<tr>
<th>Things delegated to subordinate</th>
<th>Importance</th>
<th>Level of authority delegated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A B C</td>
<td>1 2 3 4 5</td>
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Idea's for improving delegation results:

- (Additional ideas can be added here.)
TWO CASES ON EFFECTIVE CONTROLS

TWO CASES ILLUSTRATE THE KEY ROLE PLAYED BY DYNAMIC CONTROLS IN EFFECTING BETTER DELEGATION AND MANAGEMENT. THE EXECUTIVE VICE PRESIDENT OF A NATIONAL RESTAURANT CHAIN BECAME HOPELESSLY BOGGED DOWN IN THE DETAILS AND COORDINATION OF THE SIX VICE PRESIDENTS WHO REPORTED TO HIM. MANY OF HIS DISCUSSIONS WITH HIS SIX OFFICERS CENTERED AROUND THE DETAILS OF THEIR OPERATIONS. OFTEN THESE DISCUSSIONS WERE GENERATED BY THE VOLUMINOUS AMOUNT OF DETAILED INFORMATION ON OPERATION ALL SEVEN OFFICERS RECEIVED. FINALLY, THE EXECUTIVE VICE PRESIDENT HAD A NEW FEEDBACK SYSTEM INSTALLED THAT EMPHASIZED TAILORING FEEDBACK METHODS TO THE INDIVIDUAL MANAGERS UP AND DOWN THE LINE. NEITHER THE EXECUTIVE VICE PRESIDENT NOR THE PRESIDENT RECEIVED THE DETAILS THAT BURDENED THEM IN THE PAST. THEY BEGAN CONCENTRATING THEIR EFFORTS ON MAJOR PROBLEMS AND OPPORTUNITIES. THE EXECUTIVE VICE PRESIDENT BEGAN OPERATING AS A TRUE TOP EXECUTIVE RATHER THAN A POLICEMAN OVER DETAILS.

SIMILAR BENEFITS FROM TAILORED FEEDBACK ACCRUED IN THE WIRE AND CABLE MANUFACTURING BUSINESS. HISTORICALLY THE FOREMEN HAD BEEN RELUCTANT TO ASSUME THE DESIRED AMOUNT OF RESPONSIBILITY FOR THEIR OPERATIONS. AN ANALYSIS INDICATED THAT MOST OF THE OPERATIONAL REPORTS WERE DESIGNED FOR AND SENT TO THE SUPERINTENDENTS TO WHOM THE FOREMEN REPORTED. THE SUPERINTENDENTS WOULD REVIEW THE REPORTS AND THEN DISCUSS ANY NECESSARY ACTION WITH THE FOREMEN. THE INITIATIVE FOR TAKING CORRECTIVE ACTION CLEARLY RESTED WITH THE SUPERINTENDENTS, NOT WITH THE FOREMEN WHO WERE IN CHARGE.
A complete change was made in the feedback system. Reports were redesigned to meet the needs of the foremen. They were distributed to the foremen with only summary reports going to the superintendents. The foremen understood that the initiative for action upon the reports rested with them. Within approximately six months a dramatic change was noticeable in the attitudes of the foremen. They started acting as if they were truly in charge of their operations.
CONTROLS (THE MONITORING PROCESS)

A. WHY DO WE NEED CONTROL

1) SUBORDINATES NEED FEEDBACK TO MONITOR THEIR OWN PERFORMANCE

A> THEY PROVIDE FEEDBACK ON YOUR PROGRESS TOWARD YOUR OBJECTIVES

B> THEY INDICATE SLIPPAGE OF YOUR ACTION PLANS

C> THEY INDICATE UNEXPECTED EVENTS QUICKLY WITH LOW COST TIME AND EFFORT (CONTROLS SHOULD NOT COST MORE THAN THE VALUE THAT THE CONTROLS PROVIDE).

D> THEY ALERT YOU WHEN YOU ARE GET INTO TROUBLE IN ORDER TO TAKE THE NECESSARY ACTIONS TO CORRECT THE PROBLEM

E> THEY PROVIDE STIMULATION TO MOVE TOWARD OBJECTIVES

F> THEREFORE, THEY SHOULD BE DESIGNED FOR THE INDIVIDUAL MANAGERS OBJECTIVES

2) SUPERIORS NEED TO KNOW WHEN CORRECTIVE ACTION IS NEEDED

B) ESTABLISH CONTROL TO PERMIT MANAGEMENT BY-EXCEPTION

1> FIRST, DETERMINE THE PRIORITIES FOR YOUR DEPARTMENT AND YOUR PEOPLE

2> SECOND, ESTABLISH THE CONTROLS TO MEASURE PERFORMANCE OVER THE PRIORITY ACTIVITIES

3> THIRD, DETERMINE HOW FREQUENTLY THE MEASUREMENTS SHOULD BE DONE

4> FOURTH, DETERMINE WHO SHOULD RECEIVE THE REPORTS

5> FIFTH, THE ACHIEVEMENT OF ROUTINE GOALS SHOULD BE BY EXCEPTION (WHEN THE MINIMUM STANDARDS ARE NOT MET)
<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>MEASURE</th>
<th>FREQUENCY</th>
<th>DISTRIBUTION</th>
</tr>
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<tbody>
<tr>
<td>Reduce customer complaints by a minimum of 5%</td>
<td>Number of written complaints received which laboratory determines are valid.</td>
<td>Monthly</td>
<td>Customer service manager</td>
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<td>Testing laboratory</td>
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<td>Sales manager</td>
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<tr>
<td>Increase return on investment by 2 percent</td>
<td>Pretax earnings on total assets employed</td>
<td>Quarterly</td>
<td>President</td>
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<td>Financial-vice president</td>
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<td>Group vice presidents</td>
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<td>Board of directors</td>
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<tr>
<td>Reduce total labor costs on operation A by 4%</td>
<td>Total direct and indirect labor costs on a flexible budget basis</td>
<td>Weekly</td>
<td>Foreman</td>
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<td>Superintendent</td>
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<td></td>
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<td>Financial manager</td>
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<tr>
<td>Increase participation of volunteer workers by minimum of 10 percent</td>
<td>Numbers of eligible workers who average at least 5 hours per week or more</td>
<td>Quarterly</td>
<td>Local manager</td>
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<td>Area manager</td>
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<td>Executive director</td>
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</table>
A. Problem: 17% error rate by claims people (identified both by customers and by computer). The people with the highest performance ratings had the highest error rates.

B. Cost of human error = $2,000,000

C. Action by the manager: Error rates of claims people were posted 1/2 hour on Fridays (with codes for each person). The people with the lowest error rates got the highest $ allowed in salary increases.

D. Results

The error rate went down to 2 1/2% in 11 weeks.

The cost of human error was down to $300,000.
It was 5:00 Friday afternoon and Mark Izzo, Manager of Engineering, had just finished packing his briefcase in preparation to go home. As he was about to leave the office, Jim Arbury, the Works Manager, popped his head in the door to wish Mark a pleasant weekend. Somewhat sarcastically Mark replied, "With all the work I have to do, I will be lucky if I get a chance to sleep." As the conversation continued, Mark complained that there just did not seem to be enough hours in the day. He talked about the constant pressure of the job, how hard it was to find good people, and how no one seemed to want to assume any responsibility. When Jim suggested that maybe some of Mark's problem reflected a lack of effective delegation, Mark made such comments as "Subordinates lack experience, it takes more time to explain than to do the job myself, and mistakes can be too costly. Most of my people are specialists lacking the overall knowledge many decisions require." He repeated the thought that most people are not willing to accept responsibility anyway.
IN A POLL OF SEVEN HUNDRED EXECUTIVES FROM A CROSS-SECTION OF
BUSINESS AND INDUSTRIAL FIRMS THE FOLLOWING WERE SOME OF THE
DOMINANT REASONS GIVEN FOR "NOT DELEGATING MORE". INDICATE WHICH
REASONS YOU FEEL ARE VALID BY CHECKING V, WHICH ONES YOU CONSIDER
AN ALIBI BY CHECKING A, AND THE ONES YOU CONSIDER QUESTIONABLE BY
CHECKING THE?

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<thead>
<tr>
<th></th>
<th>VALID</th>
<th>ALIBI</th>
<th>QUESTIONABLE</th>
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<tbody>
<tr>
<td>A. MY SUBORDINATES LACK THE EXPERIENCE</td>
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<td>B. IT TAKES MORE TIME TO EXPLAIN THAN TO DO THE JOB MYSELF</td>
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<tr>
<td>C. A MISTAKE BY A SUBORDINATE CAN BE COSTLY</td>
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<td>D. MY POSITION ENABLES ME TO GET QUICKER ACTION</td>
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<td>E. THERE ARE SOME THINGS I SHOULDN'T DELEGATE TO ANYONE</td>
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<tr>
<td>F. MY SUBORDINATES ARE SPECIALISTS AND THEY LACK THE OVERALL KNOWLEDGE THAT MANY DECISIONS REQUIRE</td>
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<td></td>
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<tr>
<td>G. MY PEOPLE ARE ALREADY TOO BUSY</td>
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<tr>
<td>H. SUBORDINATES JUST AREN'T READY TO ACCEPT MORE RESPONSIBILITY</td>
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<tr>
<td>I. I'M CONCERNED ABOUT LACK OF CONTROL OVER THE SUBORDINATE'S PERFORMANCE WHEN I DELEGATE SOMETHING TO HIM OR HER</td>
<td></td>
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<td></td>
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<tr>
<td>J. I LIKE KEEPING BUSY AND MAKING MY OWN DECISIONS</td>
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THE IMPORTANCE OF GENERAL EXPOSURE
Imagine a debate between two managers: Manager A inclines to a more traditional point of view and tends to be skeptical of the value of broad delegation of responsibility. Manager B feels that delegation is the most effective and subtle tool at a manager’s disposal. For the sake of the debate, each manager has chosen an extreme position, Manager A is against delegation and Manager B is in favor of broad delegation. Manager A’s argument is summarized on the left in four points. By drawing a line, match each of Manager A’s points with Manager B’s corresponding rebuttal. An opinion may be rebutted more than once, but all rebuttals must be used. The first is done for you.

A

1. “Delegating takes more time than doing it myself”.
2. “Mistakes are too costly”.
3. “Subordinates too often lack experience”.
4. “Subordinates too often are specialists without the necessary overall knowledge required for decisions.”

B

1. “The only way a subordinate can get the necessary experience is by doing it”.
2. “Without delegation, learning cannot take place and employee dissatisfaction becomes a problem.”
3. “Managerial control can be maintained by periodic reviews at critical junctures.”
4. “For the sake of organizational stability, a manager should develop a timetable for the training of each employee”.
5. “A manager who does not delegate becomes overwhelmed by day-to-day details, to the detriment of everyone.”

Quick Quiz Answers

1. (5) 2. (3) 3. (1,2,4) 4. (2,4)
DELEGATION OF AUTHORITY

THE ROGERS COMPANY HAS EXPANDED RAPIDLY DURING THE PAST TEN YEARS FROM A SMALL FIRM EMPLOYING TEN PEOPLE TO A MEDIUM SIZED FIRM OF OVER 300 EMPLOYEES. JOHN ANDERSON, THE CHIEF ENGINEER, HAS GROWN WITH THE COMPANY FROM THE POSITION OF DRAFTSMAN TO THE CHIEF ENGINEER OF THE CORPORATION TEN YEARS LATER.

MR. ANDERSON HAS ALWAYS BEEN AN EXCEPTIONALLY CONSCIENTIOUS WORKER WHO PREFERRED TO PERFORM WORK HIMSELF RATHER THAN ASK OTHER PEOPLE TO DO IT, BECAUSE HE FELT THEY MIGHT NOT PERFORM THE WORK SATISFACTORILY. HE HAS ALWAYS WORKED LONG HOURS AND HIS DEVOTION TO THE COMPANY IS UNQUESTIONABLE. HOWEVER, IN RECENT YEARS THE ACTIVITIES UNDER MR. ANDERSON'S SUPERVISION HAVE BECOME INCREASINGLY DISORGANIZED. ENGINEERING PROJECTS HAVE BEEN COMPLETED AFTER AN EXCESSIVE DELAY, THUS MAKING CORRECTIVE ACTION DIFFICULT. NUMEROUS ERRORS HAVE BEEN MADE.

THE PRESIDENT OF THE CORPORATION, MR. BAKER, FEELS THAT THE CRUX OF THE PROBLEM LIES IN THE FAILURE OF MR. ANDERSON TO DELEGATE AUTHORITY. MR. ANDERSON HAS CONTINUED HIS FORMER POLICY OF PERFORMING ALL ESSENTIAL ACTIVITIES HIMSELF. MR. BAKER HAS REPEATEDLY ADVISED MR. ANDERSON IN A JOKING WAY TO "LET SOME OF THE YOUNG FELLOWS MAKE DECISIONS AND DO SOME OF THE WORK". THIS APPROACH HAS BEEN INEFFECTIVE AND MR. BAKER NOW FEELS THAT IT IS NECESSARY TO TAKE MORE DRASTIC ACTION, BUT HE IS PUZZLED ABOUT HOW HE CAN GET MR. ANDERSON TO DELEGATE MORE AUTHORITY.
REASONS FOR NOT DELEGATING PROPERLY

1. LACK OF UNDERSTANDING HOW TO OR WHAT TO DELEGATE

2. NOT KNOWING HOW TO MAKE THE "VITAL SHIFT" (FROM TECHNICIAN TO MANAGER)

3. "DUMPING" (HANDING OUT PROJECTS)

4. FEAR OF LOSS OF CONTROL AND AUTHORITY

5. NOT REWARDING ACCORDING TO CONTRIBUTION (NOT GIVING RECOGNITION FOR GOOD PERFORMANCE)

6. NOT DEVELOPING THE SELF-CONFIDENCE OF SUBORDINATES THROUGH TRAINING AND SUPPORT

   POOR COMMUNICATIONS (LACK OF PARTICIPATION IN ESTABLISHING THE DELEGATION) (HONEST TWO-WAY COMMUNICATIONS ARE NEEDED) (A "MEETING OF THE MINDS" IS NEEDED ABOUT PRIORITIES, ACCOUNTABILITIES, AUTHORITY, CONTROLS)

7. NOT ESTABLISHING EFFECTIVE CONTROLS

8. NOT RESISTING THE TENDENCY OF SUBORDINATES TO ASK FOR YOUR OPINIONS AND DECISIONS ON PROBLEMS (APPLE-POLISHING)

9. NOT TAILORING THE CONTROLS TO THE PARTICULAR INDIVIDUAL'S OPERATION (FOR EXAMPLE, A FOREMAN OF A MECHANIZED PACKAGING OPERATION SHOULD BE CONTROLLED BY MACHINE UTILIZATION, CAPACITY, REJECTS, COST OF FINISHED GOODS WHEREAS THE FOREMAN OF A LABOR-INTENSIVE UNIT SHOULD BE CONTROLLED BY LABOR COSTS

10. IF THEY HAVE BEEN GIVEN A POOR DELEGATION

11. BEING OVERLY CRITICAL WHEN REVIEWING PERFORMANCE

12. NOT ORGANIZED, NO TIME AVAILABLE TO PROVIDE NECESSARY INSTRUCTIONS

13. FEAR OF LOSING CREDIT AND RECOGNITION
15. FEAR OF TAKING RISKS
16. CONFIDENTIAL TASKS (SHOULD NOT BE DELEGATED)
17. FAILURE TO SEE DELEGATION AS A MEANS OF BUILDING TEAM EFFORT
18. POOR CHOICES OF SUBORDINATES (WHO ARE NOT INTERESTED IN ADVANCEMENT)
19. THE NORMAL TENDENCY OF PEOPLE IS TO WANT TO DO THINGS THEMSELVES
20. NEGATIVE ATTITUDES TOWARD PEOPLE (DISRESPECT FOR SUBORDINATE'S IDEAS: BIAS AGAINST CERTAIN PEOPLE)
21. FAILURE TO BACK UP A SUBORDINATE WHEN A DECISION IS MADE THAT IS BASED ON LOGIC WITH THE FACTS AVAILABLE AT THE TIME BUT IS A MISTAKE
22. DELEGATING TOO MUCH, TOO FAST
23. ESTABLISHING UNREALISTIC OBJECTIVES
24. RELUCTANCE TO DELEGATE CHORES OR TRIVIA
25. WANTING TO DO THE JOB YOURSELF BECAUSE YOU ENJOY DOING IT (THEY ENJOY DOING DETAIL WORK) (FEAR OF LOSING PERSONAL JOB SATISFACTION)
26. FEAR THAT THEIR SUBORDINATES WILL DO TOO WELL AND TAKE THEIR JOB AWAY (FEAR OF HAVING SHORTCOMINGS EXPOSED) (FEAR OF COMPETITION)
27. "MARTYR COMPLEX" (THEY WANT PEOPLE TO THINK THEY ARE OVERWORKED, UNDERPAID) (FEAR OF HAVING A CLEAN DESK--THEY DO NOT WANT TO APPEAR IDLE)
28. WANTING TO AVOID OR MINIMIZE "HASSLES" WITH SUBORDINATES
29. IMPATIENCE WITH INEXPERIENCED PEOPLE (IT NEEDS TO BE DONE NOW, AND THEY CAN DO IT QUICKER AND BETTER)
30. FAILURE TO SEE DELEGATION AS A MEANS OF DEVELOPING OTHERS
31. FEAR THAT THE SUBORDINATE WILL MAKE A MISTAKE (LACK OF TRUST) (FEAR THAT SUBORDINATES WILL NOT BE ABLE TO HANDLE THE ASSIGNMENT)
32. SOME MANAGERS WANT TO KNOW WHAT IS GOING ON IN THE FUNCTIONAL AREAS
33. BOSS HAS A HIGH PERSONAL INTEREST IN THE TASK
34. "IF I DELEGATE ALL THE WORK, THEN I WON'T HAVE ANYTHING TO DO"
<table>
<thead>
<tr>
<th>Game</th>
<th>Reason</th>
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<tbody>
<tr>
<td><strong>The Confusion Game</strong></td>
<td>To delegate or not to delegate</td>
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<tr>
<td><strong>The Missing Pieces Game</strong></td>
<td>Not delegating the full assignment</td>
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<tr>
<td><strong>The Speed Game</strong></td>
<td>Instant delegation</td>
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<tr>
<td><strong>The Subordinate Game</strong></td>
<td>Competition with subordinates;</td>
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<td>Fear of criticism from subordinates;</td>
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<td>Unwillingness to listen to subordinates;</td>
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<td>Poor selection of subordinates when delegating a particular task.</td>
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<tr>
<td><strong>The Power Game</strong></td>
<td>Reluctance or refusal to transfer power and authority with a delegation</td>
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</table>

SOME MANAGERS PLAY GAMES
A POWERFUL OLD TIGER, THE LEADER OF HIS PACK, WAS PREPARING TO GO ON A HUNT. GATHERING THE OTHER TIGERS ABOUT HIM, HE SAID, "WE MUST GO OUT INTO THE PLAINS AND HUNT, FOR THE WINTER IS COMING. YOU YOUNG FELLOWS COME WITH ME, PERHAPS YOU WILL LEARN A THING OR TWO.

THE YOUNG TIGERS WERE PLEASED TO HEAR THIS, FOR THE OLD FELLOW HAD HITHERTO SHOWN NO INTEREST IN TIGER DEVELOPMENT. HE USUALLY LEFT THEM BEHIND WHEN HE WENT FORAGING, AND THEY WERE TIRED OF DOING NOTHING BUT KEEPING ORDER AMONG THE CUBS AND PERFORMING OTHER ROUTINE TASKS.

THE FIRST DAY OUT, THE OLD TIGER SPOTTED A HERD OF ELEPHANTS. "HERE'S YOUR CHANCE, BERNARD," HE SAID TO ONE OF THE YOUNGER TIGERS. "LOOK AT IT AS A CHALLENGE."

BUT BERNARD HAD NO IDEA HOW TO GO ABOUT HUNTING. WITH A ROAR, HE RUSHED AT THE ELEPHANTS, WHO RAN OFF IN ALL DIRECTIONS. "IT LOOKS AS THOUGH I'LL HAVE TO DO THE JOB MYSELF," SAID THE LEADER PHILOSOPHICALLY. AND SO HE DID.

THE NEXT DAY, THE TIGERS CAME UPON A HERD OF WMAF BUFFALO. "SUGGEST YOU TAKE OVER NOW, JEROME," SAID THE OLD TIGER, AND JEROME, RELUCTANT TO ASK SILLY QUESTIONS BUT DETERMINED TO DO HIS BEST, CREST UP ON THE GRAZING BUFFALO. HE LEAPED STRAIGHT AT THE LARGEST OF THEM, BUT THE BIG BUFFALO TOSSED HIM TO THE GROUND, AND JEROME WAS LUCKY TO ESCAPE IN ONE PIECE. MORTIFIED, HE CREST BACK TO THE GROUP.

"NO, NO, NO!" SAID THE OLD TIGER. "WHAT'S HAPPENING TO PERFORMANCE AROUND HERE?"

"BUT YOU NEVER TAUGHT US HOW TO DO IT," CRIED ONE OF THE YOUNG TIGERS. "THE OLD TIGER WAS IN NO MOOD TO LISTEN, "THE REST OF YOU STAY WHERE YOU ARE," HE GROWLED, "AND I WILL DO THE JOB MYSELF." AND SO HE DID.

"I CAN SEE," SAID THE OLD TIGER, AS THE OTHERS GATHERED ADMIRINGLY ABOUT HIM, "THAT NOW OF YOU IS YET READY TO TAKE MY PLACE." HE SIGHED. "MUCH AS I HATE TO SAY IT, I SEEM TO BE INDISPENSABLE."

TIME BROUGHT LITTLE CHANGE. THE OLD TIGER SOMETIMES TOOK THE YOUNGER ONES ALONG WITH HIM ON HUNTS, AND OCCASIONALLY HE LET ONE OF THEM TRY TO MAKE A KILL. BUT HAVING RECEIVED NO INSTRUCTION, THEY WERE unequal TO THE TASK, AND THE OLD TIGER STILL MADE NO EFFORT TO TEACH THE OTHERS HIS TRICKS. HE HAD FORGOTTEN THAT HE HIMSELF WAS A PRODUCT OF TIGER-TO-TIGER COACHING.

ONE DAY, WHEN HE HAD GROWN QUITE OLD, THE TIGER MET A FRIEND-A WISE LION HE HAD KNOWN FOR YEARS. BEFORE LONG THE TIGER WAS LAUNCHED ON HIS FAVORITE TOPIC OF CONVERSATION: THE LACK OF INITIATIVE IN THE YOUNGER GENERATION.
"WOULD YOU BELIEVE IT?" HE ASKED THE LION. "HERE I AM, GETTING A BIT LONG IN THE TOOTH, AND I STILL HAVE TO DO ALL THE HUNTING FOR MY PACK. THERE SEEMS TO BE NO ONE OF MY STRIPS AROUND." "THAT'S ODD," SAID THE LION. "I FIND THE YOUNGER LIONS IN MY PACK TAKE WELL TO INSTRUCTION. SOME OF THEM ARE CARRYING A GOOD BIT OF RESPONSIBILITY. IN FACT," HE CONTINUED, "I'M THINKING ABOUT RETIRING NEXT YEAR AND LETTING THE YOUNGER FELLOWS TAKE OVER."

"I ENVY YOU," SAID THE TIGER. "I'D TAKE THINGS EASIER AND RELAX MYSELF IF I ONLY SAW A LITTLE LEADERSHIP MATERIAL AROUND ME."

THE OLD TIGER SIGHED AND SHOOK HIS HEAD. "YOU CAN'T IMAGINE," HE SAID. "WHAT A BURDEN IT IS TO BE INDISPENSABLE."

MORAL: MANAGERS WHO WON'T SHARE THE BURDEN MUST BEAR THE BURDEN.
USE OF NON-DESCRIPTIVE JOB DESCRIPTIONS (THE TYPICAL JOB DESCRIPTION DOES NOT HELP IN THE DELEGATION PROCESS FOR THE FOLLOWING REASONS):

(1) IT USUALLY DOES NOT INDICATE THE SPECIFIC RESULTS (OBJECTIVES) THE INDIVIDUAL MUST ACHIEVE.

(2) IT IS USUALLY OUTDATED AND HAS NOT BEEN REVISED TO REFLECT CHANGES IN THE PRIORITIES OF THE COMPANY.

(3) IT USUALLY DOES NOT INDICATE THE CONTINUAL IMPROVEMENT OF WORK DONE FROM YEAR-TO-YEAR.

(4) IT USUALLY IS DESIGNED FOR THE JOB, NOT FOR THE INDIVIDUAL.
WHY ARE JOB DESCRIPTIONS SO IMPORTANT? (JOB DESCRIPTIONS ARE IMPORTANT IN THE DELEGATION PROCESS, IF THEY ARE PREPARED PROPERLY, BECAUSE THEY ARE THE BASIS FOR):

1. RECORDING THE DELEGATED RESPONSIBILITIES AND ACCOUNTABILITIES

2. DEVELOPING PLANS FOR MEETING OBJECTIVES

3. GUIDING THE INDIVIDUAL IN HIS/HER DAY-TO-DAY ACTIONS

4. CONTROLLING THE DELEGATION

5. MEASURING INDIVIDUAL PERFORMANCE

6. PROVIDING SPECIFIC EVIDENCE FOR REWARDS OR DISCIPLINARY ACTION
THE FOLLOWING EXAMPLE GIVES THE MAJOR SECTIONS AND CONTENT OF A DYNAMIC JOB DESCRIPTION:

KEY COMPONENTS OF A JOB DESCRIPTION FOR DELEGATION PURPOSES

I. RESPONSIBILITY (THE INDIVIDUAL'S TOTAL ASSIGNMENT)

A. CONTENT

1. THE MAJOR FUNCTIONS AND/OR PERSONNEL ASSIGNED TO HIM/HER

2. THE PARAMETERS OF HIS/HER RESPONSIBILITY

   BY ORGANIZATIONAL UNIT, FOR EXAMPLE, CORPORATE-WIDE, SUBSIDIARY, PLANT, DIVISION, WORLDWIDE

B. TIME FACTOR. THIS SECTION IS CHANGED ONLY WHEN A REVISION IS MADE IN THE RESPONSIBILITY; FOR EXAMPLE, A FUNCTION OR DEPARTMENT IS ADDED OR SUBTRACTED.

II. PRIORITIES

A. CONTENT. THE PRIMARY AREAS (USUALLY SIX TO EIGHT), WITHIN HIS/HER SCOPE, WHICH COMPRISE THE TRUE MISSION OF THE JOB - THE REAL REASON THE JOB EXISTS. EXAMPLE: TWO OF THE KEY AREAS FOR A SALES MANAGER WOULD BE OPTIMIZING SALES AND CONTROLLING SELLING COSTS.

B. TIME FACTOR. A MANAGER'S KEY-RESULTS AREAS MAY CHANGE FROM ONE TARGET PERIOD TO THE NEXT, BUT NOT NECESSARILY, DEPENDING ON WHETHER THE COMPANY'S PRIORITIES HAVE CHANGED.
III. OBJECTIVES (ACCOUNTABILITIES)

A. CONTENT. THE SPECIFIC RESULTS THE MANAGER MUST ACHIEVE DURING THE TARGET PERIOD.

B. TIME FACTOR. OBJECTIVES ALMOST ALWAYS CHANGE FROM ONE TARGET PERIOD TO THE NEXT AND OFTEN DURING THE TARGET PERIOD ITSELF.

IV. AUTHORITY

A. CONTENT. THE POWER THAT HAS BEEN TRANSFERRED TO THE MANAGER TO CARRY OUT THE OBJECTIVES.

B. TIME FACTOR. MUST CHANGE AS OFTEN AS NECESSARY TO REMAIN CONSISTENT AND COMPATIBLE WITH ANY CHANGES IN RESPONSIBILITY AND OBJECTIVES.
ABBREVIATED STATEMENT OF ACCOUNTABILITY FOR A DIRECTOR OF MARKETING

RESPONSIBILITIES

REPORTS TO THE PRESIDENT AND DIRECTS, COMPANYWIDE, THE DEVELOPMENT AND EXECUTION OF SALES OBJECTIVES, PROGRAMS, AND POLICIES, INCLUDING THOSE FOR PRODUCT SALES, ADVERTISING AND PROMOTION, MARKET AND CONSUMER RESEARCH, SALES TRAINING, AND CUSTOMER RELATIONS.

REPORTING TO HIM/HER ARE THE GENERAL SALES MANAGER, DIRECTOR OF ADVERTISING, DIRECTOR OF MARKET RESEARCH, MANAGER OF SALES TRAINING, AND MANAGER OF CUSTOMER RELATIONS.

PRIORITIES
1. SALES FORECASTING AND PLANNING
2. GROSS MARGIN OF SALES
3. SELLING EXPENSE
4. DISTRIBUTION CHANNELS
5. SALES MANPOWER DEVELOPMENT
6. NEW MARKET DEVELOPMENT

ACCOUNTABILITIES: OBJECTIVES
1. ACHIEVE TOTAL SALES VOLUME AND GROSS MARGIN ON SALES WITHIN PLUS OR MINUS 5 PERCENT OF BUDGET.

2. REDUCE PRIVATE-LABEL SALES BY 15 PERCENT FROM 1987 LEVELS WITHOUT LOSS IN TOTAL SALES VOLUME.
3. TRAIN MINIMUM OF TEN ASSISTANT REGIONAL SALES
   MANAGERS TO LEVEL OF COMPETENCE CAPABLE OF PERFORMING
   AS REGIONAL SALES MANAGER BY AUGUST 1.

4. DEVELOP NEW DETROIT REGIONAL MARKET SO THAT A 28
   PERCENT MARKET-SHARE POSITION IS ACHIEVED BY JULY 1 AT
   TOTAL DEVELOPMENT COSTS OF $75,000 WITH TOTAL
   INTRODUCTION AND PROMOTION COSTS NOT TO EXCEED 10
   PERCENT OF AVERAGE RETAIL SELLING PRICE OF THE OTHER 19
   DIVISIONS.
## Comparison of responsibility and accountability

<table>
<thead>
<tr>
<th>RESPONSIBILITY</th>
<th>ACCOUNTABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General</strong></td>
<td></td>
</tr>
<tr>
<td>Indicates the scope of the manager's job or the major functions he directs;</td>
<td>States the result he must achieve within his responsibility; for example,</td>
</tr>
<tr>
<td>for example, he is a personnel manager or a purchasing director.</td>
<td>sell 100 units at a per-unit price of $2,000, or effect a cost improvement</td>
</tr>
<tr>
<td></td>
<td>of $10,000.</td>
</tr>
<tr>
<td><strong>Specific</strong></td>
<td></td>
</tr>
<tr>
<td>Is usually assigned, manager has less opportunity to influence.</td>
<td>Is delegated, manager has wide latitude to influence</td>
</tr>
<tr>
<td>Used to build organization charts</td>
<td>Key to delegation</td>
</tr>
<tr>
<td>Job related (more impersonal)</td>
<td>Manager related (highly personal)</td>
</tr>
<tr>
<td>General (says where he works)</td>
<td>Specific (tells what he must accomplish)</td>
</tr>
<tr>
<td>Only loose control possible</td>
<td>Tight control possible</td>
</tr>
<tr>
<td>Ongoing, seldom changes</td>
<td>Self-liquidating, should change at end of each target period.</td>
</tr>
<tr>
<td>Specific authorities not established</td>
<td>Specific authorities must be established</td>
</tr>
<tr>
<td>Performance measurement almost impossible</td>
<td>Performance measurement possible and highly desirable</td>
</tr>
<tr>
<td>Poor basis for compensation beyond basic salary</td>
<td>Most equitable basis for compensation beyond base salary</td>
</tr>
<tr>
<td>Management development is general</td>
<td>Management development is specified</td>
</tr>
<tr>
<td>RESPONSIBILITY</td>
<td>ACCOUNTABILITY</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Poor motivator (what should I be doing, how much authority do I have?)</td>
<td>Effective motivator (I know what I should do and how much authority I have)</td>
</tr>
<tr>
<td>Usually expressed in a traditional job description (as activities to pursue)</td>
<td>Better expressed as objectives (to be achieved)</td>
</tr>
</tbody>
</table>
**MANAGERIAL PHILOSOPHIES SCALE**

Following is a list of controversial statements, including some conflicting and opposing points of view. You may feel yourself agreeing strongly with others, and perhaps not very sure about yet others. Whether you agree or disagree with any statement, you can be sure that there are many other people who feel pretty much the way you do. There are no right or wrong answers to the questions on this scale, just different points of view.

Please respond to all the statements as honestly and frankly as you can, since attempts to give what you think will be "correct" response or to answer questions the way you think others would want you to answer it will distort the meaning of your answers and cause the scale results to be valueless. Simply circle the appropriate value for that statement in the space provided which will indicate the extent to which you agree or disagree with it.

<table>
<thead>
<tr>
<th>I AGREE</th>
<th>I DISAGREE</th>
</tr>
</thead>
<tbody>
<tr>
<td>very much</td>
<td>on the whole</td>
</tr>
</tbody>
</table>

1. The average human being will avoid work if he/she can.

2. The best way for a manager to get things done is to use his/her authority to direct people.

3. The potentialities of the average human being are far above those which are typically recognized in organizations today.

4. Good managers should strive for rationality and the elimination of emotional factors on the job.

5. Most people work because they have to.

6. Most employees are capable of exercising a certain amount of autonomy and independence on the job.

7. It is only natural for people to seek their most rewarding experience off the job.
8. Most employees want maximum reward for minimum effort.
9. In most organizations one can generally trust one's subordinate.
10. The average human being prefers to be directed.
11. Problems which arise in the organization should always be considered coldly and objectively.
12. Even the lowliest untalented laborer seeks a sense of meaning and accomplishment in his/her work.
13. In order to insure that they work toward the organization's goals, employees must be controlled and directed by supervisors.
14. The average human being wants security above all.
15. Under proper conditions, the average human being in an organization learns not only to accept but seek responsibility.
16. The natural goals of people run counter to those of the organization.
17. Even increased pay is usually not enough to overcome people's inherent dislike of work.
18. In most organizations one can generally trust one's superiors.
19. Employees will always try to get away with as much as they can.
20. The most prevalent type employee want security.
21. For many organizational tasks, managers can rely upon the individual to exercise inner self-control.

22. Most people are by nature either indifferent or antagonistic toward the goals of the industrial enterprise.

23. Most employees in any organization do not possess the potential to be "self-starters" on the job.

24. Most employees have the capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems.

25. The average human being has relatively little ambition.

26. The average human being has an inherent dislike for work.

27. People do not need external controls and the threat of punishment, but will exercise inner, self-direction and self control to attain organizational objectives to which they are personally committed.

28. In order for an individual to really be productive in an organization, he/she must be motivated by outside incentives such as money and fringe benefits.

29. The average human being wishes to avoid responsibility.

30. In most organizations, one can generally trust one's peers and colleagues.

31. The best strategy for dealing with potential conflict from subordinates is to "divide and rule"—that is, to promote interaction between the subordinates themselves.
32. Giving greater independence to most employees would be bad for the organization.

33. The average human being can find work a source of satisfaction.

34. People must usually be either coerced, controlled, directed or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.

35. It is frequently a wise procedure never to be too trusting of others in a working organization.

36. People are primarily self-motivated and self-controlled.
On the graph above, you may plot your scores from the Managerial Philosophies Scale by finding the raw score points for both your Theory X and Theory Y beliefs. These are listed just above the X-Y column designations at the foot of the graph. Once these points have been located, simply shade the area below each point to form a bar graph of the two scores. The T-Score equivalents — that is, the standardized "meanings" of each set of scores — are listed along each margin. It will be noticed that the average T-Score of 50 for the Theory X and Theory Y scales fall at different levels in the graph. This indicates that there is a slight preference for Theory Y when all men in the management tested as the normative group for these data. Thus, if you score about average on both X and Y, your bar chart will reveal this as well as a preference for Theory Y values by: (1) the fact that both plots fall within the shaded "average" range, and (2) the relatively higher level of the Y plot. Deviations from the average range — above or below — are worthy of consideration and may be interpreted according to the considerations discussed on pages 8 and 9 of the theory handout accompanying this instrument. In general, look for the "patterns" of plotted scores; if one is outside the average range while the other is within it, a rejection of one value system is indicated if the plot is below or an over-emphasis to it is revealed if the plot is above the shaded area, while both is revealed above the "average" strength plot per se. If one falls below while the other falls above the average range, a strong preference for one coupled with a rejection of the other is revealed, and so forth. Of primary importance is the linking of managerial practices to the values and beliefs revealed in your Theory X - Theory Y score plots.
THE MANAGER OF THE TRANSPORTATION DEPARTMENT, MR. WAGNER, RECENTLY RECEIVED A NEW DIRECTIVE STATING THAT THE PLANT MANAGER MUST GIVE PERMISSION FOR ALL OVERTIME AND SATURDAY WORK BEFORE SUCH WORK IS SCHEDULED. PREVIOUSLY, THE DEPARTMENT MANAGER HAD AUTHORIZED OVERTIME WHENEVER THE NEED FOR IT AROSE. HOWEVER, THE COMPANY WAS EXPERIENCING A SEVERE PROFIT SQUEEZE AND WAS LOOKING FOR WAYS TO REDUCE COSTS AND OTHER EXPENDITURES. IN THE PAST, MR. WAGNER HAD LITTLE OCCASION TO SCHEDULE OVERTIME, AND THEREFORE HE DID NOT THINK THAT THE NEW DIRECTIVE WOULD HAMPER THE PERFORMANCE OF HIS DUTIES.

HOWEVER, A NEW SITUATION AROSE. BECAUSE OF UNFORESEEN DELAYS IN PRODUCTION, ORDERS BEGAN TO PILE UP. THIS BOTTLENECK, SOON ALLEVIATED IN THE FACTORY, THEN SHIFTED TO THE TRANSPORTATION DEPARTMENT. HERE, THE INCREASED WORK LOAD AND UNEXPECTED ABSENCES COMBINED TO SLOW THE SHIPMENT OF ORDERS. MR. WAGNER FEARED THAT SOME ORDERS WOULD BE CANCELED IF THEY WERE NOT SHIPPED BEFORE THE WEEK WAS OVER BUT FELT HIS PEOPLE COULD NOT COMPLETE THEIR TASK DURING NORMAL WORK TIME. HE WAS CONVINCED THAT OVERTIME WOULD HELP THE SITUATION. HE TRIED TO CONTACT THE PLANT MANAGER AND LEARNED THAT HE WAS OUT OF TOWN AT A CONVENTION AND COULD NOT BE REACHED. MR. WAGNER HAD HEARD SOME TIME AGO THAT THE PLANT MAINTENANCE MANAGER HAD FACED A SIMILAR PROBLEM AND, REALIZING THAT DELAY IN MAKING THE NEEDED REPAIR WOULD HAVE MADE THE JOB MORE
DIFFICULT AND COSTLY, HAD AUTHORIZED OVERTIME WITHOUT THE 
NECESSARY PERMISSION. WHEN THE PLANT MANAGER HAD 
RETURNED, HE HAD SERIOUSLY CRITICIZED HIS SUBORDINATE AND 
INSTITUTED DISCIPLINARY ACTION.

THE TRANSPORTATION MANAGER DID NOT KNOW WHAT TO DO. 
IF HE AUTHORIZED OVERTIME, HE WOULD EXCEED HIS AUTHORITY;
IF HE DID NOT HAVE HIS EMPLOYEES WORK OVERTIME, SHIPPING 
WOULD BE DELAYED AND ORDERS CANCELLED. HE THOUGHT OF 
CONTACTING THE PRESIDENT OF THE COMPANY, WHO WAS THE 
PLANT MANAGER'S LINE SUPERIOR. HOWEVER, HE TOO WAS OUT OF 
TOWN AND UNREACHABLE. MR. WAGNER DECIDED TO BE SAFE AND 
DID NOT ASK HIS PEOPLE FOR OVERTIME. THUS, SOME OF THE 
SHIPMENTS DID NOT GO OUT ON TIME AND SOME ORDERS WERE 
CANCELLED.
<table>
<thead>
<tr>
<th>ASSUMPTIONS AND DELEGATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SELF-FULFILLING PROPHECY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NEGATIVE (THEORY X)</th>
<th>POSITIVE (THEORY Y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. WORK IS UNNATURAL.</td>
<td>1. WORK IS NATURAL.</td>
</tr>
<tr>
<td>2. PEOPLE ARE NATURALLY LAZY.</td>
<td>2. PEOPLE ARE NATURALLY ACTIVE.</td>
</tr>
<tr>
<td>3. PEOPLE WORK MAINLY FOR MONEY AND STATUS</td>
<td>3. PEOPLE WORK FOR MANY REASONS: (PRIDE, ACHIEVEMENT, SENSE OF CONTRIBUTION, ETC.)</td>
</tr>
<tr>
<td>4. PEOPLE WORK DUE TO FEAR OF BEING FIRED OR DEMOTED.</td>
<td>4. PEOPLE WORK TO ACHIEVE PERSONAL GOALS.</td>
</tr>
<tr>
<td>5. PEOPLE AT WORK ARE IMMATURE, IRRESPONSIBLE, &quot;BIG CHILDREN&quot; DEPENDENT ON LEADERS.</td>
<td>5. PEOPLE AT WORK ARE MATURE, WANTING RESPONSIBILITY, AND FREEDOM.</td>
</tr>
<tr>
<td>6. PEOPLE EXPECT DIRECTION AND DON'T WANT TO THINK FOR THEMSELVES.</td>
<td>6. PEOPLE ARE CAPABLE OF SELF-DIRECTION.</td>
</tr>
<tr>
<td>7. PEOPLE NEED TO BE TOLD PROPER WORK METHODS.</td>
<td>7. PEOPLE CAN DEVISE THEIR OWN WORK METHODS.</td>
</tr>
<tr>
<td>8. PEOPLE WILL RESIST CHANGE.</td>
<td>8. PEOPLE WILL ADAPT TO CHANGE.</td>
</tr>
<tr>
<td>9. PEOPLE CAN'T GROW, IMPROVE, OR CHANGE DUE TO HEREDITY.</td>
<td>9. PEOPLE ARE GROWING, CHANGING ALL OF THE TIME.</td>
</tr>
<tr>
<td>10. PEOPLE NEED MANAGERS WHO WATCH THEM CLOSELY.</td>
<td>10. PEOPLE NEED A SENSE THAT THEY ARE RESPONSIBLE AND ABLE TO CORRECT THEIR MISTAKES.</td>
</tr>
<tr>
<td>11. JOBS MUST BE SIMPLIFIED.</td>
<td>11. JOBS MUST BE EXPANDED, MADE MORE CHALLENGING.</td>
</tr>
</tbody>
</table>
2. IMPLICATIONS TO MANAGERS FOR MAKING POSITIVE ASSUMPTIONS ABOUT PEOPLE.
   
   IF YOU MAKE POSITIVE ASSUMPTIONS ABOUT PEOPLE YOU WILL:

1. APPROACH PEOPLE WITH AN OPEN MIND, LETTING THEM GROW AND DEMONSTRATE THEIR CAPABILITIES THAT WILL PERMIT THEM TO GROW

2. STRUCTURE THE WORK ITSELF TO PROVIDE A "SENSE OF ACHIEVEMENT" AND PERSONAL GROWTH, SINCE WORK ITSELF IS A MOTIVATOR

3. DEVELOP PEOPLE--COACH THEM--ENCOURAGE THEM TO ASK QUESTIONS

4. PROMOTE FROM WITHIN, WHENEVER POSSIBLE

5. TEACH THEM A LOT--AND MORE COMPLEX THINGS

6. GIVE THEM MUCH FEEDBACK

7. PARTICIPATE IN SETTING CHALLENGING GOALS WITH THEM

8. TRUST THEM (GIVE THEM FREEDOM TO PLAN)

9. GET IDEAS FROM THEM (PRACTICE PARTICIPATIVE MANAGEMENT)

10. DEVELOP THEIR CONFIDENCE

11. LET THEM MAKE DECISIONS

12. COACH ALL OF THEM
THE FOLLOWING WILL BE LOW:
1. FEEDBACK
2. OWNING UP TO FEELINGS, IDEAS
3. RISK-TAKING
4. TEAMWORK
5. TRUST
6. INTERNAL COMMITMENT TO THE JOB
7. CREATIVE PROBLEM SOLVING
8. OUTPUT
9. QUALITY
10. PRODUCTIVITY

AND, THE FOLLOWING WILL BE HIGH:
1. EVALUATIVE FEEDBACK
2. APATHY
3. CONTEMPT
4. DEFENSIVENESS
5. STABILITY (CONFORMITY TO THE STATUS QUO)

WHICH CAUSES:
1. INEFFECTIVE DECISIONS
2. WASTED TIME IN MAKING DECISIONS
3. SLOW RESPONSE TO CHANGE
4. EXTERNAL COMMITMENT
5. INEFFICIENCY
6. HIGH TURNOVER
The Motivation Concepts of Chris Argyris

1. Most adults are motivated to be responsible, self-reliant, and independent. The typical organization provides little opportunity for these, as they assume that people are naturally immature, irresponsible, and dependent.

2. The typical organization is committed to achieving organizational (not individual) objectives by rational (not emotional) actions. It tends to motivate people by directing, controlling, rewarding, and punishing. This results in little feedback, owning up, openness, or risk-taking and in much evaluative feedback, defensiveness, and stability.

3. The common reaction of the individual to this is withdrawal, indifference, minimal output, low quality, and excessive waste, which are costly.

4. Managements and unions try to motivate people by emphasizing money, fringe benefits, and job security, which do not work, as (1) workers are motivated by a sense of pride, accomplishment, and responsibility, and (2) the battle for adequate worker incomes has been won. However, workers feel they are being paid well to endure the monotonous work they are forced to do.

5. Happiness is different from motivation. Workers need not be happy to work productively. Productive workers are interested and serious about their work. Motivated workers obtain more personal satisfaction from their work.

6. Argyris has devised more responsible jobs for workers, which have reduced costs.

7. Interpersonal relations among managers tend to be poor. Managers have problems of being open (leveling) with each other. This wastes time and results in ineffective decisions. "Organizational effectiveness" (sustained profits, efficiency, growth, etc.) is most likely to occur when the organization encourages "interpersonal competence" (a mutual ability by organization members to use each other's unique abilities effectively), judging people on their individual contributions, developing trust and confidence among organizational members, and developing an effective team.
WAYS THAT MANAGERS COMMUNICATE THE PYGMALION EFFECT

Managers can communicate their expectations to employees in both verbal and nonverbal ways. Nonverbal messages are communicated unintentionally, making it impossible for managers to hide their expectations from their subordinates. For instance, their tone of voice, eye contact, physical touch, concern or lack of it can be shown in body posture, facial expressions, and other mannerisms. Nonverbal messages can hinder as well as help.

A manager often communicates most effectively when he/she is not communicating at all. For instance, when he/she says nothing, when he/she becomes "cold" and uncommunicative, it is usually a sign that he/she is displeased with his/her employee. The silent treatment communicates negative feelings even more effectively at times than a verbal reprimand.

What seems to be important in the communication is not what the manager says as much as the way the manager behaves. Indifferent and noncommittal treatment is usually the kind of treatment that communicates low expectations and leads to poor performance.

Rosenthal offers a "Four-Factor Theory" to explain the influences that produce the Pygmalion Effect. These factors include both nonverbal and verbal forms of communication expectations. Managers who have been led to expect good things from their employees and others appear to provide the following:

1. CLIMATE. The manager sets an accepting, encouraging social-emotional mood, or climate, for employees with more "potential." This includes warmth, attention, smiling, nodding the head appreciatively—all the POSITIVE nonverbal kinds of communication.
2. FEEDBACK. The manager gives these workers more verbal clues about their performance, more reaction, more praise, and sometimes even more criticism—all of which help to teach the worker what is needed for improvement.
3. INPUT. The manager will literally teach MORE material and more DIFFICULT material to workers who supposedly have more potential.
4. OUTPUT. The manager encourages the chosen workers to ask more questions, urges them to respond to the manager's instructions, allows more time to do a job correctly, and gives them the benefit of any doubt.
Rosenthal states that there is nothing magical or definitive about these four factors; in fact, none is independent of the others. He includes these four because they have been identified in several studies of the Pygmalion Effect. Rosenthal also believes that these factors work both ways--THE WORKER ALSO INFLUENCES THE MANAGER by his or her own verbal and nonverbal cues. These, in turn, can lead to the manager's acting in such a way that the worker's own prophecy is fulfilled.

Those managers who have been found to be positive Pygmalions are usually also the best managers. They have certain characteristics in common that make the Self-Fulfilling Prophecy work to their advantage. (Managers who are NEGATIVE Pygmalions would, of course, have just the opposite qualities.) These characteristics include the following:

1. Belief in themselves and confidence in what they are doing.
2. Belief in their ability to develop the talents of their employees--to select, train, and motivate them. Their great faith in their ability to pick the right person makes them reluctant to give up on their choice and to admit that the person might be the wrong choice. Thus, they try that much harder to make sure the worker succeeds.
3. Ability to communicate to workers that their expectations are realistic and achievable. If employees are encouraged to strive for unattainable goals, they eventually give up trying and settle for results that are lower than they are capable of achieving.
4. Belief that workers can learn to make decisions and to take the initiative. They thus encourage and allow their employees to do so, assuming the best rather than the worst from them.
5. Preference for the rewards that come from the success and increased skill of their subordinates over the rewards they get from their own supervisors.
1. GIVE EMPLOYEES MUCH ATTENTION

2. USE TEAMWORK FOR SOLVING PROBLEMS

3. GIVE EMPLOYEES GENERAL EXPOSURE

4. PROVIDE SECURITY

5. EMPHASIS ON QUALITY

6. LONG-RANGE PLANNING

7. MUTUAL TRUST

8. CONSENSUS DECISION-MAKING
Remarks by Kenji Tamiya  
Executive Vice President  
Sony Corporation of America  
Norton World Management Conference  
May 20, 1981

"JAPAN, INCORPORATED"  
FACTS AND FICTION ABOUT THE ASIAN GIANT

Ladies and gentlemen, I take great pleasure in having the opportunity to speak to this distinguished group—the Norton World Management Conference. I owe this invitation to Mr. Emile Francois, whom I know from the Advanced Management Program at Harvard Business School.

Emile suggested that I talk about productivity and quality—two items that are on many minds today, and which have been very important to our success at Sony. With your permission, however, I would like to expand these topics to include a few others that I consider even more important.

These issues have been raised by what appears to be the sudden economic success of Japan. I say "appears" because our economic growth has not been sudden. It is only the examination of that growth—much of it by Americans—that has been sudden.

The examination in turn, has produced some facts about the reasons for Japanese industrial growth, facts which, I hope, will be helpful, though. We are, after all, competing with those companies, and we do not want to destroy ourselves in the process of helping them.

But the examination of our success has also produced some friction. For the sake of convenience, if not accuracy, I will combine both fact and fiction under the heading of a phrase that has frequently been used here... "Japan, Incorporated."

You have all heard about this strange new monster. It includes our huge trading companies that do business with almost every country in the world. It includes MITI - the Ministry of International Trade and Industry - which
is perceived to work hand-in-hand with the Japanese companies to expand trade. And it includes the Japanese worker, so devoted to his employer that he sings company songs in the morning.

In short, this "Japan, Incorporated," is a frightening organization... an Asian giant that seems to threaten every other modern economy. Where did he come from? Can anybody hope to compete with him?

Let me begin by saying that the Japanese economic recovery since World War II has indeed, been amazing. In 1952, the gross national product of Japan was only one-third that of France or the United Kingdom. By the late 1970's, our GNP was bigger than that of France and the U.K. combined, and more than half that of the U.S.

Part of the reason for this success is that we had no choice. Our industrial plant had been reduced to almost nothing in the war. We had to work very hard just to survive... and we must continue to do so. Japan today has a population of 115 million, in an area about the size of the state of Montana. If the U.S. were as densely populated as Japan, you would have 2.9 billion people. We import 85 percent of our energy, and only one-sixth of our land can produce food.

These factors mean that we must squeeze the greatest possible output from every acre of land, every barrel of oil, and every unit of human, as well as natural resources. Of equal importance, these factors have produced a national attitude toward work, one that might be described as "spartan." You in the United States— with your wide-open spaces and your great natural resources— have never had to develop such an attitude.

You may be in the process of developing such an attitude because of the need to conserve oil and boost your economy. But it may take you years to develop an attitude that every Japanese has from childhood.

This attitude, in my opinion, is the only component of "Japan, Incorporated" that cannot be repeated elsewhere. The Japanese worker is indeed productive. In 1975, a Japanese auto worker produced as many cars in nine days as an English worker produced in forty-seven days. Again, we have this picture of a superman or wonder woman whose equal cannot be found anywhere else in the world.

But again, we have a mixture of fact and fiction. A great part of the productivity of the Japanese worker stems from the efficient tools he or she has to work with. As I mentioned, the war made us buy new equipment. In this, we are not unique. France and Germany had to do it too... and between 1973 and 1979, both of them had higher productivity gains than
The United States, by contrast, had no need to rebuild its industrial machine. It continued to use older, less efficient equipment.

In addition, the U.S. did not pay as much attention to innovation in manufacturing as it should have. One of your most troubled industries is the steel industry. One of the reasons is this: In the late 1950's, American steel companies were still building plants that used open-hearth furnaces. In Japan, on the other hand, we were building plants that used the more efficient basic oxygen process. Also, Japan uses a process called "continuous slab-casting"—an economical, efficient method— to make 50 percent of its steel. Germany uses it for 38 percent of its steel, while the U.S. uses it for only 16 percent of its steel.

The important point to make is that both of these efficient processes were first developed in the U.S.

Even when all these factors are taken into account, however, there is something special about the Japanese worker. That "something special" is the product of a management philosophy that places the dignity and security of a human being at the very top of the company agenda.

This may sound like nothing more than a nice sentiment... a sort of bumper sticker thought up by a PR man to appease the company union. On the contrary, it is a tough-minded, no-nonsense concept in Japan. And it works.

When a worker joins a Japanese company, there is an implied commitment that he or she will be there for life. That commitment goes both ways. The company accepts its own commitment to keep that worker employed for his or her entire working career. If the company must choose between laying off workers so that it can make a profit, or keeping workers on the payroll and breaking even... it chooses people over profits.

This policy does not always produce sweetness and light. We have unions, and our negotiations with them are tough. However, we have few disruptions while those negotiations are going on. In addition, our managers devote much of their time to matching workers with jobs that give them pride in their own contribution to the company.

Our management philosophy is well expressed in a book published in 1963. Two important sentences sum up our attitude. They read as follows:

"Along with wages and job security, we have always thought it was equally important that the company respect the dignity of its employees. People
occupy more management time than our products."

That book was not published by Sony... nor any Japanese company. It was a statement by Tom Watson, Jr., then chairman of IBM.

I cannot emphasize the importance of such a concept too strongly. It produces a loyalty on the part of the workers that enables them to do things that no one would expect of them. In this book, Adventures of a Bystander, Peter Drucker tells a story that confirms my point.

It is about Nick Dreystadt, who took over the Cadillac Division of General Motors in the 1930's and changed it into a money maker by 1940. Soon after World War II broke out, Dreystadt decided to bid on a government contract for a high-technology device, a new bomb sight. GM's management thought he was making a mistake because there was not enough skilled labor left in Detroit to make the devices.

So Dreystadt gave orders to hire the only labor available—2,000 aging prostitutes. Because few of them could read, he went into the factory, machined a dozen sights himself until he had the process perfect, and then had the process photographed with a motion picture camera. He combined the photos with a system of light that indicated when the step had been completed, and it was time for the next.

Some people in Detroit were shocked. Others joked about the project, naming it "GM's Red-Light District." But the women responded. For the first time in their lives, someone had asked them to do dignified work in which they could take pride... and in weeks, they were producing more work, of a better quality, than the best machinists had done before.

By the mid-1940's, Dreystadt had 8,000 people working for him, and was thus a busy man. Even so, before any supervisor could reject someone who asked for a job, he had to obtain Dreystadt's permission. "We don't hire people for ninety days around here," he said. "We hire them for thirty years. During these thirty years, the worker will get up to job standard if he has respect for himself, his tools, and his fellow workers."

So, you see, the kind of sensitive management I am speaking of—management that respects individuals, and assumes they can do good work if given the chance—is not something we Japanese invented. But it is, perhaps something that American companies forgot.

We have found this true in our American plants. In 1972, Sony opened a factory in San Diego to make color television sets. We were the first Japanese company to open a color television plant here. Today, we have
more than 1,600 workers in San Diego, of whom less than three percent are Japanese. That plant is a success both as to productivity and quality; in fact, in some instances it performs better than the parent plant in Japan.

In 1974, we opened a second plant, in Dothan, Alabama for production of magnetic tape. It now employs 1,500 Americans, with fewer than 20 Japanese technicians, all supervised by an American plant manager. Here, too, production is outstanding, and the employees are proud of their work. That plant exports more than 60 percent of its magnetic tapes to Europe, the Middle East, and other places, competing against tapes from European and other Japanese makers.

Thus we know that American workers can be as good as Japanese. The big question is whether American management knows it, and will take steps to prove it.

But a company cannot have the kind of sensitive management I speak of when so much of its focus is on the short term: sales this year, high profits this year, and a reluctance to invest in either people or money for the long term.

According to Professor Robert Hayes of the Harvard Business School, the average American executive today stays with a company only five years; in the 1950's, the average was ten years. No company can expect devotion to its products, or to its continuing success when its executives do so much job hopping. They spend too much time hoping for phone calls from "head hunters" to concentrate on the job they already have.

Nor can a company expect a firm base for the future unless it invests in innovation. Last Friday, The New York Times published an interview with our President, Kazuo Iwama, and myself. One sentence read as follows: "Throughout the interview, Mr. Iwama, who has been with Sony since its founding 35 years ago, stressed that the developments now stirring investment excitement were partly the result of corporate patience— a patient approach to markets and patient money invested steadily, in good years and bad."

Research and Development is not a luxury to be supported only when you have extra cash. It is patient money, and it is basic to future success. Without it, a company lives only in its past. Management must have the courage to postpone high dividends now, to seek the innovations that guarantee future growth. It must also seek the ability to persuade stockholders and Wall Street that this patience is wise.
That is, I know, a tough assignment. But it pays off in the long run. Not all our years have been good, and not all our products have met market success. Even so, Sory has increased its investment in R & D without a halt—from $98.3 million in 1976 to an estimated $300 million in 1981. The size of that spending can be seen from the fact that last year our earnings were $325 million. In other words, we will spend almost as much on innovation this year as we made last year.

In 1980, however, our earnings were four times those of 1979. We harvest now what we planted years ago.

By contrast, the attitude of too many American companies may be expressed in the words of an R & D manager quoted in Business Week last June 30. He had fought hard for research money with nothing to show for it for years. Then his technicians finally perfected a machine to stitch shoes, and it became one of the company's best products. Immediately, management began pushing him for another success.

"Damn you" he said. "You won't put up money for three years of building research knowledge, yet a stitching machine took seven years... and that was a fast one."

If you remember, this speech was supposed to be about productivity and quality control. I have kept these topics for last to make a point.

How do the Japanese do it? What is there secret? Well... I hate to give a country's classified information, but I think it is only fair for me to do so, because our secret was given to us by two Americans.

In 1950, Dr. W.B. Deming came to Japan to hold his famous "Eight-Day Quality Control Seminar." He opened up a new era for Japanese engineers by teaching them the statistical method of quality control.

Four years later, Dr. J. M. Juran came to Japan to lecture at a "QA Management Seminar." We took the lessons given us by these two Americans and developed them into two textbooks used by foremen at the workshop level. Since 1960, 500,000 copies of these books have been sold in Japan.

Thus, you had the great founders of quality control, but for some reason, many American companies did not choose to apply their teaching. When Doctors Deming and Juran came to us, however, we listened hard. It may be as your New Testament says: "A prophet has no honor in his own country." The Japanese secret of quality control is that we proved to be good students of American teachers.
By now, I hope "Japan, incorporated" seems much more human and less forbidding than the huge machine imagined by your media. Of all the factors I have mentioned, only one is unique to Japan: A mental attitude produced by the size of our nation, and the density of our population.

All the others can be duplicated here: Management that emphasized human dignity; a bond between management and labor that recognized their duties to each other; a determination to invest in the future, in good times and bad; and a patience based on a long-term view. When these things are taken care of, productivity and quality control are easy to deal with.

You Americans have been given a good scare by the economic trends of the last few years. You needed a good scare, and I am convinced this will be healthy for you. You have recognized your problems, and you have the motivation to do something about them.

I am happy to be in this country at this time, for I think it will be fascinating to watch what happens. As a Japanese, however, I worry about what is going to happen.

You have the resources, the people, and the brains to recover quickly. If you also develop the patience, I know that the world will see a new giant stand up on the economic scene. I even know what the name of this new giant will be: Its name will be "America, Incorporated."

Thank you for the courtesy of your attention.
MINI-GAME DELEGATION

OBJECTIVE: TO PROVIDE SIMULATED PRACTICE IN DELEGATION.

PROBLEM: SUPERVISOR TED HAS TAKEN A DEEP LOOK AT HIMSELF AND HIS DEPARTMENT AND HAS DECIDED HE MUST DELEGATE MORE TO HIS EMPLOYEES FOR THE FOLLOWING REASONS:

(1) HE HAS BEEN WORKING FIFTY HOURS A WEEK INSTEAD OF FORTY.
(2) THE PRESSURE OF TRYING TO GET EVERYTHING DONE HAS PUT HIM ON EDGE WITH SOME OF THE STAFF.
(3) HE HAS NOT BEEN SLEEPING WELL BECAUSE OF WORRY.

LAST NIGHT HE SPENT THREE HOURS FORMULATING A LIST OF RESPONSIBILITIES HE MIGHT DELEGATE TO HIS FIVE EMPLOYEES. THE LIST IS AS FOLLOWS:

1. A WEEKLY REPORT THAT TAKES FIFTY MINUTES TO PREPARE. THIS REPORT COULD EASILY BE DELEGATED TO MRS. R, BUT IT WOULD REVEAL CERTAIN DEPARTMENTAL FIGURES THAT HAVE NOT BEEN REVEALED TO EMPLOYEES IN THE PAST. THERE IS NOTHING SECRET ABOUT THE DATA, BUT TED FEELS HE MIGHT LOSE CONTROL IF EVERYBODY KNOWS WHAT GOES ON.

2. A WEEKLY FUN JOB THAT TED HAS ALWAYS ENJOYED DOING. MISS Q WOULD LOVE TO DO THE JOB (SHE WOULD PROBABLY DO IT BETTER THAN TED), BUT TED WANTS TO KEEP IT BECAUSE IT KEEPS HIM CLOSER TO HIS EMPLOYEES AND
FACILITATES COMMUNICATION. THIS JOB USUALLY TAKES
ABOUT ONE HOUR.

3. A VERY ROUTINE WEEKLY STOCK OR SUPPLY ROOM COUNT
THAT TAKES AN HOUR AND A HALF. TED HAS DELEGATED THIS
JOB BEFORE, BUT HE ALWAYS WINDS UP TAKING IT BACK
BECAUSE THE GRUMBLING FROM THE EMPLOYEES DISTURBS HIM
MORE THAN DOING THE JOB HIMSELF, ANYWAY.

4. A VERY SHORT (FIFTEEN MINUTES) TELEPHONE CALL EVERY
DAY AT 4:00 P.M. TO GET SOME DATA TO THE COMPUTER
CENTER. TED HAS REFUSED TO DELEGATE THIS BECAUSE IF IT
IS NOT DONE ACCURATELY, HE WILL BE REPRIMANDED BY MR.
BIG. MR. K WOULD BE ABLE TO DO THE JOB AND NOT BE
OVERLOADED.

5. A DAILY (TEN-MINUTE) DELIVERY JOB OF A SPECIAL
REPORT TO TOP MANAGEMENT. TED HAS KEPT THIS TO DO
HIMSELF BECAUSE IT GIVES HIM A CHANCE TO HAVE A CUP OF
COFFEE AND HE CAN PLAY A LITTLE POLITICS WITH MIDDLE
(AND SOMETIMES) TOP MANAGEMENT EXECUTIVES.

6. A SPECIAL ROUTINE ONE HOUR MEETING EACH MONTH WHICH
MANY SUPERVISORS ALREADY DELEGATE TO A SUBORDINATE. IT
WOULD BE EXCELLENT TRAINING FOR MR. G. TO HAVE THIS
ASSIGNMENT. TED HAS KEPT IT TO HIMSELF, HOWEVER,
BECAUSE HE IS AFRAID THAT SOMETHING WILL HAPPEN AT THE
MEETING THAT HE WON'T KNOW ABOUT.
WHAT TO DELEGATE

ASK YOURSELF TWO QUESTIONS:

1. WHAT AM I DOING THAT DOES NOT NEED TO BE DONE BY ME NOR BY ANYONE ELSE? (IN THIS CASE, ELIMINATE THE WORK. DO NOT DELEGATE IT!)

2. WHAT PART OF MY JOB CAN BE HANDLED BY SOMEONE ELSE, AS WELL OR EVEN BETTER THAN I CAN DO IT?
FIVE GENERAL GUIDES FOR DETERMINING WHAT SHOULD BE DELEGATED:

1. MATTERS THAT CAN BE HANDLED AT LOWER LEVELS SHOULD BE DELEGATED.

2. IF ALL OF THE INFORMATION IS AVAILABLE DOWN THE LINE, CONSIDERATION SHOULD BE GIVEN TO DELEGATING IT.

3. THE MORE OPERATIONAL DETAIL INVOLVED RATHER THAN PLANNING OR ORGANIZATION, THE MORE IT SHOULD BE DELEGATED.

4. MATTERS THAT ARE UNIQUE TO THE MANAGER SHOULD NOT BE DELEGATED.

5. MATTERS OVER WHICH OTHERS HAVE DIRECT CONTROL USUALLY SHOULD BE DELEGATED.
WHAT KIND OF WORK CAN BE DELEGATED?

1. ROUTINE WORK-JOB DETAILS (LOW PRIORITY ITEMS) THAT TAKE LARGE CHUNKS OF TIME (FOR EXAMPLE, DATA COLLECTION, GETTING OUT MONTHLY REPORTS, LUNCHEONS, PREPARING FOR MEETINGS, ATTENDING SOME MEETINGS.)

2. MINOR DECISIONS MADE FREQUENTLY (FOR EXAMPLE, A SALES MANAGER SHOULD NOT MAKE ROUTINE DECISIONS ON CREDIT AND COLLECTIONS.)

3. PARTS OF A JOB YOU ARE LEAST QUALIFIED TO HANDLE.

4. EXPERIENCES THAT WILL HELP SUBORDINATES GROW AND DEVELOP THEIR OWN TALENTS.

5. JOBS THAT WILL MAKE SUBORDINATES' WORK MORE CHALLENGING AND INTERESTING.

6. NATURAL UNITS OF WORK, TASKS THAT FIT LOGICALLY TOGETHER. (WHOLE JOBS, JOB PACKAGES). (DELEGATE WHOLE ACTIONS, RATHER THAN PARTS OF AN ACTION).

7. GRADUALLY MORE COMPLEX JOBS - BUT START OUT WITH EASY JOBS - ESTABLISH A SERIES OF SUCCESSES (SOS) TO BUILD CONFIDENCE.
8. PROBLEMS OR ISSUES THAT REQUIRE EXPLORATION STUDY, AND RECOMMENDATIONS FOR DECISIONS.

9. BOTH THE GOOD AND THE BAD.

10. DECISION-MAKING THAT IS CLOSER TO THE SCENE THAN YOU ARE - GIVE YOUR PEOPLE MORE RESPONSIBILITY FOR CONTROL AND DECISION-MAKING IN REGARD TO THEIR JOBS (DO MORE VERTICAL LOADING).

11. DELEGATE TO ACHIEVE SPECIFIC RESULTS.

12. WHEN DELEGATING, AVOID "GAPS" AND "LAPS"

   A. A "GAP" OCCURS WHEN A JOB IS DELEGATED BUT ACCOUNTABILITY FOR IT IS NOT ASSIGNED TO ANYONE.

   B. A "LAP" OCCURS WHEN THE ACCOUNTABILITY FOR A JOB IS ASSIGNED TO TWO OR MORE PEOPLE.
**MEETINGS**

1. **TUESDAY - PRODUCTION PLANNING MEETING**
   CHET IS IN CHARGE OF THE MEETING
   RON ATTENDS 90% OF THE TIME

2. **THURSDAY - PROJECT MANAGEMENT MEETING**
   BILL IS IN CHARGE OF THE MEETING
   RON ATTENDS 95% OF THE TIME

3. **FRIDAY - PRODUCTION REVIEW MEETING**
   RON HANDLES THIS MEETING

4. **MONTHLY PLANT PERF. REVIEW MEETING**
   RON HANDLES THIS MEETING

5. **QUARTERLY LONG TERM GOAL REVIEW WITH EACH DEPARTMENT HEAD**

6. **ANNUAL INDIVIDUAL PERF. REVIEWS**

7. **DAILY MORNING PROD. MEETING**
   LEROY RUNS THE MEETING
   RON ATTENDS 90% OF THE TIME
DECISIONS ON DELEGATION

INSTRUCTIONS. FOR EACH OF THE SITUATIONS BELOW, DECIDE WHICH OF THE SUBORDINATES YOU WOULD DELEGATE THE ASSIGNMENT TO. GIVE YOUR REASONS AS CONVINCINGLY AS YOU CAN.

1. ASSIGNMENT: TO COMPILE A LIST OF CUSTOMERS BUYING OVER $1000 ANNUALLY BY USING THE COMPANY'S CUSTOMER FILES THAT CONTAIN EVERY PURCHASE ORDER, FILED BY CUSTOMERS NAME.

SUBORDINATE A: A YOUNG BILLING CLERK WHO HAS JUST BEEN HIRED.

SUBORDINATE B: AN OLDER BILLING CLERK WHO HAS DONE THIS TASK BEFORE.

CHOICE: _____ REASON: ________________________________

2. ASSIGNMENT: EVALUATE SHOP MACHINERY TO SEE WHAT WILL NEED TO BE REPLACED DURING THE NEXT TWELVE MONTHS.

SUBORDINATE A: THE HEAD OF THE MACHINE SHOP WHO IS ALREADY OVER-WORKED WITH RUSH ORDERS FOR IMPORTANT CUSTOMERS.

SUBORDINATE B: A COMPETENT MACHINIST WHO SEEMS INTERESTED IN MOVING AHEAD.

CHOICE: _____ REASON: ________________________________
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<th>THINGS I HAVE ALREADY DELEGATED</th>
<th>THINGS I COULD DELEGATE</th>
<th>THINGS I AM UNCERTAIN ABOUT DELEGATING</th>
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STEVE RELBIN AND ROGER GILBERT

STEVE RELBIN, VICE PRESIDENT OF ENGINEERING, WAS ENGAGED IN A RATHER LENGTHY CONFERENCE WITH ROGER GILBERT, AN ENGINEER WHO WAS NEW TO THE COMPANY. MR. RELBIN'S COMMENTS COULD BE SUMMARIZED AS FOLLOWS:

"FRAIKLY ROGER, I'M A BIT DISAPPOINTED IN YOUR PERFORMANCE SINCE YOU CAME TO THE COMPANY A YEAR AGO. SURE, YOU SOMEHOW MANAGE TO GET THE JOB DONE, BUT TWO THINGS BOther ME. FIRST OF ALL, YOU ARE A VERY INDECISIVE SUPERVISOR. A MANAGER IS SUPPOSED TO MAKE DECISIONS, BUT YOU HAVE YOUR SUBORDINATES MAKING CERTAIN DECISIONS, VISITING WITH THE CONTRACTORS IN THE FIELD, AND OTHER THINGS. I COULD GO ON ALL DAY DESCRIBING THINGS THAT YOU LET THEM DO. BUT LET'S TAKE JIM DAVIS AS AN EXAMPLE. HE WORKED FOR ME BEFORE I WAS PROMOTED TO THIS POSITION, AND IN THOSE TWO YEARS, I COULDN'T TRUST HIM TO DO ANYTHING BY HIMSELF, AND NOW YOU HAVE HIM DOING THINGS WHICH I DID WHEN I WAS IN YOUR POSITION. SURE, I KNOW HE HASN'T MADE ANY MISTAKES SO FAR, BUT WHAT'S GOING TO HAPPEN WHEN HE DOES? I'LL TELL YOU ONE THING, IT'S YOU WHO'LL GET THE BLAME, NOT HIM. FINALLY, I NOTICE THAT YOU PUT IN ONLY EIGHT HOURS A DAY HERE, AND SOMETIMES EVEN LESS THAN THAT WHEN THE WEATHER IS NICE. MOST OF US HERE PUT IN TWELVE TO FOURTEEN HOURS A DAY AND OFTEN MORE THAN THAT. A MANAGER IS SUPPOSED TO DEVOTE MORE TIME ON THE JOB THAN ANYONE ELSE. ALL OF US BURN THE MIDNIGHT OIL, YET YOU DON'T."
WHEN ROGER ASKED IF HE WAS PERFORMING THE JOB Satisfactorily, STEVE REPLIED THAT AS FAR AS THE "TECHNICAL" PART WAS CONCERNED, HE WAS SATISFACTORY. HOWEVER HE DID NOT SEE HOW ANYONE WHO LET SUBORDINATES MAKE MAJOR DECISIONS AND DEVOTED AS LITTLE TIME TO THE JOB AS HE DID COULD EVER PERFORM HIS JOB SATISFACTORILY.

USING THE CONCEPTS PRESENTED IN THIS SEMINAR, HOW WOULD YOU DESCRIBE THE MANAGEMENT STYLE AND ATTITUDES OF STEVE RELBIN AND ROGER GILBERT?

WHICH OF THESE TWO MEN WOULD YOU PREFER TO HAVE WORKING FOR YOUR ORGANIZATION?
WHY DELEGATE?

1. TO SUCCEED AS A MANAGER, AS DELEGATION:

A. INCREASES PRODUCTIVITY AND INDIVIDUAL CONTRIBUTION TO THE ORGANIZATION.

B. IMPROVES MOTIVATION AND SELF-DIRECTION.

C. A STUDY DONE BY A PROFESSOR AT THE STEVENS INSTITUTE OF TECHNOLOGY OF 200 COMPANIES INDICATED THAT THE 3 MOST COMMON REASONS FOR MANAGERS TO FAIL WERE:

1) NOT DELEGATING RESPONSIBILITY

2) LACK OF BREADTH OF KNOWLEDGE

3) FAILURE TO ANALYZE AND EVALUATE

2. TO DEVELOP AN ORGANIZATION (TO DEVELOP TEAMWORK) (DONALD K. DAVID, A FORMER DEAN OF THE HARVARD GRADUATE SCHOOL OF BUSINESS ONCE TOLD A CONFERENCE OF BUSINESS LEADERS: “DELEGATION AND CONTROL ARE THE PRINCIPAL FUNCTIONS FOR THE DEVELOPMENT OF THE GREATEST EFFECTIVENESS OF A MANAGEMENT TEAM”) (THAT IS, AN ORGANIZATION IS JUST A PIECE OF PAPER WITHOUT DELEGATION.)

3. TO HAVE TIME TO MANAGE (PLAN, ORGANIZE, MOTIVATE, CONTROL, REVIEW PERFORMANCE, ETC.)
4. TO AVOID "BRIEFCASITIS" (POSSESSED BY ABOUT 50% OF MANAGERS AND PROFESSIONALS).

5. TO DEVELOP SUBORDINATES WHO CAN MAKE DECISIONS ON THEIR OWN.

6. TO USE HUMAN ASSETS EFFECTIVELY.

7. TO MANAGE LARGE, DIVERSIFIED ORGANIZATIONS.

8. BECAUSE OTHERS CAN PROBABLY DO A BETTER JOB THAN YOU CAN
   A. CARNEGIE SAID "IT MARKS A BIG STEP IN AN INDIVIDUAL'S DEVELOPMENT WHEN YOU COME TO REALIZE THAT OTHER PEOPLE CAN BE CALLED IN TO HELP YOU DO A BETTER JOB THAN YOU CAN DO ALONE."

   B. DURING THE SLOW RECOVERY OF FRANK W. WOOLWORTH FROM A NERVOUS BREAKDOWN, HE REACHED A CONCLUSION: "I LOST MY CONCEIT THAT NOBODY COULD DO ANYTHING AS WELL AS I COULD. SO LONG AS I HAD THAT IDEA THAT I MUST PERSONALLY ATTEND TO EVERYTHING, LARGE-SCALE OPERATION WAS IMPOSSIBLE."

9. TO MAKE SURE THAT EFFECTIVE CONTROLS HAVE BEEN ESTABLISHED THAT WILL GIVE EARLY WARNING SIGNALS OF PROBLEMS IN ADVANCE.
10. To evaluate performance objectively.

11. To compensate according to results rather than on the basis of subjective evaluations.

12. To make sure that detailed planning is done at every level in the organization (managers must do their own planning for their own units).

13. To reduce turnover, absenteeism, lower costs, increase profits.

14. To broaden the "span of control."

15. To avoid being snowed under with details which can keep you from concentrating on your main objective.

16. To manage foreign operations effectively.

17. To manage distant U.S. operations effectively.

18. To retain capable managers, who expect to have the authority to make decisions.

19. To make it easier to manage.

(What do you do when you have delegated all the routine things? You manage and work on your own priorities.)
DELEGATING EFFECTIVELY

1. MANAGEMENT IS DEFINED AS ACHIEVING OBJECTIVES THROUGH OTHERS. HOWEVER, WE CAN GET NOTHING DONE THROUGH OTHERS UNLESS WE DELEGATE. THEREFORE, IF WE ARE UNABLE TO DELEGATE, WE ARE UNABLE TO MANAGE. GETTING WORK DONE THROUGH OTHERS INSTEAD OF DOING IT YOURSELF IS THE MOST SIGNIFICANT DIFFERENCE BETWEEN SUCCESSFUL MANAGERS AND THOSE ASPIRING TO BE.

2. THE RESULTS OF INEFFECTIVE DELEGATION:

A. CLUTTERED DESKS
B. ATTEMPTING TOO MUCH
C. MISSED DEADLINES
D. WORKING UNDER RELENTLESS PRESSURE
E. WORKING LONGER AND LONGER HOURS
F. FALLING FURTHER AND FURTHER BEHIND
G. HAVING TOO MUCH TO DO IN TOO LITTLE TIME
H. WORKAHOLICISM
I. CRISIS MANAGEMENT
J. DISORGANIZATION
WHAT DELEGATION CAN DO FOR AN ORGANIZATION

1. IMPROVE TEAMWORK, REDUCE SUBOPTIMIZATION, AND OBTAIN INDIVIDUAL AND GROUP COMMITMENT BY PROVIDING A "FRAMEWORK OF PURPOSE" FOR THE ORGANIZATION (OBJECTIVES TO WORK TOWARD)

2. CREATE A LIKERT "SYSTEM 4" ORGANIZATION

3. INCREASE MOTIVATION AND PRODUCTIVITY BY APPEALING TO INDIVIDUAL HIGHER ORDER NEEDS DUE TO:
   A. PARTICIPATION
   B. DELEGATION OF RESPONSIBILITY
   C. ACHIEVEMENT OF CHALLENGING GOALS ("STRETCHING" IS BUILT INTO THE SYSTEM)
   D. FEEDBACK ON PERFORMANCE IS REQUIRED
   E. IMPROVING INDIVIDUAL COMPETENCY
   F. ENCOURAGING CREATIVITY IN ACHIEVING OBJECTIVES BY CONCENTRATING ON WHAT IS TO BE DONE (OBJECTIVES RATHER THAN ON HOW IT IS TO BE DONE)

4. ADAPT THE ORGANIZATION TO A CHANGING ENVIRONMENT BY REQUIRING SYSTEMATIC PLANNING, AS DELEGATION:
   A. STIMULATES CHANGE
   B. ALLOCATES RESOURCES MORE EFFICIENTLY

5. IMPROVE PERFORMANCE (HIGHER PROFITS, LOWER COSTS, ACHIEVEMENT OF OBJECTIVES)
6. IMPROVE COMMUNICATIONS

7. PROVIDE OBJECTIVE PERFORMANCE REVIEWS

8. IDENTIFY TRAINING NEEDS

9. DEVELOP MANAGERS
THROUGH DELEGATION THE ORGANIZATION ACHIEVES HIGHER PROFITS BECAUSE:

1. THE MAJOR OBJECTIVES OF THE ORGANIZATION ARE BROKEN DOWN INTO MANAGEABLE, CHALLENGING TASKS FOR ALL LEVELS OF MANAGEMENT.

2. ALL MANAGERS ARE ENCOURAGED TO CONTRIBUTE TO THE MAXIMUM OF THEIR ABILITIES AND AMBITIONS.

3. MANAGERS ARE GIVEN THE FREEDOM TO ACT CONSISTENT WITH THEIR ABILITIES.

4. MANAGERS KNOW WHAT IS REQUIRED OF THEM AND THEY ARE ABLE TO STAND ON THEIR OWN TWO FEET.

5. MANAGERS HAVE A MAJOR VOICE IN DETERMINING WHAT IS REQUIRED OF THEM.

6. A SYSTEM OF RECOGNITION AND REWARDS PLAYS ITS NECESSARY ROLE IN MOTIVATING ACCEPTANCE OF ACCOUNTABILITY AND PROMOTING BETTER PERFORMANCE.

7. THE COMBINED EFFORTS OF ALL MANAGERS CULMINATE IN A SYNERGISTIC RESULT IN WHICH THE TOTAL IS GREATER THAN THE SUM OF THE INDIVIDUAL INPUTS.

8. MANAGERS HAVE NOT YET BEEN WHERE THEY ARE GOING. (THE TOTAL BENEFITS THAT ACCRUE FROM THESE ACTIONS ARE THE REAL END PURPOSE AND REWARD OF DELEGATION.)
Marjorie Atkins was one of the more experienced women in the old stenographic pool, now renamed the Communications Center. The new name was accompanied by a new location, new equipment, and a new supervisor. Ms. Atkins was named new supervisor after her former boss retired.

Marjorie had not asked for the management job nor had she denied any interest in the job. She knew she was as qualified as any of the other twenty women working in the "pool," and she knew she had more seniority than most. The prospect of becoming the boss, however, had bothered her a bit. The main problem, as she saw it, was that about half the women were doing about seventy percent of the work, and the other half was out sick a lot, constantly complaining, and not doing a full share of the work. If a person appointed to the supervisor's job was to take the job seriously, that person would either have to correct the situation or get rid of the non-producers, even if all the women and the supervisor had been friends at work.

One week after Marjorie took over the supervision of the Communications Center, she noted that overall performance was slipping, complaints from other company departments were mounting, and several women per day were out sick. She decided it was time to call her first meeting and get a few things straightened out.
BLAKE'S MANAGERIAL GRID

HIGH

CONCERN FOR PEOPLE

LOW

CONCERN FOR PRODUCTION

3, 9, 9

1, 9

3, 3

5, 5

1, 1

3, 1
HOW A 9,9 MANAGER WOULD SOLVE A MANAGEMENT PROBLEM:

A. IDENTIFY THE PROBLEM

B. USE TEAMWORK ON STRATEGIES TO SOLVE THE PROBLEM.

1. SET CHALLENGING, CLEAR CUT GOALS.

2. DETERMINE THE POLICIES (MEANS) NEEDED TO ACHIEVE THE OBJECTIVES.

3. GAIN COOPERATION AMONG THE PEOPLE REPORTING TO HIM/HER IN MAKING WELL-THOUGHT OUT DECISIONS.

4. COMMUNICATE WITH HIS/HER PEOPLE WITH CANDOR.

5. ACCEPT CRITICISM BY THE INDIVIDUAL MEMBERS OF THE GROUP IN ORDER TO IMPROVE THE TEAM’S PERFORMANCE.

(EACH MEMBER OF THE TEAM IS ALSO WILLING TO ACCEPT CRITICISM IN REGARD TO HIS/HER PERFORMANCE IN ORDER TO IMPROVE THE TEAM’S PERFORMANCE.)

6. CREATE A CLIMATE OF COMMITMENT TO THE TEAM AND TO THE ORGANIZATION.
Rework was 80% under the shops superintendent, but it is only 2% under Charlie.
1. THE PREREQUISITES FOR AN EFFECTIVE DELEGATION SYSTEM:

A. THE SUPERIOR GRANTS SPECIFIC ACCOUNTABILITIES AND THE SUBORDINATE ACCEPTS THEM.

B. THE SUPERIOR AND SUBORDINATE AGREE ON THE SPECIFIC RESULTS EXPECTED AND HOW THE RESULTS WILL BE MEASURED.

C. THE SUPERIOR GRANTS ENOUGH AUTHORITY TO THE SUBORDINATE TO ALLOW HIM/HER TO CARRY OUT THE ACCOUNTABILITY.

D. THE SUPERIOR MAKES SURE THERE IS NO OVERLAP OR DUPLICATION OF ONE MANAGER'S ACCOUNTABILITY AND AUTHORITY WITH THAT OF OTHER MANAGERS IN THE ORGANIZATION.

E. THE SUPERIOR CLEARLY COMMUNICATES THE DELEGATED ACCOUNTABILITY TO ALL OTHER MANAGERS SO THAT THE SUBORDINATE CAN CARRY OUT HIS/HER WORK WITH A MINIMUM OF CONFUSION AND DISAGREEMENT WITH OTHER MANAGERS.

F. THE SUPERIOR ESTABLISHES CONTROLS (FEEDBACK MECHANISMS) TO MEASURE THE PROGRESS OF SUBORDINATES FROM START TO FINISH.

G. SUPERIORS ESTABLISH THE PROPER MANAGEMENT ATMOSPHERE.

2. WHAT MANAGEMENT STYLE IS NEEDED FOR EFFECTIVE DELEGATION?

A. IT CANNOT BE AUTOCRATIC

B. A PARTICIPATIVE (DEMOCRATIC) MANAGEMENT STYLE IS NEEDED.

C. DELEGATION IS MOST EFFECTIVE IN AN ORGANIZATION WHEN A DEMOCRATIC MANAGEMENT STYLE IS PRACTICED AT ALL LEVELS OF MANAGEMENT.
HOW TO BE PEOPLE-ORIENTED

1. THINK OF EMPLOYEES AS HUMAN BEINGS RATHER THAN AS PEOPLE TO GET THE WORK DONE.

2. STAND UP FOR YOUR PEOPLE.

3. PULL FOR BOTH THE ORGANIZATION AND YOUR PEOPLE RATHER THAN FOR YOURSELF OR THE ORGANIZATION ONLY.

4. TAKE AN INTEREST IN YOUR PEOPLE AND TRY TO UNDERSTAND THEIR PROBLEMS.

5. GET IDEAS FROM THE GROUP AND TRY TO DO SOMETHING WITH THEM.

6. USE ALL THE GROUP’S RESOURCES.

7. KEEP THEM INFORMED ON HOW WELL THEY ARE DOING.

8. TRY TO INTEGRATE INDIVIDUAL GOALS INTO THE ORGANIZATIONAL UNIT’S GOALS.

9. REWARD THEM ACCORDING TO THEIR CONTRIBUTIONS.
THIS QUESTIONNAIRE IS DESIGNED TO HELP YOU UNDERSTAND BETTER THE KIND OF MANAGERIAL STYLE THAT IS CHARACTERISTIC OF YOU.

ANSWER THE QUESTIONS BASED ON YOUR FEELING AND YOUR WAYS OF HANDLING THE SITUATIONS DESCRIBED. TRY TO ANSWER ALL THE QUESTIONS. IF SOME OF THE QUESTIONS DO NOT APPLY TO YOU DIRECTLY, TRY TO ANSWER THEM ON THE BASIS OF YOUR PAST EXPERIENCE.

ANSWER THE QUESTIONS AS CAREFULLY AND AS HONESTLY AS YOU CAN. THERE ARE NO "RIGHT" OR "WRONG ANSWERS; DIFFERENT KINDS OF MANAGERIAL STYLES WILL BE EQUALLY EFFECTIVE. THE INFORMATION THIS QUESTIONNAIRE WILL PROVIDE IS FOR YOUR PERSONAL USE AND THE RESULTS WILL BE CONFIDENTIAL.
FOR EACH OF THE STATEMENTS BELOW, PLEASE DRAW A CIRCLE AROUND:

DA - IF YOU DEFINITELY AGREE; THAT IS, IF THE STATEMENT DEFINITELY EXPRESS ES HOW YOU FEEL ABOUT THE MATTER.

IA - IF YOU ARE INCLINED TO AGREE; THAT IS, IF YOU ARE NOT DEFINITE, BUT THINK THAT THE STATEMENT TENDS TO EXPRESS HOW YOU FEEL ABOUT THE MATTER.

ID - IF YOU ARE INCLINED TO DISAGREE; THAT IS, IF YOU ARE NOT DEFINITE, BUT THINK THAT THE STATEMENT DOES NOT TEND TO EXPRESS HOW YOU FEEL ABOUT THE MATTER.

DD - IF YOU DEFINITELY DISAGREE; THAT IS, IF THE STATEMENT DEFINITELY DOES NOT EXPRESS HOW YOU FEEL ABOUT THE MATTER.

1. I LIKE TO BE SURE THAT ALL ASSIGNMENTS ARE CLEARLY DEFINED AND LOGICALLY STRUCTURED.

2. I AM NOT SO CONCERNED ABOUT FORMAL ORGANIZATION AND AUTHORITY, BUT I CONCENTRATE INSTEAD ON GETTING THE RIGHT PEOPLE TOGETHER TO DO THE JOB.

3. I THINK IT'S VERY IMPORTANT TO HAVE A RELAXED ATMOSPHERE AND NOT PUSH PEOPLE TOO HARD.

4. IN MAKING RECOMMENDATIONS FOR PROMOTION OR MERIT INCREASES, I THINK IT IS IMPORTANT TO TAKE INTO ACCOUNT LENGTH OF SERVICE, AND A PERSON'S ECONOMIC SITUATION.

5. TO BE AN EFFECTIVE MANAGER YOU HAVE TO KEEP SOMEWHAT ALOOF AND NOT BECOME FRIENDLY WITH YOUR SUBORDINATES.

6. I HAVE SUCCEEDED IN CREATING A FEELING OF PRESSURE (CHALLENGING, BUT ACHIEVABLE) TO CONTINUALLY IMPROVE PERSONAL AND GROUP PERFORMANCE.

7. I STRONGLY ENCOURAGE MY PEOPLE TO TRY AND SOLVE THEIR PROBLEMS BY THEMSELVES, EVEN IF THEY MAKE A FEW MISTAKES.
8. A LOT OF MY MANAGING IS DONE THROUGH INFORMAL, FRIENDLY CONVERSATIONS THAT WERE NOT SCHEDULED.

9. AT LEAST ONCE A WEEK I SINGLE OUT SOMEONE DOING A GOOD JOB AND COMMEND HIM/HER PERSONALLY.

10. I SET CHALLENGING, BUT ACHIEVABLE STANDARDS FOR PERFORMANCE.

11. I DO NOT Rely TOO HEAVILY ON INDIVIDUAL JUDGEMENT; ALMOST EVERYTHING IS DOUBLE CHECKED.

12. IF ONE OF MY PEOPLE MAKES A MISTAKE, HE/SHE WILL DEFINITELY BE CRITICIZED.

13. I LIKE TO MAINTAIN A BUSINESSLIKE (COLD) ATMOSPHERE, AND THAT MEANS THERE CAN’T BE MUCH SOCIALIZING OR CHIT-CHAT ON THE JOB.

14. THERE IS NOT MUCH I CAN DO WITH PEOPLE WHO DON’T HAVE PRIDE IN THE EXCELLENCE OF THEIR WORK.

15. I RESENT MY PEOPLE CHECKING EVERYTHING WITH ME; IF THEY THINK THEY’VE GOT THE RIGHT APPROACH, THEY SHOULD JUST GO AHEAD.

16. I REWARD PEOPLE IN DIRECT RELATION TO THE EXCELLENCE OF THEIR PERFORMANCE AND DISREGARD THEIR SENIORITY AND WHETHER I LIKE THEM PERSONALLY OR NOT.

17. I HAVE HAD TO ESTABLISH QUITE A FEW STANDARD PRACTICES AND PROCEDURES TO KEEP THE ORGANIZATION ORDERLY AND EFFECTIVE.

18. I EXPECT PEOPLE TO CHECK WITH ME BEFORE MAKING DECISIONS.

19. I BELIEVE A MANAGER SHOULD STRIVE FOR WARM, FRIENDLY RELATIONSHIPS WITH HIS/HER PEOPLE.

20. I DISLIKE RULES AND PROCEDURES AND I ELIMINATE THEM WHENEVER I CAN.
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**MANAGERIAL STYLE QUESTIONNAIRE**

**CONFORMITY** - The degree to which the managers will conform to rules, policies, and procedures, rather than doing the job as they see fit.

**RESPONSIBILITY** - The extent to which the managers delegate responsibility to people.

**STANDARDS** - The emphasis the manager puts on setting high performance standards.

**REWARDS** - The degree to which the manager gives rewards on the basis of excellent performance rather than friendship, seniority, etc.

**WARMTH AND SUPPORT** - The degree to which the managers build trusting relations with their people rather than aloofness and distance.

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CONFORMITY RESPONSIBILITY STANDARDS REWARDS WARMTH AND SUPPORT
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<td>ACCEPTS IT</td>
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<td>GAINS RESPECT</td>
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<td>RISK-TAKING</td>
<td>AVOIDS IT</td>
<td>ACCEPTS IT WHEN PAYOFF IS HIGH</td>
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<td>GOALS</td>
<td>Follows organization's goals only</td>
<td>Follows both individual and organization goals</td>
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<td>USE OF RULES</td>
<td>Conforms strictly</td>
<td>Will violate rules in certain circumstances</td>
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<td>RELATIONS WITH SUBORDINATES</td>
<td>Protects self</td>
<td>Protects his/her people</td>
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<td>CONTROL</td>
<td>Is controlled by the environment</td>
<td>Controls the environment</td>
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MR. HEYWOOD ANGUS WAS ONE OF THE SIX PRODUCTION DEPARTMENT HEADS UNDER CONSIDERATION FOR THE RECENTLY VACATED POST OF PLANT MANAGER IN CHARGE OF PRODUCTION. ALL MEN UNDER CONSIDERATION WERE CLOSE FRIENDS SOCIALLY AS WELL AS PROFESSIONALLY. DURING THE PAST YEAR, EMPLOYEE PRODUCTIVITY HAD DECREASED, ABSENTEEISM HAD Risen, EMPLOYEE TURNOVER HAD INCREASED, AND THE ACCIDENT RECORD HAD SOARED. UNABLE TO CONTROL THE SITUATION AND UNDER PRESSURE FROM TOP MANAGEMENT, THE FORMER PLANT MANAGER HAD RESIGNED.

THE TOTAL SITUATION IN PRODUCTION WAS ALARMING IF NOT CRITICAL. THE EMPLOYEES SENSED THE PROBLEM. THEY OPENLY DISCUSSED THE POSSIBLE SUCCESSOR AND QUIETLY WAGERED HOW LONG HE WOULD LAST.

AT A PRIVATE LUNCHEON WITH MR. PRIEST, THE COMPANY PRESIDENT, MR. ANGUS LEARNED THAT HE HAD BEEN SELECTED TO FILL IN ON AN ACTING BASIS THE JOB OF PLANT MANAGER IN CHARGE OF PRODUCTION. IF HE COULD IMPROVE PRODUCTION PROBLEMS DURING THE NEXT SIX MONTHS, HE WOULD BE GIVEN FULL TITLE OF PLANT MANAGER. MR. PRIEST INFORMED HIM, FURTHERMORE, THAT A MEETING OF ALL OFFICERS AND DEPARTMENT HEADS WAS SCHEDULED FOR THE FOLLOWING MORNING. AT THAT TIME, MR. ANGUS WAS SUPPOSED TO OUTLINE A PROGRAM OF ACTION TO STRAIGHTEN OUT THE SITUATION IN PRODUCTION.
A. THE SITUATION IN 1978

65% EFFICIENCY
SCRAP WAS 20% OF DOLLAR SALES
PRODUCTION WAS AT 80% OF CAPACITY
MORALE WAS LOW

B. WHAT WAS DONE?

THE PLANT MANAGER WAS REPLACED WITH A PLANT MANAGER FROM A WOOD PLANT IN TENNESSEE, WHO HAD NO KNOWLEDGE OF PLASTICS.

C. WHAT THE NEW PLANT MANAGER DID:

1. HE MET WITH THE HOURLY PEOPLE
2. HE DELEGATED (HE HAD TO)
3. HE REPLACED 2-3% OF THE PLANT'S OUTPUT (WHICH CAUSED 50% OF THE PLANT'S PROBLEMS) WITH LONG PRODUCTION RUN PRODUCTS.

D. RESULTS BY 1981:

EFFICIENCY WAS 110%
SCRAP WAS 3% OF DOLLAR SALES
PRODUCTION WAS AT FULL CAPACITY
MORALE WAS HIGH
1. PARTICIPATE IN DOING A PERFORMANCE AUDIT (IDENTIFY THE PROBLEMS - WHERE THE ORGANIZATION CAN GET THE LARGEST PAYOFFS) (PARTICIPATION IN DETERMINING THE PRIORITIES)

2. PARTICIPATE IN ESTABLISHING CHALLENGING, BUT ACHIEVABLE SPECIFIC OBJECTIVES (IN DETERMINING THE CHANGE WANTED OR DESIRED BEHAVIOR)

   A. COMMUNICATE YOUR CASE FOR THE CHANGE OBJECTIVELY, LISTING AND ANALYZING THE PRO AND CON FORCES.

   B. ALLOW DISSENT

   C. COUNTERACT FALLACIOUS ARGUMENTS AGAINST THE CHANGE

3. GET FEEDBACK (PARTICIPATE IN ESTABLISHING THE CONTROLS AND IN MEASURING THE RESULTS)

4. REWARD ACCORDING TO CONTRIBUTION (GIVE PRAISE AND RECOGNITION WHENEVER THE OBJECTIVES ARE ACHIEVED

5. ALLOW ENOUGH TIME

6. SUBORDINATE - CENTERED LEADERSHIP WILL REDUCE RESISTANCE TO CHANGE
IN 1971, DAVID PALMA WAS MADE PRESIDENT OF INTERNATIONAL OPERATIONS FOR AIR, INC., A MANUFACTURER OF AIR FILTRATION EQUIPMENT.

INTERNATIONAL OPERATIONS WAS IN BAD SHAPE.
1. IN 1970 PROFITS WERE ONLY $50,000 ON $300,000.00 SALES.
2. AIR, INC'S WORLD MARKET SHARE WAS WEAKENING.

WHAT DID PALMA DO?
1. DEVELOPED A NEW PRODUCT POLICY WITH EMPHASIS ON R&D
2. DIVERSIFIED BY MERGERS.
3. "DELEGATED" ORGANIZATIONAL AND ADMINISTRATIVE PROBLEMS TO JOE PFEFFER WHO WAS CALLED DIRECTOR OF HUMAN RESOURCES.

JOE PFEFFER GOT A "DUMP".

WHAT DID JOE PFEFFER DO?
1. HE ASKED THE MANAGERS OF THE OPERATING COMPANIES TO IDENTIFY THEIR PROBLEMS.
   THEN, HE PARTICIPATED WITH THEM IN IDENTIFYING THEIR MAIN PROBLEMS (PRIORITIES).
   HE ALSO PARTICIPATED WITH THEM IN IDENTIFYING SOLUTIONS TO THE PROBLEMS (WHICH SAVED $ MILLIONS)
2. HE ESTABLISHED CHALLENGING, BUT ACHIEVABLE GOALS (WHICH WERE CONSISTENT WITH THE GOALS OF AIR, INC.)
3. He provided comparative feedback on productivity of each operating company (sales/employee)
   he visited the operating companies frequently.
4. He gave each manager a chance to perform (to achieve his/her objectives).
5. He got to know all of his managers by interviewing each one (2 hours each).
6. He replaced the managers who did not perform - he selected capable managers.
7. He trained each new manager.
8. He managed by results, not by personality (objective performance appraisals) - formal salary reviews were given.
9. He provided rewards according to contribution.
10. He hired locals, who knew local conditions.
11. He reorganized Air International into 4 regions.
12. He emphasized individual and group face-to-face communications.
13. He required the managers to develop their young managers.

Results by 1973 (for Air International)
$530 million sales (compared with $300 million sales in 1971)
$35 million profits (compared with $50,000 profits in 1971)
Employment was reduced by 13% (higher productivity)
A NINE-STEP PLAN FOR COST REDUCTION

EVEN THE SUPERVISOR WHO IS HIGHLY CONCIOUS OF COSTS NEEDS A SPECIFIC PLAN TO FOLLOW. SUCH A PLAN PROVIDES A MEANS OF TRANSFORMING INTENTIONS INTO ACTIONS. ALSO, A PLAN FOR COST-REDUCTION KEEPS THE SUPERVISOR AHEAD OF THE GAME. SUPERVISORS WHO DO NOT HAVE A PLAN FOR COST REDUCTION ALWAYS SEEM TO BE FACING A COST CRISIS. THE NINE-STEP PLAN DISCUSSED BELOW CONTAINS THE ESSENTIAL INGREDIENTS FOR A SUCCESSFUL COST REDUCTION PROGRAM.

STEP 1: IDENTIFY AREAS WITH HIGH COST-REDUCTION POTENTIAL

FIRST ANALYZE THE MAJOR COST CATEGORIES (DIRECT LABOR, RAW MATERIALS, INDIRECT LABOR, OPERATING SUPPLIES, ETC.) AND SEE IF ANY STAND OUT. SUCH AN ANALYSIS SHOWS THE RELATIVE VALUES OF EACH OF THE MAJOR COST CATEGORIES. EACH MAJOR CATEGORY SHOULD THEN BE FURTHER DIVIDED. FOR EXAMPLE, DIRECT LABOR COULD BE BROKEN DOWN INTO REGULAR-TIME AND OVER-TIME COSTS. IT MAY BE DESIRABLE TO FURTHER DIVIDE EACH OF THESE COSTS. FOR EXAMPLE, REGULAR TIME COULD BE DIVIDED BY SHIFT OR BY EMPLOYEE CATEGORY. THIS IS ALSO THE POINT AT WHICH TO SOLICIT THE IDEAS AND SUGGESTIONS OF ANY AVAILABLE STAFF EXPERTS, SUCH AS COST ACCOUNTANTS AND INDUSTRIAL ENGINEERS.

STEP 2: GENERATE SPECIFIC COST-SAVING IDEAS

ONCE THE COSTS HAVE BEEN ANALYZED BY CATEGORIES, IT IS USUALLY NOT DIFFICULT TO GENERATE SOME SPECIFIC COST-SAVINGS IDEAS. THE GUIDELINES AND STRATEGIES OUTLINED IN THE PREVIOUS SECTIONS OF THIS CHAPTER SHOULD BE UTILIZED IN THIS STEP. THIS STEP ALSO INCLUDES THE IDENTIFICATION OF WHAT MUST BE DONE TO ACHIEVE THE SAVINGS. FOR EXAMPLE, SUPPOSE ONE COST-SAVING IDEA IS TO REDUCE THE USE OF OVERTIME. THE STEPS NECESSARY TO DO THIS MUST BE OUTLINED.

STEP 3: DEVELOP A WAY TO MEASURE ACTUAL SAVINGS

SAVINGS MUST BE MEASURED BEFORE THEY CAN BE EVALUATED. THE SPECIFIC METHOD USED WILL VARY DEPENDING ON THE SAVINGS IDEA. FOR EXAMPLE, IF THE SAVING INVOLVES BETTER UTILIZATION OF THE FACILITY, THEN COST PER SQUARE FOOT MIGHT BE USED. IF THE SAVING INVOLVES MATERIALS, THEN COST PER UNIT MIGHT BE APPROPRIATE. IF THE SAVING INVOLVES PROVIDING SERVICE, THEN COST PER CUSTOMER SERVED MIGHT BE APPROPRIATE.
STEP 4: REVIEW YOUR IDEAS WITH YOUR BOSS.

THE OBJECTIVE HERE IS TO OBTAIN THE ACTIVE SUPPORT AND INVOLVEMENT OF YOUR BOSS. THIS CAN ONLY BE ACCOMPLISHED IF YOUR BOSS KNOWS WHAT IS GOING ON. AFTER HIS OR HER COMMITMENT TO SUPPORT THE IDEA, KEEP THE BOSS INFORMED OF THE PROGRESS OF THE PROGRAM.

STEP 5: ESTABLISH AN IMPLEMENTATION COMMITTEE

THE MAIN PURPOSE OF AN IMPLEMENTATION COMMITTEE IS TO SEE THAT ACTION IS TAKEN. ALL TOO OFTEN GOOD IDEAS FALL BETWEEN THE CRACKS BECAUSE NO ONE HAS RESPONSIBILITY FOR THEIR IMPLEMENTATION. ANOTHER POSITIVE FEATURE OF THE IMPLEMENTATION COMMITTEE IS THAT IT PROVIDES A MEANS FOR ACTIVELY INVOLVING OTHER EMPLOYEES. IT IS SOMETIMES DESIRABLE TO HAVE UPPER MANAGEMENT REPRESENTED ON THE COMMITTEE. THIS CAN HELP INSURE MANAGEMENT'S INVOLVEMENT AND CAN ALSO HELP MOTIVATE OTHERS ON THE COMMITTEE.

STEP 6: COMMUNICATE THE PROGRAM.

THE IDEAS OF THE COST-REDUCTION PROGRAM MUST BE CLEARLY COMMUNICATED TO ALL AFFECTED EMPLOYEES. IF IN DOUBT ABOUT WHETHER A PERSON SHOULD BE INFORMED, IT IS USUALLY BEST TO INCLUDE THEM. MANY METHODS OF COMMUNICATING THE IDEAS ARE AVAILABLE. SOME OF THE MOST USED METHODS INCLUDE WRITTEN MEMOS AND GROUP MEETINGS. MEMOS HAVE THE ADVANTAGE OF BEING LESS TIME-CONSUMING BUT THEY DO NOT ALLOW THE RECIPIENTS AN OPPORTUNITY TO ASK QUESTIONS.

STEP 7: PUT THE PROGRAM INTO ACTION.

ONCE THE FIRST SIX STEPS HAVE BEEN CARRIED OUT, THE PROGRAM SHOULD BE IMPLEMENTED. THOSE IDEAS THAT RESULT IN THE GREATEST SAVINGS SHOULD BE IMPLEMENTED FIRST. THIS GETS THE PROGRAM OFF TO A POSITIVE START AND HELPS GET THE MOMENTUM GOING.

STEP 8: MAKE NECESSARY REVISIONS.

MOST IDEAS REQUIRE MINOR REVISION AFTER THEY HAVE BEEN IMPLEMENTED. THE KEY HERE IS NOT TO HESITATE TO MAKE NECESSARY ADJUSTMENTS AND TO COMMUNICATE THOSE ADJUSTMENTS TO THE AFFECTED INDIVIDUALS. FOR SOME REASON, MANY PEOPLE THINK THAT TO REVISE OR TO ADJUST AN IDEA IS EQUIVALENT TO SAYING IT WON'T WORK. OFTEN THE REVERSE IS TRUE; IF THE IDEA IS NOT REVISED IT WON'T WORK.
STEP 9: PERIODICALLY CHECK THE PROGRAM'S PROGRESS.

MANY GOOD COST-REDUCTION PROGRAMS RUN OUT OF GAS SHORTLY AFTER IMPLEMENTATION. OFTEN THIS IS BECAUSE THEY WERE NEVER CHECKED FOR PROGRESS. A GOOD APPROACH IS TO CHECK THE PROGRAM'S PROGRESS AT REGULAR INTERVALS. THIS WAY NOTHING IS LEFT TO CHANCE.

A FINAL RECOMMENDATION IS THAT THE SUPERVISOR BE PERSISTENT. THINGS DON'T ALWAYS MOVE AS FAST AS ONE THINKS THEY SHOULD. IN THESE SITUATIONS IT IS EASY TO BECOME DISCOURAGED AND TO GIVE UP. A SUPERVISOR SHOULD ALWAYS REMEMBER THAT COST REDUCTION IS PART OF A SUPERVISOR'S JOB AND NOT AN ADDITION TO IT!
MILLER'S BEHAVIOR MANAGEMENT CASES
(WILEY, 1973)

BRINGING ABOUT CHANGE

1. IMPROVING PLANT ATTENDANCE

2. IMPROVING SAFETY

3. REDUCING TIME REQUIRED TO COMPLETE A QUALITY-CONTROL REPORT

4. DECREASING HIGHBIBINS

5. INCREASING EFFICIENCY AND ATTENDANCE AND REDUCING LABOR TURNOVER

6. REDUCING OFF QUALITY

7. IMPROVING PERFORMANCE OF A SENIOR EMPLOYEE

8. POOR SECRETARIAL PERFORMANCE

9. IMPROVING OBJECTIVE SETTING IN A SALES ORGANIZATION

10. REDUCING TARDINESS

11. IMPROVING SALES AND FORECAST ACCURACY IN A NATIONWIDE SALES ORGANIZATION
PROCEDURE

1. Baseline data on attendance were compiled averaging 86% for a 15-week period.

2. A goal was established to reach an average level of 93% attendance for three weeks.

3. A daily attendance chart was placed in the work area. Every employee's name was entered on the chart.

4. A weekly attendance graph was also posted in the work area to indicate the percent of employees attending each day.

5. Each worker reporting for work was verbally reinforced by the shift supervisor each day.

6. When a worker was absent, he/she was welcomed back the next day and no reprimand was administered.

7. The supervisor also encouraged each employee to look at the attendance chart and help the department reach its goal of 93%.
RESULTS

1. FOR THE FOLLOWING NINE-WEEK PERIOD, ATTENDANCE AVERAGED 94.3% AND ATTAINED 100% FOR ONE WEEK, A RECORD NEVER BEFORE ATTAINED.

2. THE SUPERVISOR REPORTED THAT IN ADDITION TO THE IMPROVEMENT IN THE MEASURABLE DATA, THE EMPLOYEES WERE DEMONSTRATING A GREATLY IMPROVED ENTHUSIASM AND TEAMWORK PREVIOUSLY LACKING.

3. THE COST OF THIS PROGRAM WAS LESS THAN $10.

4. THE PROGRAM SAVED $30 PER DAY. USING THIS FIGURE, THIS WOULD RESULT IN AN ANNUAL SAVING OF APPROXIMATELY $9,000.
1. SOCIAL APPROVAL

2. ADDITIONAL RESPONSIBILITIES

3. POSITIVE FEEDBACK

4. "PAT-ON-THE-BACK"

5. BONUS (RECOGNITION)

6. TIME OFF

7. PROMOTION

8. RESCHEDULING OF BREAKS

9. MORE ENJOYABLE TASKS AFTER COMPLETING THE LESS ENJOYABLE TASKS

10. JOB ROTATION
Only Positive Consequences Encourage Good Performance
1. SLIGHTLY NEGATIVE BEHAVIOR
   CAUSED BY:

   1) FEAR OF UNEMPLOYMENT
   2) APPARENT FAVORITISM
   3) BAD SUPERVISION

   (IT IS A MILD FORM OF RETALIATION BY PEOPLE WHO FEEL THAT THEY HAVE BEEN WRONGED)

2. SLIGHTLY POSITIVE BEHAVIOR

   1) RELAXED, INFORMAL RELATIONSHIP BETWEEN SUPERVISORS AND SUBORDINATES

   2) PASSIVE COOPERATION (NO INITIATIVE, CONTRIBUTIONS ARE MADE ON THEIR OWN)

3. HIGHLY NEGATIVE BEHAVIOR

   1) LONG STRIKES
   2) SABOTAGE
   3) THEFT
   4) BOYCOTTS

   (IT IS A WAY OF “SETTLING OLD SCORES” RESULTING FROM OLD GRIEVANCES THAT ARE DENIED OR IGNORED.)
4. **HIGHLY POSITIVE BEHAVIOR (THIS RESULTS FROM DELEGATING)**

1) CLEAR, CREATIVE SOLUTIONS TO PROBLEMS
2) WILLINGNESS TO TAKE "CALCULATED" RISKS

(IT RESULTS FROM JOBS THAT ARE DELIBERATELY KEPT LOOSELY DEFINED SO THAT RESPONSIBILITIES CAN BE MOLDED TO THE TALENTS OF INDIVIDUALS AND EXPANDED AS INDIVIDUALS IMPROVE THEIR SKILLS. THIS HAPPENS WHEN MANAGER DELEGATE.)
1. **CHRONIC**

   BAD HABIT
   DUE TO MINOR DISCOMFORTS AND/OR LOW TOLERANCE FOR PRESSURE.
   THESE PEOPLE HAVE A "NEED TO BE NEEDED."
   THE MANAGER MUST EXPLAIN THE CONSEQUENCES OF THE ABSENTEEISM.

2. **ESCAPIST**

   LOW INTEREST IN JOB—BORED. THESE PEOPLE MUST BE MOTIVATED.

3. **IMMATURE**

   THEY CONSIDER ABSENCES TO BE A "FRINGE BENEFIT" THAT THEY ARE ENTITLED TO. THE MANAGER MUST APPEAL TO THEIR DESIRE TO BE CONSIDERED AS AN ADULT AND MUST EMPHASIZE THE IMPORTANCE OF THEIR PRESENCE.

4. **LEGITIMATE**

5. **ABUSIVE**

   THESE PEOPLE FEEL WRONGED DUE TO FAVORITISM, UNFAIR TREATMENT AND ARE TRYING TO GET REVENGE. THE MANAGER IN THE SHORT-RUN MUST STATE THE LIMITS, PUNISHMENTS ON ABSENTEEISM AND IMPLEMENT THEM. IN THE LONG-RUN, THE MANAGER SHOULD TRY TO REMOVE THE CAUSE OF THE ABSENTEEISM.
HERE ARE SOME EXAMPLES OF BEHAVIOR ITEMS AS THEY MIGHT APPEAR ON YOUR PERFORMANCE APPRAISAL.

**JOB TITLE:** MANAGER

**CATEGORY - DECISION MAKING**

1. COLLECTS DATA FROM ALL INVOLVED INDIVIDUALS BEFORE MAKING A DECISION.

2. COLLECTS ALL NEEDED DATA PRIOR TO MAKING A DECISION.

3. APPROPRIATELY ANALYZES DATA PRIOR TO MAKING A DECISION.

4. DECISIONS HE/SHE MAKES ARE BASED ON ANALYSIS OF DATA AVAILABLE.

5. NOTIFIES ALL AFFECTED PARTIES PRIOR TO IMPLEMENTING DECISION.

6. MAKES DECISIONS WITHOUT UNNECESSARY DELAY.

7. ANALYZES OUTCOMES OF DECISIONS HE/SHE MAKES.

**CATEGORY - COLLABORATION**

1. KEEPS RELATED OTHERS ADVISED OF PROGRESS.
2. NOTIFIES RELATED OTHERS WHEN PROBLEMS ARISE WITH PROJECTS AND GOALS.

3. NOTIFIES RELATED OTHERS WHEN CHANGES IN PLANS ARE ANTICIPATED.

4. SEeks INPUT FROM RELATED OTHERS ON SOLVING PROBLEMS.

5. Responds TO REQUESTS FROM PEERS FOR ASSISTANCE BY PROVIDING THEM WITH IT.

6. COOPERATES AS MEMBER OF ANY TEAM INDEPENDENT OF HIS/HER PERSONAL LIKES.

7. VOLUNTEERS INFORMATION THAT IS HELPFUL TO OTHERS.

CATEGORY - DEPENDABILITY

1. DOES WHAT HE/SHE SAID WAS GOING TO BE DONE.

2. VERIFIES INFORMATION FROM SUBORDINATES (OR TEAM MEMBERS) WHEN NEEDED.

3. COMMITS PERSONAL TIME TO THE JOB AS NEEDED TO INSURE PROBLEM SOLUTIONS.

4. VOLUNTARILY ANNOUNCES PROBLEMS TO KEEP BOSS ADVISED (VERSUS HIDING PROBLEMS).
5. ASKS FOR HELP WHEN HE/SHE NEEDS IT.

6. EXPRESS OPINIONS FREELY WHEN SOUGHT BY A SUPERIOR MEMBER OF MANAGEMENT.

7. LOOKS FOR REASONS WITHIN OWN SPHERE OF INFLUENCE FOR NON-ACHIEVEMENT (VERSUS BLAMING OTHERS).

8. REACTS TO INCIDENTS OF PROBLEMS OR INCREASED WORK LOADS BY INCREASING PERSONAL MANAGEMENT EFFORTS.

CATEGORY - PERFORMANCE IMPROVEMENT OF SUBORDINATES

1. USES POSITIVE REINFORCEMENT TO IMPROVE PERFORMANCE.

2. EVALUATION OF SUBORDINATES' PERFORMANCE IS BASED ON MEASURABLE (BEHAVIOR/RESULTS).

3. CORRECTLY IDENTIFIES REASONS FOR NONPERFORMANCE USING COACHING ANALYSIS.

4. INITIATES ACTION TO CHANGE SUBORDINATE'S BEHAVIOR.

5. GIVES FEEDBACK TO SUBORDINATES ABOUT THEIR PERFORMANCE AS SOON AS POSSIBLE AFTER IT OCCURS.

6. FEEDBACK TO SUBORDINATES IS SPECIFIC.
7. WHEN APPROPRIATE, USES STEPS OF "COACHING DISCUSSION" TO CHANGE SUBORDINATES' BEHAVIOR.

CATEGORY - COMMUNICATION

1. RESPONDS QUICKLY TO REQUESTS.

2. RETURNS PHONE CALLS PROMPTLY.

3. INITIATES COMMUNICATION UPWARD.

4. LETS PEOPLE EXPRESS THEMSELVES WITHOUT INTERRUPTING THEM.

5. HOLDS PERIODIC MEETINGS WITH SUBORDINATES TO SHARE INFORMATION.

6. INITIATES ACTIONS WHICH RESULT IN FREQUENT VERBAL COMMUNICATIONS WITH SUBORDINATES.

7. WHAT HE/SHE SAYS CAN BE ACCEPTED AT FACE VALUE.

8. DOES NOT DISCOURAGE DISAGREEMENTS WITH HIM/HERSELF BY OTHERS.

9. KEEPS SUBORDINATES ADVISED OF PLANS AND CHANGES WHICH WILL AFFECT THEM (RATHER THAN SPRINGING SURPRISES).

10. WRITTEN REPORTS ARE USEFUL.
HERE ARE SOME BEHAVIORS YOU MIGHT INCLUDE ON THE P.A. LIST FOR A LABORATORY TECHNICIAN.

**JOB TITLE: LABORATORY TECHNICIAN**

**CATEGORY - RUNNING TESTS**

1. Follows standard procedure in conducting tests.
2. Checks setting of equipment prior to commencing each test.
3. Notifies supervisor immediately when equipment malfunctions.
4. Cleans equipment and returns it to appropriate storage areas when finished.

**CATEGORY - ANNOTATIONS**

1. Enters test notes in log for each test.
2. Enters notes in log immediately following test.
3. Follows procedure in making notes.
4. Notes are complete.
5. Notes are readable.
6. Always includes annotations of unusual occurrences in test.
HERE ARE SOME BEHAVIORS YOU MIGHT INCLUDE ON YOUR P.A. LIST FOR A SECRETARY.

JOB TITLE: SECRETARY

CATEGORY - PHONE MESSAGES

1. COMPLETES PHONE MESSAGE SLIP ON ALL CALLS FOR MANAGER WHEN MANAGER IS ABSENT.
2. CORRECTLY SPELLS NAME OF CALLERS.
3. CORRECTLY RECORDS RETURN PHONE NUMBERS.
4. REROUTES CALLS TO APPROPRIATE OTHERS WHEN POSSIBLE.

CATEGORY - CONFIDENTIALITY

1. COVERS CONFIDENTIAL MATERIAL ON DESK WHEN VISITORS ARRIVE.
2. USES SHREDDER TO DESTROY COPIES.
3. PLACES CONFIDENTIAL MATERIALS UNDER LOCK WHENEVER LEAVING THE WORK AREA.
4. LOCKS FILE CABINET AND DESK WHEN LEAVING WORK AREA.
5. RESPONDS WITH SILENCE TO RUMORS RELATED TO MANAGER'S WORK.
6. IN BOSS'S ABSENCE COMMUNICATES MANAGER'S WHEREABOUTS ONLY TO MANAGER'S MANAGER.
THE GUIDELINES YOU WOULD USE TO RATE THE INDIVIDUAL PERFORMANCE BEHAVIORS AGAINST STANDARD ARE AS FOLLOWS:

NORMAL PERFORMANCE - THE PERFORMANCE YOU OBSERVE IS NORMAL WHEN, IN YOUR JUDGEMENT, IT IS CONSISTENT WITH THE STATED REQUIREMENT FOR THAT JOB. THIS MEANS THAT BEHAVIOR IS "ACCEPTABLE" OR "WHAT IS EXPECTED". IT IS IN NO WAY RELATED TO WHAT YOU BELIEVE THE INDIVIDUAL IS CAPABLE OF. BECAUSE OF COMPANY SCREENING PROCESSES AND SPECIALIZED TRAINING ACTIVITIES, IT IS ASSUMED THAT THE MAJORITY OF THE PEOPLE YOUR ORGANIZATION HIRES ARE CAPABLE OF PERFORMING APPROPRIATELY AND WILL PERFORM APPROPRIATELY.

MUST IMPROVE - THIS CLASSIFICATION IS FOR BEHAVIOR YOU OBSERVE TO BE "INAPPROPRIATE", "LESS THAN EXPECTED", "LESS THAN NORMAL PERFORMANCE", AND WHICH MUST IMPROVE. THIS IS THE BEHAVIOR YOU WILL TARGET FOR YOUR HELPFUL COACHING EFFORTS FOR PLANNED CHANGE.

BETTER THAN EXPECTED - THIS CLASSIFICATION IS FOR SPECIFIC BEHAVIOR BEING PERFORMED ABOVE STANDARD, AND MOST LIKELY, BETTER THAN MOST STANDARD WORKERS DOING THAT TASK UNDER YOUR SUPERVISION. IT DOES NOT MEAN BETTER THAN YOU ARE ABLE TO DO, OR BETTER THAN ALL WORKERS IN YOUR ORGANIZATION ARE ABLE TO DO OR BETTER THAN ALL WORKERS DOING THIS JOB IN THE WORLD, IT MEANS BETTER THAN THE STANDARD FOR THAT JOB.
THE FIRST QUESTIONS ON THE FORM WERE FOR THE PURPOSE OF IDENTIFYING THE INDIVIDUAL'S CURRENT JOB STATUS RELATED TO RESPONSIBILITIES, BUDGET CONTROL AND OTHER RELEVANT ITEMS. THEN FOLLOWED 73 ITEMS OF BEHAVIOR WHICH THE RATING MANAGER WAS REQUIRED TO CLASSIFY AS FOLLOWS:

X- CIRCLE IN THIS COLUMN WHEN THE BEHAVIOR DESCRIBED HAS NOT BEEN OBSERVED BY THE AUDITING MANAGER.
L- CIRCLE IN THIS COLUMN WHEN THE BEHAVIOR IS CONSIDERED TO BE LESS THAN NORMALLY EXPECTED.
N-CIRCLE IN THIS COLUMN WHEN THE OBSERVED BEHAVIOR IS CONSIDERED TO BE AS NORMALLY EXPECTED.
B-CIRCLE IN THIS COLUMN WHEN THE OBSERVED BEHAVIOR IS CONSIDERED TO BE BETTER THAN EXPECTED.

IN THIS ORGANIZATION ALL OF THE MANAGEMENT JOBS CONTAINED MOST OF THE 73 ITEMS, ALTHOUGH ALL 73 ITEMS WERE NOT CONTAINED IN ANY SINGLE JOB. THE LIST SERVED THE PURPOSE OF PROVIDING SOME TANGIBLE COMPARISONS WHERE INITIALLY IT APPEARED THERE WERE NO TANGIBLES TO COMPARE.

DEPENDABILITY

DOES WHAT HE/SHE SAID HE/SHE WAS GOING TO DO
WHAT HE/SHE SAYS CAN BE ACCEPTED AT FACE VALUE
COMMENTS PERSONAL TIME TO THE JOB AS NEEDED TO INSURE GOAL ACHIEVEMENT OR TO SOLVE PROBLEMS
DOES NOT HIDE PROBLEMS
EXPRESSES OPINIONS AND IDEAS FREELY WHEN SOUGHT BY SUPERIORS
LOOKS FOR REASONS WITHIN OWN SELF FOR NON-ACHIEVEMENT

X L N B

XXX X
XXX X
XXX X
XXX X
XXX X
XXX X
XXX X
XXX X

XXX X
REACTS TO PRESSURE OF PROBLEMS OR INCREASED WORKLOAD BY INCREASING PERSONAL MANAGEMENT EFFORTS

CREATIVE APPROACH TO BUSINESS PROBLEM SOLVING

FREQUENTLY SUGGESTS HOW THINGS CAN BE DONE BETTER CONSIDERS ALTERNATIVES IN ADDITION TO THE MOST FAMILIAR ONES AS POSSIBLE SOLUTIONS LOOKS FOR POSSIBLE ALTERNATIVE SOLUTIONS BEYOND THE LIMITS OF THE LOCAL SITUATION ANALYZES PROBLEMS BY REDUCING THEM TO THEIR SMALLER INTERRELATED COMPONENTS JUDGES THE VALUE OF THEORETICAL ALTERNATIVES BY RESULTANT BUSINESS FACTS DISCARDS PET THEORIES WHEN FACTS INDICATE THEIR LACK OF EFFECTIVENESS

INTERPERSONAL SKILLS

SUCCESSFULLY INFLUENCES OTHERS TO ACCEPT HIS/HER IDEAS ACCEPTS IDEAS OF MAJORITY OR SUPERIOR WHEN OWN IDEAS HAVE BEEN REJECTED RESOLVES CONFLICT BETWEEN SELF AND PEERS WHEN IT OCCURS GAINS COOPERATION OF PEERS WHEN NEEDED
COMMUNICATIONS

KEEPS SUBORDINATES ADVISED OF PLANS AND CHANGES

WHICH AFFECT THEM RATHER THAN SPRINGING SURPRISES

LETS PEOPLE EXPRESS THEMSELVES WITHOUT

INTERRUPTING THEM

TALKS TO PEOPLE ON A MATURE LEVEL RATHER THAN

RAISING VOICE IN EMOTION

EXPRESSES SELF IN STRAIGHT FORWARD MANNER

WITHOUT HIDDEN MEANING

LISTENS TO CRITICISM FROM OTHERS AS IMPORTANT

FEEDBACK RATHER THAN REACTING TO IT AS A THREAT
1. Performance target; behavior selected for improvement (what does it look like now?)

2. What will engineer do to correct it?

3. When?

4. What will manager do to help?

5. When?

6. Date we discuss it again.

7. Follow-up date.

8. Did engineer do what he/she said would be done? Yes___No___

9. Result observed (what did it look like?)

Coaching Manager ____________________________
To be destroyed if performance improves.
WILFRED NORTZ, COMPUTER PROGRAMMER WITH THE ELECTRONICS TESTING CORPORATION, WALKED INTO PROJECT MANAGER FRED WILSON'S OFFICE AND ANNOUNCED THAT HE WAS "THROUGH," "FINISHED," AND ABSOLUTELY COMPELLED TO RESIGN FROM THE COMPANY. WITH THE CONCLUSION OF THAT STATEMENT, HE HEADED OUT THE DOOR WITH THE ANNOUNCEMENT THAT HE WOULD BE BACK IN AN HOUR TO PICK UP HIS FINAL PAY CHECK.

WILSON REFLECTED ON HIS PROBLEM. NORTZ HAD BEEN SENT TO HIS PROJECT FACILITY SOME 200 MILES FROM THE HOME OFFICE TO RUN SOME TESTS ON A NEW COMPUTER WHICH HAD BEEN INSTALLED RECENTLY. THE OUTCOME OF THE TESTS WAS MOST SIGNIFICANT IN THAT THE FUTURE WORK OF HIS PROJECT GROUP COULD NOT PROCEED MUCH MORE UNTIL NORTZ COMPLETED HIS TESTS. HOWEVER, NORTZ WAS ACCOUNTABLE TO SID YOUNG WHO HAD BEEN SENT TO WILSON'S FACILITY ALONG WITH NORTZ. SID YOUNG'S JOB WAS TO SUPERVISE NORTZ AND COORDINATE HIS WORK WITH THAT OF WILSON'S PROJECT GROUP. ON SEVERAL OCCASIONS IN THE PAST TWO WEEKS, NORTZ HAD TOLD WILSON THAT SID YOUNG WAS DEMANDING TOO MUCH OF HIM, MOTIVATING HIM THROUGH UNDUE PRESSURE AND HAVING HIM WORK OVERTIME AND ON WEEKENDS. NORTZ SAID THAT YOUNG HARDLY KNEW COMPUTER WHEN HE SAW ONE AND HAD LITTLE APPRECIATION OF THE STRESS AND STRAIN HE (NORTZ) WAS UNDER. WILSON ALSO REFLECTED THAT HE HAD BEEN TOLD THAT NORTZ WAS ONE OF THOSE ECCENTRIC, SPECIALIZED STAFF PEOPLE WHO HAD BEEN "BABIED" IN THEIR JOBS ALL THEIR WORKING LIVES. YOUNG HAD STATED THAT WITH THE DEADLINE TO COMPLETE THE TESTS LESS THAN A WEEK AWAY, NORTZ WAS GOING TO FINISH THESE TESTS ON SCHEDULE IF HE HAD TO SLEEP BESIDE THE COMPUTER AND BE SPOON-FED.
A. MOTIVATION PROBLEMS ARE DUE TO INEFFECTIVE MANAGEMENT STYLES,
   NOT UNWILLINGNESS OF PEOPLE TO WORK HARD. FOR EXAMPLE,
   OVER-MANAGEMENT RESULTS IN:
   1. BOREDOM, LOW PRODUCTIVITY
   2. RESISTANCE TO NEW IDEAS
   3. FORMATION OF INFORMAL GROUPS TO RESTRICT PRODUCTION

B. FACTORS TO CONSIDER WHEN MOTIVATING PEOPLE:
   1. INTERESTING WORK
   2. OPPORTUNITIES FOR ADVANCEMENT
   3. REWARD ACCORDING TO PERFORMANCE (GIVE RECOGNITION-BONUSES,
      PATS-ON-THE-BACK, ETC.)
   4. "STRETCH" GOALS
   5. PROVIDE FEEDBACK (REVIEW PERFORMANCE OBJECTIVELY)
   6. SUPPORT-COACH-IMPROVE THEIR COMPETENCE-TRAIN THEM
   7. MORE RESPONSIBILITY
   8. PROVIDE SECURITY
   9. FRIENDLY-WARM ENVIRONMENT
  10. APPROPRIATE SALARIES AND FRINGE BENEFITS
  11. INTEGRATE INDIVIDUAL GOALS WITH ORGANIZATIONAL GOALS
  12. PROMOTE FROM WITHIN
  13. GIVE THEM FREEDOM TO PLAN
  14. PARTICIPATE WITH THEM
  15. SHOW SINCERE INTEREST IN THEM BOTH IN THE SHORT-RUN AND THE
      LONG-RUN ("PRINCIPLE OF PSYCHOLOGICAL ADVANTAGE")
  16. EMPHASIZE THE IMPORTANCE OF THEIR JOBS
HUMBLE'S MOTIVATION MODEL

1. "AGREE WITH THEM WHAT IS EXPECTED OF THEM"

2. "GIVE THEM AN OPPORTUNITY TO PERFORM" (LEAVE THEM ALONE AND GIVE THEM A CHANCE TO ACHIEVE THE RESULTS).

3. "LET THEM KNOW HOW THEY ARE GETTING ON"

4. "HELP AND TRAIN AND GUIDE THEM" (GIVE THEM GUIDANCE AND TRAINING).

5. "REWARD THEM ACCORDING TO THEIR CONTRIBUTION".
HOW TO OBTAIN COMMITMENT TO GOALS
1. BE BUSINESS-LIKE (DO NOT ARGUE) - COOPERATION CANNOT BE FORCED
2. DISCUSS THE DELEGATION COMPLETELY
3. EMPHASIZE THE RESULTS EXPECTED
4. EVERYONE WANTS TO KNOW THE SIGNIFICANCE OF HIS/HER JOB
5. LISTEN (TALK ABOUT 30% OF THE TIME) - LEARN TO LISTEN TO PEOPLE
6. ASK FOR SUBORDINATE'S ADVICE
7. OFFER TECHNICAL INFORMATION-TYPE ASSISTANCE;
   GIVE ADDITIONAL AUTHORITY, IF NEEDED, BUT DO NOT GIVE ADVICE
8. MAKE THEM FEEL IMPORTANT
9. EMPHASIZE THE IMPORTANCE OF THEIR JOBS
10. BE SINCERELY INTERESTED IN YOUR EMPLOYEES AND THEIR WELFARE
11. SENTIMENT AND EMOTION COUNT: LOGIC IS LIMITED
12. COMMUNICATION IS MORE EFFECTIVE THROUGH ACTIONS THAN THROUGH WORDS
13. DON'T FORGET TO SHOW APPRECIATION FOR A JOB WELL DONE
MASLOW

SELF-
ACTUALIZATION
NEEDS

LEVEL 5

ESTEEM
NEEDS

LEVEL 4

SOCIAL
(BELONGING
NEEDS)

LEVEL 3

SECURITY
(SAFETY)
NEEDS

LEVEL 2

PHYSIOLOGICAL
(SURVIVAL)
NEEDS

LEVEL 1

HERZBERG

MOTIVATORS

WORK ITSELF
ADVANCEMENT
GROWTH
RESPONSIBILITY
RECOGNITION
ACHIEVEMENT
COMPETENCE
STATUS
POWER

HYGIENE_FACTORS

INTERPERSONAL
RELATIONS

JOB SECURITY,
COMPANY POLICIES
WORKING CON-
DITIONS
SUPERVISION

SALARY
FRINGE BENEFITS
PERSONAL LIFE
1. "Meaningful" recognition must be given to subordinates who accept and carry out their accountabilities.

2. The Herzberg model and delegation

<table>
<thead>
<tr>
<th>Job Dissatisfiers (Hygiene Factors)</th>
<th>Job Satisfiers (Motivators)</th>
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<tbody>
<tr>
<td>(If present, they will not lead to motivation. However, they must be present to prevent dissatisfaction and problems).</td>
<td>(If present, they will lead to motivation).</td>
</tr>
</tbody>
</table>

1. Supervision
2. Money
3. Status
4. Company policies and administration
5. Fringe benefits
6. Job Security
7. Working conditions
8. Relationship with others

Herzberg advocates "job enrichment" for motivation (the deliberate enlargement of responsibility, scope, and challenge of work)

a. Work itself can be a motivator (if one has a chance to achieve, grow professionally, obtain recognition from a challenging job.)

b. Environmental factors are "Hygiene" (Working conditions, wages, supervision, fringe benefits), preventing dissatisfaction, but they do not permit a gain. (An emphasis on "Hygiene" factors will not result in long-run above average productivity.)

c. Job Enrichment results in greater long-run productivity than Job Rotation or Job Enlargement.

d. Money is usually not a motivator, as satisfaction with a monetary raise does not last long.
1. PROFITS WERE MADE EVERY YEAR, 1933.
2. HIGH EFFICIENCY
3. NO WORK STOPPAGES
4. LOW TURNOVER AND ABSENTEEISM
5. HIGH PRODUCTIVITY
APPLICATION OF THE MASLOW-HERZBERG MODEL TO RUGBY PORTLAND CEMENT

A. HYGIENE FACTORS (DISSATISFIERS) (PREVENT DISSATISFACTION)

1. LEVEL 1 - - PHYSIOLOGICAL NEEDS (SALARY, FRINGE BENEFITS)
   a. "A" SHARES FOR RETIREMENT
   b. THE COMPANY PURCHASED THE OVERALLS AND JACKETS
   c. GOOD SALARIES

   WEEKLY SALARIES ARE LOWER THAN THAT OF NEARBY AIRPLANE AND CAR FACTORIES. BUT ANNUAL SALARIES ARE BETTER AS RUGBY PROVIDES STEADY EMPLOYMENT 52 WEEKS A YEAR (THE CEMENT INDUSTRY RANKS IN THE TOP SIX BRITISH INDUSTRIES IN TERMS OF PAY),

   d. LIFE INSURANCE

2. LEVEL 2 - - SECURITY (SAFETY) NEEDS (JOB SECURITY, COMPANY POLICIES, WORKING CONDITIONS, SUPERVISION)

   a. ALL EMPLOYEES ARE SALARIED, INCLUDING BOTH WORKERS AND SALESMEN
   b. NO LAYOFFS
   c. EMPHASIS ON DRIVER SAFETY (THE COMPANY BUYS THE BEST TRUCKS AND DRIVERS CAN DRIVE A MAXIMUM OF 11 HOURS A DAY)
   d. THE WORKS COMMITTEE HELPS IMPROVE WORKING CONDITIONS AND SAFETY PROBLEMS
   e. THE EMPLOYEES ARE TREATED FAIRLY BUT STRICTLY (FAIR BUT FIRM) (JUSTICE)
   f. Electrostatic precipitators were used to control dust

3. LEVEL 3 -- SOCIAL (BELONGING NEEDS) (INTERPERSONAL RELATIONS)

   a. TEAMWORK PHILOSOPHY IN THE COMPANY
   b. EVANS TOURS THE PLANTS AND TALKS CASUALLY WITH THE WORKERS -- HE IS AWARE OF THEIR PERSONAL LIVES
   c. REDDISH DELIVERS AN ANNUAL MESSAGE TO THE EMPLOYEES
d. THE MANAGEMENT COMMUNICATES COMPANY POLICIES AND CHANGES IN THEM BEFORE THEY ARE RELEASED TO THE PRESS

e. EVANS AND BAKER VISIT THE PENSIONERS

f. THE PENSIONERS ARE GIVEN A TON OF COAL AT CHRISTMAS

g. THE WORKS COMMITTEE FOSTERED OPEN COMMUNICATIONS BETWEEN WORKERS AND MANAGEMENT

h. NO PERSONNEL DEPARTMENT WAS NEEDED
B. MOTIVATORS (SATISFIERS)

1. LEVEL 4 - ESTEEM NEEDS (RECOGNITION, ACHIEVEMENT, COMPETENCE, STATUS, POWER)
   a. PROFIT SHARING (BONUS) PLAN
   b. LONGEVITY AWARDS ARE GIVEN IN THE PRESENCE OF PEERS
   c. A TON OF COAL IS GIVEN TO THE PENSIONERS AT CHRISTMAS
   d. THE EMPLOYEES ARE GIVEN PERFORMANCE APPRAISALS (FEEDBACK)
   e. EACH WORKER IS EXPECTED TO COME TO WORK AND BE ON TIME
   f. THE ADMINISTRATIVE DEPARTMENT IS EXPECTED TO MAKE OPERATING DECISIONS THAT WILL RESULT IN HIGHER PROFITS AND PRODUCTIVITY
   g. THE FACTORY MANAGERS ARE EXPECTED TO MANAGE THEIR FACTORIES EFFICIENTLY
   h. THERE IS RECOGNITION OF THE HUMAN DIGNITY OF EACH INDIVIDUAL. EACH INDIVIDUAL IS CONSIDERED IMPORTANT
   i. THE CLIMATE IS SUPPORTIVE
   j. MANAGERS SHOW SINCERE INTEREST IN THE WORKERS
   k. ALL EMPLOYEES FEEL THEY ARE ON AN EQUAL BASIS WITH REDDISH
2. LEVEL 5 -- SELF ACTUALIZATION NEEDS (WORK ITSELF, ADVANCEMENT, GROWTH, RESPONSIBILITY)

a. FACTORY MANAGERS ARE RESPONSIBLE FOR COSTS

b. BAKER AND EVANS ARE RESPONSIBLE FOR DAY-TO-DAY OPERATING DECISIONS

c. TRUCK DRIVERS ARE RESPONSIBLE FOR THEIR TRUCKS

d. EACH WORKER IS RESPONSIBLE FOR COMING TO WORK AND ON TIME

e. ALL MANAGERS ARE RESPONSIBLE FOR DEVELOPING TEAMWORK

f. THE WORKS COMMITTEE HAS RESPONSIBILITY FOR IMPROVING WORKING CONDITIONS

g. ONE WORKER SAYS, "A MAN CAN GO AS FAR AS HE WANTS TO HERE" (AND SOME OF THE EXECUTIVE DIRECTORS HAVE MOVED UP FROM OPERATING POSITIONS)

h. ONE WORKER SAYS, "THE WORK HERE IS 80% SATISFACTORY, AND IT'S HARD TO PINPOINT WHAT'S WRONG WITH THE OTHER 20%." 

i. THE WORK IS CHALLENGING FOR THE RANK-AND-FILERS. THEY INDICATE THAT THE WORK IS HARD.

j. THE MANAGERS HAVE INTERESTING JOBS (BAKER, EVANS, ETC.)

k. RUGBY'S RAPID GROWTH AND EXPANSION PROVIDED OPPORTUNITIES FOR ADVANCEMENT
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<th>JOB FACTORS</th>
<th>YOUR RANKING</th>
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<th>SUPERVISORS RANKING</th>
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<td>Feelings of being in on things</td>
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<td>10</td>
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<td>Interesting work</td>
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<td>Personal loyalty to employees</td>
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<td>Promotions and growth in the company</td>
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<td>Good wages</td>
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<td>Sympathetic help on personal problems</td>
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<td>Full appreciation of work done</td>
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<td>JOB FACTOR</td>
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<td>JOB SECURITY</td>
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<td>PLEASANT COWORKERS</td>
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<td>WORKING CONDITIONS</td>
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** Minnesota Gas Company
1. THE WORK FORCE IS CHANGING FROM MAINLY MANUAL WORKERS TO MAINLY KNOWLEDGE WORKERS, AND MANAGEMENT-BY-FEAR WILL NOT WORK WITH THE KNOWLEDGE WORKER.

2. CHARACTERISTICS OF THE KNOWLEDGE WORKER:

   A. THEY ARE ENGAGED IN "DOING" WORK, REQUIRING MUCH THINKING, CREATIVITY, INTELLECTUAL CURIOSITY.

   B. IT IS DIFFICULT TO MEASURE THEIR OUTPUT IN SPECIFIC UNITS, WHICH MAKES IT DIFFICULT TO SUPERVISE THEM.

   C. THEY ARE OPEN TO THE FEELINGS AND OPINIONS OF OTHERS; THEY ARE ACTIVE, CURIOUS, PSYCHOLOGICALLY ISOLATED FROM OTHERS; PERSISTENT IN SOLVING PROBLEMS; SENSITIVE (EASILY OFFENDED); CREATIVE, FLUENT.

3. HOW TO MANAGE THE KNOWLEDGE WORKER:

   A. HIGH PARTICIPATION (FOR EXAMPLE, PARTICIPATE WITH THEM IN ESTABLISHING CLEAR, CHALLENGING OBJECTIVES).

   B. LEAVE THEM ALONE AS THEY WORK TOWARD THEIR OBJECTIVES, LET THEM DESIGN THEIR OWN WORK - GIVE THEM A LOT OF FREEDOM.

   C. DISTRIBUTE FINANCIAL REWARDS EQUITABLY - PROVIDE FOR THE "HYGIENE" FACTORS (FRINGE BENEFITS, PAY, SUPERVISION, PENSIONS, ETC.)
D. GIVE THEM CHALLENGING, INTERESTING JOBS.

E. GIVE THEM TECHNICAL HELP, IF THEY NEED IT (SUPPORT)

F. PROVIDE OPPORTUNITIES FOR CONTINUOUS LEARNING (TRAINING SESSIONS - EDUCATIONAL OPPORTUNITIES FOR PROFESSIONAL GROWTH).

G. MAKE SURE THAT COMMUNICATIONS AMONG MEMBERS ARE GOOD - PROVIDE FOR GOOD SOCIAL RELATIONSHIPS.

H. SET HIGH STANDARDS OF PERFORMANCE.

I. CREATE AN OPEN CLIMATE OF TRUST.

J. HIGH DELEGATION - THEY WELCOME RESPONSIBILITY.

K. ENCOURAGE TEAMWORK.

L. GIVE THEM A SENSE OF SECURITY.
'COMPUTER PEOPLE': YES, THEY REALLY ARE DIFFERENT
BUSINESS WEEK (February 20, 1984)

The computer is becoming the central nervous system of more and more companies. But too often, the technical types who run the computer centers do not speak the business school language of managers. As a result, they often do not provide all the critical information the computer could supply for corporate decision-making. Now, however, a new class of sophisticated managers and technicians is emerging. This group, born of necessity, is at home in both the computer center and the front office.

This new breed of "computer people" is not easy to find—or easy to manage. Herbert Z. Halbrecht, whose Halbrecht Associates Inc. is a leading executive search firm for the computer and communication industries, says that "the greatest need we're finding is for good managers at top levels who can make creative use of technology to address business objectives." Such computer people are often driven by a different mix of values than the business managers who set the pace in most companies, according to a study by Columbia University for BUSINESS WEEK (page 72).

NO TIME CLOCKS. These increasingly sought after employees have different priorities than do managers, so companies are finding that to attract and keep them they must change the way they manage and motivate these innovators. Just as composers, writers, and artists do not want to punch time clocks, these technical wizards often chafe at button-down, 8-to-5 environment. While managing creative people is not a new problem, it has presented a challenge to companies for years—never have so many of these innovators been so crucial to running a company.

Many computer people are not as motivated by money and job titles as are the general managers for whom most corporate compensation and promotion systems were designed. Instead, the BUSINESS WEEK study found, nearly all computer people seek personal fulfillment and growth from their work.

Managing these people requires a new set of skills, and such techniques can substantially boost productivity and innovation. "By acknowledging the fact that (computer people) value different things than managers might, companies can do a better job of managing them," says Mary Anne Devanna, research coordinator at Columbia's Center for Research in Career Development, who supervised the study.

Not surprisingly, the computer companies were among the first and the most successful in developing new ways to manage and motivate technical innovators. They reward their most creative employees with educational opportunities and recognition for individual input into major projects, as
well as with financial incentives, such as stock options and bonuses. In fact, these companies may be pioneering a management style that will be adopted by all industries as the U.S. becomes an "information economy." The high-tech companies "are creating the management model of the future," says Thomas F. McDonald, a psychologist with Transition Associates, a La Jolla (Calif.) clinical and consulting psychology firm whose clients include many of these companies.

REASONS TO WORK. The increasing need for such new management styles, not only in high-tech companies but also throughout general industry, has been documented by Yankelovich, Skelly & White Inc., a New York consulting company that has studied employee attitudes in the workplace for 13 years. Yankelovich has tracked a slow but steady drift away from traditional work values, which are based on the Puritan work ethic and the belief that it is intrinsically important to work. Instead, increasing numbers of people are adopting new values that stress the importance of personal satisfaction and the ability to learn from their work.

"Fulfillment-orientated people are looking to achieve, to learn more, to grow," says Stephen A. Zimney, group senior vice-president at Yankelovich. "They want to do the next thing in their jobs, not because it means a promotion but because they get a 'high' from moving ahead." Already, 40% of the U.S. work force has adopted at least some of the new values, Zimney says and that group is growing every year. In the high-tech area, where many of the workers tend to be quite young, those values are much more prevalent. "The issue for management is not money," says Zimney, but rather, "how do you reward these people so they will be more productive and more committed?"

The chance to be challenged is one of the most important rewards of the job for these people. Take Gerard A. Schlack, a 45-year-old electrical engineer at E-Systems Inc., a leading maker of electronic-warfare equipment. Schlack says that he has passed up many better-paying job opportunities because his own work is so intriguing. "As long as the jobs stay interesting, engineers will stay put," says Schlack, who oversees the development of computer-based defense systems.

SENSE OF BELONGING. At the heart of most high-tech companies' efforts to find and keep their innovative workers is "a sense of inclusion in a unique undertaking [and] a sense of missionary zeal," says Calvin H.P. Pava, an assistant professor of organizational behavior at Harvard University. To motivate people, most high-tech companies make sure that each worker understands the role that his or her creative efforts play in making a product successful. "The most important thing you can do is infuse people with the importance of what they are doing by giving them a feel for market impact," declares Richard L. Cranstaff, president of Comshare Inc. an Ann Arbor (Mich.) software company. "They do what they do for eventual recognition."
That is not to say that financial incentives are not important. A survey of 21 large high-tech companies conducted by Hay Management. Consultants found that 67% of these organizations used stock-purchase plans as long-term incentives, while 39% of them offered profit-sharing plans—both double the rates of industry in general. And while only about 5% of all U.S. companies are likely to offer front-end bonuses to attract people, 24% of the high-tech businesses did so. On the other hand, only 58% of the technical companies offered a pension plan vs. 95% of general industry, and executives enjoyed far fewer perks. "There's a pattern of compensation practices that seem to be driven by a desire to maintain a more egalitarian culture and team approach," the study found.

Technical wizards are likely to earn generous salaries no matter where they work, so money is usually only a secondary factor. Training and educational opportunities are much more important. "[With money] you simply need to maintain the style of living to which you're accustomed," says Worth W. Williams, a computer programmer at Management Science America Inc., an Atlanta software company. "The key is learning."

The emphasis on education is hardly surprising, given the rapid obsolescence of computer people's skills. "Growth is so important because in the data processing industry skills are outdated every three years," says J. Daniel Couger, professor of computer science at the University of Colorado, who consults with many of the nation's 500 largest corporations. "Data processing people tend to be individualists [who] look for working environments where they have a career path that allows for growth."

To create such environments, Couger says, companies have to reduce the layers of management—where computer people are concerned. At the same time they must make their lines of communication more informal, as such Silicon Valley companies as Apple Computer, Tandem Computers, and Hewlett-Packard have done from the start. Comshare's Crandall says that he has reduced the loss of key technical innovators by decentralizing the company's once "monolithic" structure for research and development. Now Comshare has eight individual units in eight different cities working on separate R&D projects.

THINKING SMALL. Despite its size, International Business Machines Corp. has been especially successful in using decentralization to foster environments where creative people can flourish. Its highly successful Personal Computer, after all, came out of a small, independent unit set up in Boca Raton, Fla. "Entrepreneurship is very important to [big companies like] us, not just to small companies," says Erich Bloch, IBM's vice-president for technical personnel development. "We're establishing small business units to allow entrepreneurs to come forward and make sure their projects are unencumbered by what goes on in the rest of the company."
Maintaining an entrepreneurial environment is important for more than just the computer companies in trying to keep their creative people happy. Industrial companies in general must provide the room to grow and innovate for their star technical types-computer people who design their corporate computer systems, develop special applications programs for managers, and think up new ways that their company can harness its information resources. Only then can these companies expect to nurture the rare individual who can span the gap between the data processing department and the senior managers who need to apply the technology to corporate plans and strategies.

CREATING REWARDS. "Most companies are failing to support small entrepreneurial teams," says Neil W. Smith, associate consultant with New York based Hawer Group P.C., which helps its client companies develop new ways to manage technical workers. "The entrepreneurial technician wants to get involved in the newest programs in the company. He wants to know what's happening at the strategic planning level. He wants to work with the most avantgarde developments in graphics, software applications for managers and telecommunication." And, Smith says, as word processing, data processing, and telecommunications grow increasingly together, these computer people "want to help solve the problems this conversion is creating."

Unless the larger corporations make major changes in managing their creative computer people and provide a career path, Smith predicts that most of them will leave the corporate world and start their own software companies. "The only way people can now get promoted through the system is to go into management. The more technical people go to consulting, he says, "Eventually if this trend continues, the software houses will have the best minds."

Creating attractive career paths for technical people will become essential as competition for them heats up. "Often, innovators are not good managers," says Mark R. Hurwitz, a principal at Towers, Perrin, Forster & Crosby, a New York management consultant. "Companies have to find ways to avoid having people feel they've failed just because they haven't become a manager."

Few companies have succeeded in putting together a new management structure for their technical professionals. "Progressive managements are still rare," says Donald L. Frantz, president of Management Consulting Services, a Franktown (Colo.) firm that specializes in motivating data processing management for major companies. But some corporations, including Sears, American Insurance, and PepsiCo, are now grappling with such issues. At PepsiCo Inc., for example, personnel turnover in the Management Information Systems Dept. has fallen from twice the average of its Westchester County (N.Y.) area to half the average in the two years since Allan B. Deering joined as director of management information services.
The first thing Deering did was take an attitude survey of his computer people. He discovered that they were bothered by too much routine and too little challenge and opportunity for growth and career advancement.

Deering quickly changed the way his department was run. Now technical people who once spent years on one assignment are regularly put on new projects where they can learn new skills. Many of Pepsi's 50 programmers talk directly with the users of computer services and discuss what options—personal computers or time-sharing, for example—can best meet their needs. Then they help implement the solutions. "What motivates them is the ability to find problems and solve them," Deering says. "We push decision-making and creativity down the line and let people at the lowest level take the initiative. That helps motivate them."

Pepsi holds out training as a major motivational tool, education that usually is focused on technical areas but also covers the development of management skills, Deering says. The company is also working on creating a career ladder for computer people, coming up with new job descriptions with higher grade levels so technicians who do not want to become managers have other options. Deering is also devising new ways to recognize their contributions—not necessarily with money. A programmer who works several weekends may be given two tickets to a Broadway show and a posh dinner, or a four-day weekend.

Companies such as Pepsi will set the pace in the scramble to attract and keep the best computer talent. The motivational tools and changes in operations that they are adopting to meet the needs of creative computer people will be essential for other companies as well. "There is an increased worker expectation to take home more than a paycheck—they feel like they are contributors. Management has to take a new look at work," declares Jean T. Settlemyre, group vice-president for management development at American Medical International Inc. Adds John Diebold, chairman of Diebold Group Inc., a management consulting firm: "If organizations cannot accommodate multiple motivations and conditions, they are bound to lose out."
JOB DESCRIPTION QUESTIONNAIRE

Please circle the response that best describes your "ideal" job:

5 - very characteristic of the job
4 - quite characteristic of the job
3 - moderately or fairly characteristic of the job
2 - not very characteristic of the job
1 - not at all characteristic of the job - or does not apply

1. My job requires skills that I have to practice and improve on. 5 4 3 2 1
2. Other people have to come to me for decisions 5 4 3 2 1
3. I spend most of my day sitting in one place 5 4 3 2 1
4. On my job, there is ample time to talk and joke with other people 5 4 3 2 1
5. On my job, I meet pretty often with my boss 5 4 3 2 1
6. On my job, I meet pretty often with my subordinates 5 4 3 2 1
7. With the type of job I have, I have to set my standards pretty high 5 4 3 2 1
8. On this job, I am expected to help other people 5 4 3 2 1
9. In this type of work, one has to know how to get along with other people 5 4 3 2 1
10. If I have to get help from someone, it's an indication I can't do the work well. 5 4 3 2 1
11. My job offers a lot of opportunity for creativity and innovation 5 4 3 2 1
12. An important aspect of my job is the status involved 5 4 3 2 1
13. My job requires a good deal of cooperation from others 5 4 3 2 1
14. There is always something new in my job 5 4 3 2 1
15. On my job, I have to interact with a lot of people 5 4 3 2 1
16. I see the end results of my work; projects don’t just "disappear" after I have done my part
17. My job depends on how well others do their work
18. I spend a lot of time telling people what has to be done
19. On this job (assignment) you get to know other people really well
20. I get a real sense of pride from my work
21. This type of work involves a lot of pressure to meet deadlines
22. The size of the unit I work with is fairly small
23. In this type of work, a mistake can be very costly.
24. I have to supervise a large number of people
25. The thing about this job is that it gives a person a chance to really achieve something
26. I don’t have to have all my work approved by my superior
27. I work almost exclusively by myself
28. My job requires me to sympathize with other people’s problems
29. I have to make sure that things run smoothly
30. My job is very clear cut and well-defined
31. I am frequently in contact with other people
32. When I’m working on something, I often have to set it aside to do something more pressing, then come back to it
33. This job is a big help in furthering my career
34. This job requires a lot of overtime and after-hours work
35. A great deal of my work is decision making
36. My ability to influence others has to be used on this job
37. There is a lot of variety in things I do; it is not a case of doing the same thing over and over
38. One of the most important aspects of my job is keeping...
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<td><strong>other people happy</strong></td>
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<td><strong>39. On this job, one can see a job from its inception through to</strong></td>
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<td><strong>its completion</strong></td>
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<td><strong>40. On this job the quality of the output is essential; it has</strong></td>
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<td><strong>to be excellent</strong></td>
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<td><strong>41. There is a heavy volume of work in this job</strong></td>
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<td><strong>42. This job keeps one working every minute</strong></td>
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<td><strong>43. I spend most of my time managing people</strong></td>
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<td><strong>44. My physical work surroundings are very pleasant</strong></td>
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In order to score your replies to the questionnaire, please use the number encircled for each item as indicated; then total your score column for each of the motives: Achievement, Affiliation, and Power.

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<tr>
<th>Achievement-related scale</th>
<th>Affiliation-related scale</th>
<th>Power-related scale</th>
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<tr>
<td>Item</td>
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Total:_____  Total:_____  Total:_____
**JOB DESCRIPTION MOTIVATION SHEET**

**NEED FOR ACHIEVEMENT.** Individuals who are high in this tend to take moderate, calculated risks, stick with a task, demand "feedback," accept responsibility, are eager to be their own boss, are "loners," are low in sensitivity to others.

**NEED FOR AFFILIATION.** Individuals who are high in this tend to be uncomfortable if they must work alone, want frequent interaction, consider personal relations as important, get involved in group activities.

**NEED FOR POWER.** Individuals who are high in this tend to seek authority over others, get elected president of the club, like status, are interested in who will be the boss.

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<tr>
<th>SCORING GRAPH</th>
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**NEED FOR ACHIEVEMENT**

**NEED FOR AFFILIATION**

**NEED FOR POWER**
1. David C. McClelland’s Achievement, Affiliation, and Power Motives

a. The “Achievement Motive”

1. It is possessed by 10 percent of the U.S. population
2. These people want to accomplish something significant
3. They gravitate to sales, marketing, management, and independent businesses
4. They like to set their own goals
5. They are eager to be their own boss, as they do not like having people tell them what to do
6. They do not seek advice or help, but are willing to listen to experts only
7. They tend to be “loners.”
8. They tend not to have high sensitivity to others
9. They are not high in human-relations abilities.
10. They want full responsibility for attaining their goals
11. They are self-motivated
12. They are always figuring the angles, taking calculated risks
13. They prefer to select moderate goals for themselves—the hardest, practical challenge, as they want to win.
14. They want immediate “feedback” on how well they are progressing toward their goals
15. They are not motivated to work harder by money
incentives, but they do want to be paid well

16. This motive is identifiable and can be developed

17. Suppression and lack of "feedback" can prevent the "n" achievement factor from developing

18. It is found mainly in middle class families that set attainable goals and are supportive of their children

b. The "Affiliation Motive"

1. These people are uncomfortable if they have to work alone

2. They want to have frequent interactions

3. They tend to become close to the boss

4. Personal relationships are important to them

5. They want to be liked by others

6. They like to get involved in group projects

7. They are sensitive to the needs of other people

8. This motive can also be identified in children

c. The "Power Motive"

1. These people seek authority over others

2. They try to get elected as President of the club

3. They like to give, not take, orders

4. They like status

5. They are interested in who will be the boss

All individuals have a dominant motive. However, some people are high in all 3.
A. Characteristics of An Individual With a High Need for Achievement

1. More self-confident
2. Enjoys taking carefully calculated risks
3. Researches his/her environment
4. Is interested in concrete measures of how well he/she is doing
5. He/she is not motivated by money incentives to work harder (but, people with low achievement needs are)
   a. He/She wants monetary rewards for feedback as to how well he/she is doing
   b. Money is a measurement of his/her success

B. Applying the “Need for Achievement”

1. McClelland thinks the need for achievement can be inculcated into the underdeveloped countries
   a. He argues that large injections of money and social capital into the underdeveloped countries will not cause economic development to take place
   (1) McClelland believes that the Marshall Plan helped Europe because achievement needs were high there
   (2) However, since achievement needs are low in underdeveloped countries, monetary aid will not create economic development
   b. McClelland disagrees with the Freudians and those scientists who believe that it is impossible to develop deep-lying needs like the achievement motive
However, McClelland has had success in developing the
achievement motive with people in U.S. corporations as well as in
India and other places.
(a) The managers in U.S. companies who took training under
McClelland advanced more rapidly than the control group of
managers who did not receive training in achievement development.
(b) Two-thirds of the Indian small businessmen who had training
with McClelland expanded their businesses, increased profits, or
went into new areas of business in a few months.
(c) In Bombay, two-thirds of the salaried executives in another
study went into incentive activities or had unusual salary increases
after McClelland's training program in achievement development.
POWER IS THE GREAT MOTIVATOR

(MCCLELLAND, HBR, SEPT.-OCT. 1976)

1. The best managers are high in the "need for power", moderate in the "need for affiliation", (to be liked by subordinates) and high in inhibition (self control, maturity).

A. They want to influence others for the good of the organization.

B. Those high only in the "need for affiliation" do not make good managers (they allow too many exceptions to the rules). They want to be liked.

C. Those high only in the "need for achievement" do not make good managers (they prefer to do the work themselves).

D. Those high in the need for personal power develop high team spirit, but they are low in the ability to develop an organization for the long-run.

E. The best managers express their need for power in a democratic way (participation), not in an authoritarian way.

1. They reward according to contribution
2. They set high standards
POWER IS THE GREAT MOTIVATOR

CONTRARY TO WHAT ONE MIGHT THINK, A GOOD MANAGER IS NOT ONE WHO NEEDS PERSONAL SUCCESS OR WHO IS PEOPLE-ORIENTATED, BUT ONE WHO LIKES POWER.

DAVID C. MCCLELLAND AND DAVID H. BURNHAM

Good managers, ones who get the best out of their subordinates and who thereby produce positive results for their organizations, are the keys to an organization's success. It is not surprising then that much research and thought has gone into trying to define just what motivates a good manager and how to describe him so that his characteristics can be objectively measured and identified. In this article, the authors describe a motivation pattern that empirical research has discovered most good managers share. Good managers are not motivated by a need for personal advancement, or by a need to get along with subordinates, but rather by a need to influence others' behavior for the good of the whole organization. In other words, good managers want power. On its own, however, power can lead to authoritarianism, so it needs to be tempered by maturity and a high degree of self-control. The authors maintain that workshops can help a manager discover whether he has the correct motivation profile to be a good manager. If he does, or even if he does not have the correct profile, workshops can help him become a good or better manager.

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What makes or motivates a good manager? The question is so enormous in scope that anyone trying to answer it has difficulty knowing where to begin. Some people might say that a good manager is one who is successful; and by now most business researchers and businessmen themselves know what motivates people who successfully run their own small businesses. The key to their success has turned out to be what psychologists call "the need for achievement," the desire to do something better or more efficiently than it has been done before. Any number of books and articles
summarize research studies explaining how the achievement motive is necessary for a person to attain success on his own.

But what has achievement motivation got to do with good management? There is no reason on theoretical grounds why a person who has a strong need to be more efficient should make a good manager. While it sounds as if everyone ought to have the need to achieve, in fact, as psychologists define and measure achievement motivation, it leads people to behave in very special ways that do not necessarily lead to good management.

For one thing, because they focus on personal improvement, on doing things better by themselves, achievement-motivated people want to do things themselves. For another, they want concrete short-term feedback on their performance so that they can tell how well they are doing. Yet a manager, particularly one of or in a large complex organization, cannot perform all the tasks necessary for success by himself or herself. He must manage others so that they will do things for the organization. Also, feedback on his subordinate's performance may be a lot vaguer and more delayed than it would be if he were doing everything himself.

The manager's job seems to call more for someone who can influence people than for someone who does things better on his own. In motivational terms, then, we might expect the successful manager to have a greater "need for power" than need to achieve. But there must be other qualities beside the need for power that go into the makeup of a good manager. Just what these qualities are and how they interrelate is the subject of this article.

To measure the motivations of managers, good and bad, we studied a number of individual managers from different large U.S. corporations who were participating in management workshops designed to improve their managerial effectiveness. [The workshop techniques and research methods and terms used are described in the article insert on page 107.]

The general conclusion of these studies is that the top manager of a company must possess a high need for power, that is, a concern for influencing people. However, this need must be disciplined and controlled so that it is directed toward the benefit of the institution as a whole and not toward the manager's personal aggrandizement. Moreover, the top manager's need for power ought to be greater than his need for being liked by people.

Now let us look at what these ideas mean in the context of real individuals in real situations and see what comprises the profile of the good manager. Finally, we will look at the workshops themselves to determine how they go about changing behavior.
First off, what does it mean when we say that a good manager has a greater need for "power" than for "achievement"? To get a more concrete idea, let us consider the case of Ken Briggs, a sales manager in a large U.S. corporation who joined one of our managerial workshops (see the ruled insert). Some six or seven years ago, Ken Briggs was promoted to a managerial position at corporate headquarters, where he had responsibility for salesmen who service his company's largest accounts.

In filling out his questionnaire at the workshop, Ken showed that he correctly perceived what his job required of him, namely, that he should influence others' success, more than achieve new goals himself or socialize with his subordinates. However, when asked with other members of the workshop to write a story depicting a managerial situation, Ken unwittingly revealed through his fiction that he did not share those concerns. Indeed, he discovered that his need for achievement was very high-in fact over the 90th percentile-and his need for power was very low, in about the 15th percentile. Ken's high need to achieve was no surprise-after all, he had been a very successful salesman-but obviously his motivation to influence others was much less than his job required. Ken was a little disturbed but thought that perhaps the measuring instruments were not too accurate and that the gap between the ideal and his score was not as great as it seemed.

Then came the real shocker. Ken's subordinates confirmed what his stories revealed: he was a poor manager, having little positive impact on those who worked for him. Ken's subordinates felt that they had little responsibility delegated to them, that he never rewarded but only criticized them, and that the office was not well organized, but confused and chaotic. On all three of these scales, his office rated in the 10th to 15th percentile relative to national norms.

As Ken talked the results over privately with a workshop leader, he became more and more upset. He finally agreed, however, that the results of the survey confirmed feelings he had been afraid to admit to himself or others. For years, he had been miserable in his managerial role. He now knew the reason: he simply did not want to nor had he been able to influence or manage others. As he thought back, he realized that he had failed every time he had tried to influence his staff, and he felt worse than ever.

Ken had responded to failure by setting very high standards-his office scored in the 18th percentile on this scale-and by trying to do most things himself, which was close to impossible, his own activity and lack
of delegation consequently left his staff demoralized. Ken's experience is
typical of those who have a strong need to achieve but low power motiva-
tion. They may become very successful salesmen and, as a consequence,
may be promoted into managerial jobs for which they, ironically, are
unsuited.

If achievement motivation does not make a good manager, what motive
does? It is not enough to suspect that power motivation may be import-
tant; one needs hard evidence that people who are better managers than
Ken Briggs do in fact possess stronger power motivation and perhaps
score higher in other characteristics as well. But how does one decide who
is the better manager?

Real-world performance measures are hard to come by if one is trying to
rate managerial effectiveness in production, marketing, finance, or re-
search and development. In trying to determine who the better managers
were in Ken Briggs's company, we did not want to rely only on the opinions
of their superiors. For a variety of reasons, superiors' judgments of their
subordinates' real-world performance may be inaccurate. In the absence of
some standard measure of performance, we decided that the next best
index of a manager's effectiveness would be the climate he or she creates
in the office, reflected in the morale of subordinates.

Almost by definition, a good manager is one who, among other things,
helps subordinates feel strong and responsible, who rewards them properly
for good performance, and who sees that things are organized in such a way
that subordinates feel they know what they should be doing. Above all,
managers should foster among subordinates a strong sense of team
spirit, of pride in working as part of a particular team. If a manager
creates and encourages this spirit, his subordinates certainly should
perform better.

In the company Ken Briggs works for, we have direct evidence of a con-
nection between morale and performance in the one area where perform-
ance measures are easy to come by—namely, sales. In April, 1973, at
least three employees from this company's 16 sales districts filled out
questionnaires that rate their office for organizational clarity and team
spirit (see ruled insert). Their scores were averaged and totaled to give
an overall morale score for each office. The percentage gains or losses in
sales for each district in 1973 were compared with those in 1972. The
difference in sales figures by district ranged from a gain of nearly 30% to
a loss of 8%, with median gain of around 14%. Exhibit 1 shows the average
gain in sales performance plotted against the increasing averages in
morale scores.
In Exhibit 1 we can see that the relationship between sales and morale is surprisingly close. The six districts with the lowest morale early in the year showed an average sales gain of only around 7% at year's end (although there was wide variation with this group), whereas the two districts with the highest morale showed an average gain of 28%. When morale scores rise above the 50th percentile in terms of national norms, they seem to lead to better sales performance. In Ken Briggs's company, at least, his morale at the beginning is a good index of how well the sales division actually performed in the coming year.

And it seems very likely that the manager who can create high morale among salesmen can also do the same for employees in other areas leading to better performance. Given that high morale in an office indicates that there is a good manager present, what general characteristics does he possess?

A NEED FOR POWER

In examining the motive scores of over 50 managers of both high and low morale units in all sections of the same large company, we found that most of the managers—over 70%—were high in power motivation compared with men in general. This finding confirms the fact that power motivation is important for management. (Remember that as we use the term "power motivation," it refers not to dictatorial behavior, but to a desire to have impact, to be strong and influential.) The better managers, as judged by the morale of those working for them, tended to score even higher in power motivation. But the most important determining factor of high morale turned out not to be how their power motivation compared to their need to achieve but whether it was higher than their need to be liked. This relationship existed for 80% of the better sales managers as compared with only 10% of the poorer managers. And the same held true for other managers in nearly all parts of the company.

In the research, product development, and operations divisions, 73% of the better managers had a stronger need for power than a need to be liked (or what we term "affiliation motive") as compared with only 22% of the poorer managers. Why should this be so? Sociologists have long argued that, for a bureaucracy to function effectively, those who manage it must be universalistic in applying rules. That is, if they make exceptions for the particular needs of individuals, the whole system will break down.

The manager with a high need for bang liked is precisely the one who wants to stay on good terms with everybody, and, therefore, is the one most likely to make exceptions in terms of particular needs. If a male employee asks for time off to stay home with his sick wife to help look
after her and the kids, the affiliative manager agrees almost without thinking, because he feels sorry for the man and agrees that his family needs him.

When President Ford remarked in pardoning ex-President Nixon that he had "suffered enough," he was responding as an affiliative manager would, because he was empathizing primarily with Nixon's needs and feelings. Sociological theory and our data both argue, however, that the person whose need for affiliation is high does not make a good manager. This kind of person creates poor morale because he or she does not understand that other people in the office will tend to regard exceptions to the rules as unfair to themselves, just as many U.S. citizens felt it was unfair to let Richard Nixon off and punish others less involved that he was in the Watergate scandal.

SOCIALIZED POWER

But so far our findings are a little alarming. Do they suggest that the good manager is one who cares for power and is not at all concerned about the needs of other people? Not quite, for the good manager has other characteristics which must still be taken into account.

Above all, the good manager's power motivation is not orientated toward personal aggrandizement but toward the institution which he or she serves. In another major research study, we found that the signs of controlled action or inhibition that appear when a person exercises his or her imagination in writing stories tell a great deal about the kind of power that person needs. We discovered that, if a high power motive score is balanced by high inhibition, stories about power tend to be altruistic. That is, the heroes in the story exercise power on behalf of someone else. This is the "socialized" face of power as distinguished from the concern for personal power, which is characteristic of individuals whose stories are loaded with power imagery but which show no sign of inhibition or self-control. In our earlier study, we found ample evidence that these latter individuals exercise their power impulsively. They are more rude to other people, they drink too much, they try to exploit others sexually, and they collect symbols of personal prestige such as fancy cars or big offices.

Individuals high in power and in control, on the other hand, are more institution-minded; they tend to get elected to more offices, to control their drinking, and to want to serve others. Not surprisingly, we found in the workshops that the better managers in the corporation also tend to score high on both power and inhibition.
Let is recapitulate what we have discussed so far and have illustrated with data from one company. The better managers we studied are high in power motivation, low in affiliation motivation, and high in inhibition.

They care about institutional power and use it to stimulate their employees to be more productive. Now let is compare them with affiliative managers-those in whom the need for affiliation is higher than the need for power-and with the personal power managers-those in whom the need for power is higher than for affiliation but whose inhibitions score is low.

In the sales division of our illustrative company, there were managers who matched the three types fairly closely. Note that the manager who is concerned about being liked by people tends to have subordinates who feel that they have very little personal responsibility, that organizational procedures are not clear, and that they have little pride in their work group.

In short, as we expected, affiliative managers make so many ad hoc decisions that they almost totally abandon orderly procedures. Their disregard for procedures leaves employees feeling weak, irresponsible, and without a sense of what might happen next, of where they stand in relation to their manager, or even of what they ought to be doing.

The managers who are motivated by a need for personal power are somewhat more effective. They are able to create a greater sense of responsibility in their divisions and, above all, a greater team spirit.

Managers motivated by personal power are not disciplined enough to be good institution builders, and often their subordinates are loyal to them as individuals rather than to the institution they both serve. When a personal power manager leaves, disorganization often follows. His subordinates' strong group spirit, which the manager has personally inspired, deflates. The subordinates do not know what to do for themselves.

Of the managerial types, the "institutional" manager is the most successful in creating an effective work climate. His subordinates feel that they have more responsibility. Also, this kind of manager creates high morale because he produces the greatest sense of organizational clarity and team spirit. If such a manager leaves, he or she can be more readily replaced by another manager, because the employees have been encouraged to be loyal to the institution rather than to a particular person.
Our findings seem to fly in the face of a long and influential tradition of organizational psychology, which insists that authoritarian management is what is wrong with most businesses in this country. Let us say frankly that we think the bogeyman of authoritarianism has in fact been wrongly used to downplay the importance of power in management. After all, management is an influence game. Some proponents of democratic management seem to have forgotten this fact, urging managers to be primarily concerned with people's human needs rather than with helping them to get things done.

But a good deal of the apparent conflict between our findings and those of other behavioral scientists in this area arises from the fact that we are talking about motives, and behaviorists are often talking about actions. What we are saying is that managers must be interested in playing the influence game in a controlled way. That does not necessarily mean that they are or should be authoritarian in action. On the contrary, it appears that power motivated managers make their subordinates feel strong rather than weak. The true authoritarian in action would have the reverse effect, making people feel weak and powerless.

Thus another important ingredient in the profile of a manager is his or her managerial style. In the illustrative company, 63% of the better managers (those whose subordinates had higher morale) scored higher on the democratic or coaching styles of management as compared with only 22% of the poorer managers, a statistically significant difference. By contrast, the latter scored higher on authoritarian or coercive management styles. Since the better managers were also higher in power motivation, it seems that, in action, they express their power motivation in a democratic way, which is more likely to be effective.

To see how motivation and style interact, let us consider the case of George Prentice, a manager in the sales division of another company. George had exactly the right motive combination to be an institutional manager. He was high in the need for power, low in the need for affiliation, and high in inhibition. He exercised his power in a controlled, organized way. His stories reflected this fact. In one, for instance, he wrote, "The men sitting around the table were feeling pretty good; they had just finished plans for reorganizing the company; the company has been beset with a number of organizational problems. This group, headed by a hard-driving, brilliant young executive, has completely reorganized the company structurally with new jobs and responsibilities . . . ."
This described how George himself was perceived by the company, and shortly after the workshop he was promoted to vice president in charge of all sales. But George was also known to his colleagues as a monster, a tough guy who would "walk over his grandmother" if she stood in the way of his advancement. He had the right motive combination and, in fact, was more interested in institutional growth than in personal power, but his managerial style was all wrong. Taking his cue from some of the top executives in the corporation, he told people what they had to do and threatened them with dire consequences if they didn't do it.

When George was confronted with his authoritarianism in a workshop, he recognized that this style was counterproductive—in fact, in another part of the study we found that it was associated with low morale—and he subsequently changed to acting more like a coach, which was the scale on which he scored the lowest initially. George saw more clearly that his job was not to force other people to do things but to help them to figure out ways of getting their job done better for the company.

THE INSTITUTIONAL MANAGER

One reason it was easy for George Prentice to change his managerial style was that in his imaginative stories he was already having thoughts about helping others, characteristic of men with the institution-building motivational pattern. In further examining institution builders’ thoughts and actions, we found they have four major characteristics:

1. They are more organization-minded; that is, they tend to join more organizations and to feel responsible for building up these organizations. Furthermore, they believe strongly in the importance of centralized authority.

2. They report that they like to work. This finding is particularly interesting, because our research on achievement motivation has led many commentators to argue that achievement motivation promotes the "Protestant work ethic." Almost the precise opposite is true. People who have a high need to achieve like to get out of work by becoming more efficient. They would like to see the same result obtained in less time or with less effort. But managers who have a need for institutional power actually seem to like the discipline of work. It satisfies their need for getting things done in an orderly way.

3. They seem quite willing to sacrifice some of their own self-interest for the welfare of the organization they serve. For example, they are more willing to make contributions to charities.
4. **They have a keen sense of justice.** It is almost as if they feel that if a person works hard and sacrifices for the good of the organization, he should and will get a just reward for his effort.

It is easy to see how each of these four concerns helps a person become a good manager, concerned about what the institution can achieve.

**Maturity**

Before we go on to look at how the workshops can help managers to improve their managerial style and recognize their own motivations, let us consider one more fact we discovered in studying the better managers at George Prentice's company. They were more mature. **Mature people can be most simply described as less egotistic.** Somewhere their positive self-image is not at stake in what they are doing. They are less defensive, more willing to seek advice from experts, and have a longer range view. They accumulate fewer personal possessions and seem older and wiser. It is as if they have awakened to the fact that they are not going to live forever and have lost some of the feeling that their own personal future is all that important.

Many U.S. businessmen fear this kind of maturity. They suspect that it will make them less hard driving, less expansion-minded, and less committed to organizational effectiveness. Our data do not support their fears. These fears are exactly the ones George Prentice had before he went to the workshop. Afterward he was a more effective manager, not despite his loss of some of the sense of his own importance, but because of it. The reason is simple: his subordinates believed afterward that he genuinely was more concerned about the company than about himself. Where once they respected his confidence but feared him, they now trust him. Once he supported their image of him as a "big man" by talking about the new Porsche and the new Honda he had bought; when we saw him recently he said, almost as an aside, "I don't buy things anymore."

**Changing Managerial Style**

George Prentice was able to change his managerial style after learning more about himself in a workshop. But does self-knowledge generally improve managerial behavior?

Some people might ask, "What good does it do to know, if I am a manager, that I should have a strong power motive, not too great a concern about being liked, a sense of discipline, a high level of maturity, and a coaching managerial style? What can I do about it?" The answer is that workshops for managers that give information to them in a supportive setting enable them to change.
Consider the results shown in exhibit III, where "before" and "after" scores are compared. Once again we use the responses of subordinates to give some measure of the effectiveness of managers. To judge by their subordinates' responses, the managers were clearly more effective afterward. The subordinates felt that they were given more responsibility, that they received more rewards, that the organizational procedures were clearer, and that morale was higher. These differences are all statistically significant.

But what do these differences mean in human terms? How did the managers change? Sometimes they decided they should get into another line of work. This happened to Ken Briggs, for example, who found that the reason he was doing so poorly as a manager was because he had almost no interest in influencing others. He understood how he would have to change if he were to do well in his present job, but in the end decided, with the help of management, that he would prefer to work back into his first love, sales.

Ken Briggs moved into "remaindering," to help retail outlets for his company's products get rid of last year's stock so that they could take on each year's new styles. He is very successful in this new role; he has cut costs, increased dollar volume, and in time has worked himself into an independent role selling some of the old stock on his own in a way that is quite satisfactory to the business. And he does not have to manage anybody anymore.

In George Prentice's case, less change was needed. He was obviously a very competent person with the right motive profile for a top managerial position. When he was promoted, he performed even more successfully than before because he realized the need to become more positive in his approach and less coercive in his managerial style.

But what about a person who does not want to change his job and discovers that he does not have the right motive profile to be a manager?

The case of Charlie Blake is instructive. Charlie was as low in power motivation as Ken Briggs, his need to achieve was about average, and his affiliation motivation was above average. Thus he had the affiliative manager profile, and, as expected, the morale among his subordinates was very low. When Charlie learned that his subordinates' sense of responsibility and perception of a reward system were in the 10th percentile and that team spirit was in the 30th, he was shocked. When shown a film depicting three managerial climates, Charlie said he preferred what turned out to be the authoritarian climate. He became angry when the workshop
trainer and other members in the group pointed out the limitations of this managerial style. He became obstructive in the group process and objected strenuously to what was being taught.

In an interview conducted much later, Charlie said, "I blew my cool. When I started yelling at you for being all wrong, I got even madder when you pointed out that, according to my style questionnaire, you bet that was just what I did to my salesmen. Down underneath I knew something must be wrong. The sales performance for my division wasn't so good. Most of it was due to me anyway and not to my salesmen. Obviously their reports that they felt very little responsibility was delegated to them and that I didn't reward them at all had to mean something. So I finally decided to sit down and try to figure what I could do about it. I knew I had to start being a manager instead of trying to do everything myself and blowing my cool at others because they didn't do what I thought they should. In the end, after I calmed down on the way back from the workshop, I realized that it is not so bad to make a mistake; it's bad not to learn from it."

After the course, Charlie put his plans into effect. Six months later, his subordinates were asked to rate him again. He attended a second workshop to study these results and reported, "On the way home I was very nervous. I knew I had been working with those guys and not selling so much myself, but I was very much afraid of what they were going to say about how things were going in the office. When I found out that the team spirit and some of those other low scores had jumped from around 30th to the 55th percentile, I was so delighted and relieved that I couldn't say anything all day long."

When he was asked how he acted differently from before, he said, "In previous years when the corporate headquarters said we had to make 110% of our original goal, I had called the salesmen in and said, in effect, "This is ridiculous, we are not going to make it, but you know perfectly well what will happen if we don't. So get out there and work your tail off." The result was that I worked 20 hours a day and they did nothing.

"This time I approached it differently. I told them three things. First, they were going to have to do some sacrificing for the company. Second, working harder is not going to do much good because we are already working about as hard as we can. What will be required are special deals and promotions. You are going to have to figure out some new angles if we are to make it. Third, "I'm going to back you up. I'm going to set a realistic goal with each of you. If you make that goal but don't make the company goal, I'll see to it that you are not punished. But if you do make the company goal, I'll see to it that you will get some kind of special rewards."
When the salesmen challenged Charlie saying he did not have enough influence to give them reward, rather than becoming angry Charlie promised rewards that were in his power to give—such as long vacations.

Note that Charlie has now begun to behave in a number ways that we found to be characteristic of the good institutional manager. He is, above all, higher in power motivation, the desire to influence his salesmen, and lower in his tendency to try to do everything himself. He asks the men to sacrifice for the company. He does not defensively chew them out when they challenge him but tries to figure out what their needs are so that he can influence them. He realizes that his job is more one of strengthening and supporting his subordinates than of criticizing them. And he is keenly interested in giving them just rewards for their efforts.

The changes in his approach to his job have certainly paid off. The sales figures for his office in 1973 were up more than 16% over 1972 and up still further in 1974 over 1973. In 1973, his gain over the previous year ranked seventh in the nation; in 1974 it ranked third. And he wasn't the only one in his company to change managerial styles. Overall sales at his company were up substantially in 1973 as compared with 1972, an increase which played a large part in turning the overall company performance around from a $15 million loss in 1972 to a $3 million profit in 1973. The company continued to improve its performance in 1974 with an 11% further gain in sales and a 38% increase in profits.

Of course not everyone can be reached by a workshop. Henry Carter managed a sales office for a company which had very low morale (around the 20th percentile) before he went for training. When morale was checked some six months later, it had not improved. Overall sales gain subsequently reflected this fact since it was only 2% above the previous year's figures.

Oddly enough, Henry's problem was that he was so well liked by everybody that he felt little pressure to change. Always the life of the party, he is particularly popular because he supplies other managers with special hard-to-get brands of cigars and wines at a discount. He uses his close ties with everyone to bolster his position in the company, even though it is known that his office does not perform well compared with others.

His great interpersonal skills became evident at the workshop when he did very poorly at one of the business games. When the discussion turned to why he had done so badly and whether he acted that way on the job, two prestigious participants immediately sprang to his defense, explaining away Henry's failure by arguing that the way he did things was often a real help to others and the company. As a result, Henry did not have to
cope with such questions at all. He had so successfully developed his role as a likeable, helpful friend to everyone in management that, even though his salesmen performed badly, he did not feel under any pressure to change.

CHECKS AND BALANCES

What have we learned from Ken Briggs, George Prentice, Charlie Blake, and Henry Carter? Principally, we have discovered what motive combination makes an effective manager. We have also seen that change is possible if a person has the right combination of qualities.

Oddly enough, the good manager in a large company does not have a high need for achievement, as we define and measure that motive, although there must be plenty of that motive somewhere in his organization. The top managers shown here have a high need for power and an interest in influencing others, both greater than their interest in being liked by people. The manager's concern for power should be socialized-controlled so that the institution as a whole, not only the individual, benefits. Men and nations with this motive profile are empire builders; they tend to create high morale and to expand the organizations they head.

But there is also danger in this motive profile; empire building can lead to imperialism and authoritarianism in companies and in countries.

The same motive pattern which produces good power management can also lead a company or a country to try to dominate others, ostensibly in the interests of organizational expansion. Thus it is not surprising that big business has had to be regulated from time to time by federal agencies. And it is most likely that international agencies will perform the same regulative function for empire-building countries.

For an individual, the regulative function is performed by two characteristics that are part of the profile of the very best managers: a greater emotional maturity, where there is little egotism, and democratic coaching managerial style. If an institutional power motivation is checked by maturity, does not lead to an aggressive, egotistic, expansiveness.

For countries, this checking means that they can control their destinies beyond their borders without being aggressive and hostile. For individuals, it means they can control their subordinates and influence others around them without resorting to coercion or to an authoritarian management style. Real disinterested statesmanship has a vital role to play at the top of both countries and companies.
Summarized in this way, what we have found out through empirical and statistical investigations may just sound like good common sense. But the improvement over common sense is that now the characteristics of the good manager are objectively known. Managers of corporations can select those who are likely to be good managers and train those already in managerial positions to be more effective with more confidence.
WORKSHOP TECHNIQUES

The case studies and data on companies used in this article were derived from a number of workshops we conducted where executives came to learn about their managerial styles and abilities as well as how to change them. The workshops had a dual purpose, however. They provided an opportunity for us to study which motivation pattern, whether it be a concern for achievement, power, people, or a combination thereof, makes the best managers.

When the managers first arrived at the workshops, they were asked to fill out a questionnaire about their job. Each participant analyzed his job, explaining what he or she thought it required of him. The managers were asked to write a number of stories to pictures of various work situations. The stories were coded for the extent to which an individual was concerned about achievement, affiliation, or power, as well as for the amount of inhibition or self-control they revealed. The results were then matched against national norms. The differences between a person’s job requirements and his or her motivational patterns can often help assess whether the person is in the right job, whether he is a candidate for promotion to another job, or whether he is likely to be able to adjust to fill his present position.

At the workshops and in this article, we use the technical terms “need for achievement,” “need for power,” and “need for affiliation” as defined in the books The Achieving Society and Power: The Inner Experience. The terms refer to measurable factors in groups and individuals. Briefly, these characteristics are measured by coding an individual’s spontaneous thoughts for the frequency with which he thinks about doing something better or more efficiently than before (need for achievement) about establishing or maintaining friendly relations with others (need for affiliation), or about having impact on others (need for power). (When we talk about power, we are not talking about dictatorial power, but about the need to be strong and influential.) As used here, therefore, the motive labels are precise terms, referring to a particular method of defining and measuring, much as “gravity” is used in physics, or “gross national product” is used in economics.

To find out what kind of managerial style the participants had, we gave them a questionnaire in which they had to choose how they would handle various realistic work situations in office settings. Their answers were coded for six different management styles or ways of dealing with work situations. The styles depicted were democratic, affiliative, pace-setting coaching, coercive, and authoritarian. The managers were asked to comment on the effectiveness of each style and to name the style that they prefer.
One way to determine how effective managers are is to ask the people who work for them. Thus, to isolate the characteristics that good managers have, we surveyed at least three subordinates of each manager at the workshop to see how they answered questions about their work situations that revealed characteristics of their supervisors along several dimensions, namely: (1) the amount of conformity to rules required, (2) the responsibility they feel they are given, (3) the emphasis the department places on standards of performance, (4) the degree to which they feel rewards are given for good work as opposed to punishment for something that goes wrong, (5) the degree of organizational clarity in the office, and (6) its team spirit. The managers who received the highest morale scores (organizational clarity plus team spirit) from their subordinates were determined to be the best managers, possessing the most desirable motive patterns.

The subordinates were also surveyed six months after the managers returned to their offices to see if the morale scores rose after the workshop.

One other measure was obtained from the participants to find out which managers had another characteristic deemed important for good management: maturity. Scores were obtained for four stages in the progress toward maturity by coding the stories which the managers wrote for such matters as their attitudes toward authority and the kinds of emotions displayed over specific issues.

People in Stage 1 are dependent on others for guidance and strength. Those in Stage II are interested primarily in autonomy, in controlling themselves. In Stage III, people want to manipulate others; in Stage IV, they lose their egotistic desires and wish to selflessly serve others.

The conclusions presented in this article are based on workshops attended by over 500 managers from over 25 different U.S. corporations. However, the data in the exhibits are drawn from just one of these companies for illustrative purposes.

ASK YOURSELF THESE QUESTIONS WHEN YOU DELEGATE:

1. **DO MY PEOPLE KNOW EXACTLY WHAT I EXPECT FROM THEM?**

2. **HAVE I GIVEN MY PEOPLE AUTHORITY TO MAKE DECISIONS?**

3. **DO I MAKE TOO MANY DECISIONS FOR MY PEOPLE?**

4. **DO I LEAVE MY PEOPLE ALONE WHEN THEY NEED TO BE LEFT ALONE?**
USE OF THIS QUESTIONNAIRE IN A WIDE VARIETY OF ORGANIZATIONS AND AT SEVERAL DIFFERENT LEVELS WITHIN THE ORGANIZATIONAL HIERARCHY HAS CONSISTENTLY SHOWN THAT STAFF MEMBERS ARE AT LEAST SATISFIED WITH MATTERS COVERED IN ITEMS # 1, 3, 5, 7, AND 9. IT CAN BE SEEN THAT THESE STATEMENTS INDICATE A FELT NEED FOR THE ELEMENTS OF THE DELEGATION PROCESS: AGREEMENT ON WHERE ACCOMPLISHMENTS, BY WHEN, AND AT WHAT INVESTMENT, CONSTITUTE "A JOB WELL DONE;" AND THE NEED FOR MEMBERS OF WORK UNITS TO UNDERSTAND AND BE COMMITTED TO THE ACCOMPLISHMENTS WHICH THEIR MANAGER HAS AGREED TO WITH HIS/HER IMMEDIATE SUPERVISOR.

ITEM # 3 AND 7 ON THIS FORM HAVE CONSISTENTLY SHOWN UP AS THE AREAS OF GREATEST CONCERN TO STAFF. THIS SUGGESTS THAT EACH OF US SHOULD CONSIDER INCLUSION OF "COACHING SKILLS" AS ONE OF THE KEY AREAS IN WHICH WE NEED TO IMPROVE.

IF YOU WISH TO USE THIS TYPE OF QUESTIONNAIRE IN YOUR OWN ORGANIZATION, IT IS IMPORTANT TO OBSERVE THE FOLLOWING GUIDELINES IN ORDER TO OBTAIN MAXIMUM BENEFIT AND AVOID POTENTIAL HAZARDS:

1. BEFORE YOU RAISE QUESTIONS AS THESE, BE SURE YOU ARE PREPARED TO Respond TO CONCERNS WHICH MAY BE SURFACED, OTHERWISE, THE EXERCISE MAY INCREASE ANY FRUSTRATION WHICH STAFF MEMBERS MAY FEEL.

2. FREE AND FRANK RESPONSES TO THE QUESTIONNAIRE WILL BE DIFFICULT TO OBTAIN UNLESS THERE IS A FIRM GUARANTEE OF ANONYMITY. ONE TECHNIQUE FOR THIS IS TO HAVE RESPONSES MAILED TO SOMEONE OUTSIDE THE ORGANIZATION WHO WILL FEED BACK AN ACCURATE SUMMARY OF THE GROUP'S CONCERNS, IDEALLY TO BOTH YOURSELF AND MEMBERS OF THE GROUP.

3. DEVELOPING STATEMENTS OF OBJECTIVES WHICH RESPOND TO THE CONCERNS EXPRESSED BY STAFF MEMBERS WILL BE THE CLEAREST EVIDENCE OF YOUR DESIRE TO HAVE THE DELEGATION PROCESS BE A "TEAM PLANNING PROCESS," RATHER THAN A TOOL FOR EVALUATION OR JUDGEMENT.

4. PERIODIC USE OF THIS QUESTIONNAIRE WILL HELP IDENTIFY WHAT PROGRESS HAS BEEN ACCOMPLISHED AND SURFACE NEW AREAS OF CONCERN, SUCH AS THE NEED FOR OBJECTIVES AND MORE EFFECTIVE CONDUCT OF PROBLEM-SOLVING MEETINGS (ITEM#8).
<table>
<thead>
<tr>
<th>I Feel That:</th>
<th>ALMOST ALWAYS</th>
<th>USUALLY</th>
<th>ABOUT THE TIME</th>
<th>USUALLY NOT</th>
<th>ALMOST NEVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I know what is expected of me in my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. My supervisor understands my job problems and any outside (personal)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>problems that affect my work.</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>3. My supervisor expresses his/her recognition of my work when it is done well.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. I have a chance to learn and grow through my work, and am encouraged to think creatively.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. I am informed in advance about changes that will affect me in my work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6. I can get the information or help from other units needed to do my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7. My supervisor discusses my mistakes in such a way that I can learn from them.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8. When meetings are held to solve problems, they are effective.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9. I understand the responsibility, objectives, and problems of my supervisor.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10. The work of my unit is aimed at making the best possible contribution to the department's overall goals.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Suggested Improvements</strong></td>
<td><strong>Name of person you report to</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>---------------------------</td>
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<tr>
<td><strong>Name of your unit</strong></td>
<td>Title of manager or supervisor you report to</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of your unit</strong></td>
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</table>

Instructions: What three things would you like to see done in your unit to increase your own satisfaction and the unit's effectiveness. When you have completed this questionnaire, mail it to Professor Donald Huffmire in the postage-paid envelope provided.

A

B

C
1. DOES THE MANAGER:

   A. PLAN?

   B. ESTABLISH CHALLENGING, BUT ACHIEvable GOALS THROUGH PARTICIPATION?

   C. DELEGATE EFFECTIVELY?

   D. SOLVE PROBLEMS THROUGH CREATIVE PROBLEM-SOLVING METHODS?

2. IS THE MANAGER:

   A. SUPPORTIVE?

   B. A TEAM-BUILDER?
A. DELEGATION FRAMEWORK EVIDENCED BY EXISTENCE OF:

<table>
<thead>
<tr>
<th></th>
<th>MAXIMUM</th>
<th>YOUR SCORE</th>
<th>RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) UP-TO-DATE ORGANIZATION CHART</td>
<td>10</td>
<td>-----</td>
<td></td>
</tr>
<tr>
<td>(2) UP-TO-DATE JOB DESCRIPTION INCLUDING KEY RESPONSIBILITIES AND DEGREE OF AUTHORITY FOR EACH.</td>
<td>10</td>
<td>-----</td>
<td></td>
</tr>
</tbody>
</table>

B. DELEGATION EFFECTIVENESS EVIDENCED BY:

(1) RATIO OF ACTUAL TO POTENTIAL DELEGATIONS DURING LOGGED PERIOD. (HOW MANY TASKS WERE ACTUALLY DELEGATED COMPARED WITH THE NUMBER WHICH COULD HAVE BEEN DELEGATED?)

20

(2) RATIO OF REFUSALS TO GET INVOLVED UNNECESSARILY IN DETAIL TO THE NUMBER OF OPPORTUNITIES TO DO SO.

20

(3) RATIO OF REFUSALS OF DIRECT BUT INAPPROPRIATE REQUESTS FOR INFORMATION, OPINION, SUGGESTIONS OR DECISIONS TO THE TOTAL NUMBER OF SUCH REQUESTS BY SUBORDINATES (UPWARD DELEGATION).

20

100 ( )DEQ
COMPUTE YOUR DELEGATION EFFECTIVENESS QUOTIENT BY:

(1) REVIEW "MAXIMUM SCORE" COLUMN TO DETERMINE YOUR AGREEMENT. REVISE, IF DESIRABLE, ENSURING THAT TOTAL REMAINS 100.

(2) TAKE A ONE-WEEK TIME LOG NOTING CAREFULLY ALL POTENTIAL DELEGATION SITUATIONS. HAVE YOUR SECRETARY OR ASSISTANT DO THE SAME, MAKING OBSERVATIONS TO CHECK YOUR ACCURACY AND DETAIL OF OBSERVATION.

(3) RATE YOURSELF AGAINST THE MAXIMUM ON EACH OF THE FIVE CRITERIA.

(4) TOTAL THE RATING FOR YOUR DELEGATION EFFECTIVENESS QUOTIENT.
QUESTIONS MANAGERS SHOULD ASK THEMSELVES WHEN EVALUATING THEIR EFFECTIVENESS AT DELEGATING

1. WAS A CLEAR-CUT DELEGATION MADE?

2. DID THE SUPERIOR CREATE A MANAGEMENT ATMOSPHERE IN WHICH DELEGATION COULD DEVELOP?

3. IN ORDER TO ANSWER THESE QUESTIONS, THE FOLLOWING QUESTIONS SHOULD BE ASKED:

1. DO YOU PLAN?

2. DO YOU AND YOUR SUBORDINATES PARTICIPATE IN ESTABLISHING CHALLENGING BUT ACHIEVABLE OBJECTIVES? THE RESULTS EXPECTED OF THEM? THE STANDARDS OF PERFORMANCE?

3. DO YOU AND YOUR SUBORDINATES FEEL THAT THEY HAVE SUFFICIENT AUTHORITY CONCERNING THEIR PERSONNEL, FINANCES, FACILITIES AND OTHER RESOURCES?

4. DO YOU AND YOUR SUBORDINATES SOLVE PROBLEMS THROUGH CREATIVE PROBLEM SOLVING METHODS? (ARE YOU A TEAM BUILDER?)

5. WHAT MORE DO YOUR SUBORDINATES THINK SHOULD BE DELEGATED TO THEM?

6. ARE YOU ACCESSIBLE WHEN YOUR SUBORDINATES NEED TO SEE YOU?

7. DO YOUR SUBORDINATES FAIL TO SEEK OR ACCEPT ADDITIONAL
RESPONSIBILITY?

8. DO YOU BYPASS YOUR SUBORDINATES BY MAKING DECISIONS THAT ARE PART OF THEIR JOB?

9. DO YOU DO THINGS YOUR SUBORDINATES SHOULD DO? WHY?

10. DO YOU LEAVE YOUR PEOPLE ALONE WHEN THEY NEED TO BE LEFT ALONE?

11. IF YOU WERE INCAPACITATED FOR SIX MONTHS, WHO WOULD TAKE YOUR PLACE?

12. DO YOU ASK EACH OF YOUR SUBORDINATES INDIVIDUALLY, "WHAT COULD I DO, REFRAIN FROM DOING, OR DO DIFFERENTLY THAT WOULD HELP YOU DO A BETTER JOB?"

13. ARE YOU SUPPORTIVE?
GENERAL STRENGTHS OF A WELL-CONDUCTED PERFORMANCE INTERVIEW

1. THE INTERVIEW IS STRUCTURED AROUND OBJECTIVES.
2. MANAGER MAKES CERTAIN THE EMPLOYEE IS AWARE OF THE OBJECTIVES PRIOR TO THE INTERVIEW.
3. MANAGER HAS DATA TO SUPPORT HIS OR HER APPRAISAL OF EMPLOYEE'S PERFORMANCE.
4. MANAGER IS HONEST IN PROVIDING FEEDBACK TO THE EMPLOYEE.
5. MANAGER PROVIDES EMPLOYEE WITH THE OPPORTUNITY TO EVALUATE HIS OR HER OWN PERFORMANCE.
6. MANAGER STRESSES POSITIVE AS WELL AS NEGATIVE ASPECTS OF EMPLOYEE'S PERFORMANCE.
7. MANAGER FOCUSES THE DISCUSSION ON THE MAJOR ISSUES OF JOB PERFORMANCE RATHER THAN ON PERIPHERAL DETAILS OF PERFORMANCE.
8. MANAGER SHOWS RESPECT FOR EMPLOYEE REGARDLESS OF PERFORMANCE RATING.
9. MANAGER EXPLAINS THE ASSESSMENT OF EMPLOYEE'S PERFORMANCE IN TERMS OF COMPARISON WITH PREVIOUSLY SET STANDARDS.
10. EMPLOYEE IS GIVEN THE OPPORTUNITY TO HELP SET FUTURE PERFORMANCE GOALS.
GENERAL STRENGTHS OF A WELL-CONDUCTED PERFORMANCE INTERVIEW

IN THIS VIGNETTE, CLARA STERN IS VICE PRESIDENT OF RESEARCH AND DEVELOPMENT; THE EMPLOYEE, JOHN CARSON, IS AN ANALYTICAL CHEMIST IN CHARGE OF THE COMPANY’S FOOD RESEARCH LABORATORY.

STRENGTHS

THE MANAGER:

1. IS WELL-PREPARED FOR MEETING. HAVING GONE OVER RECORDS AND REPORTS FROM PREVIOUS MEETINGS.

2. USES POLITE AMOUNT OF SMALL TALK TO PUT CARSON AT EASE; INCLUDES SOME INITIAL POSITIVE COMMENTS ABOUT HIS PERFORMANCE.

3. STATES THE PURPOSE OF THE MEETING.

4. LISTENS CAREFULLY TO CARSON’S EXPLANATIONS; GIVES HIM THE OPPORTUNITY TO EVALUATE HIS OWN PERFORMANCE FIRST.

5. DOESN’T SPEAK IN GENERAL TERMS: COVERS EXPLICIT AREAS OF CONCERN.

6. SMOOTH OUT A POSSIBLY UNCOMFORTABLE MOMENT BY USING POSITIVE COMMENTS WHEN THE NAME OF A PROBLEM THIRD PARTY IS INTRODUCED (CARSON/DUFFY RELATIONSHIP).

7. COMPLIMENTS CARSON ON THE PROGRESS HE HAS MADE IN A PROBLEM AREA (RELATIONSHIP WITH THE MARKETING DEPARTMENT)
8. ACTS AS PEACEMAKER BETWEEN EMPLOYEES (CARSON/DUFFY).

9. DEFINES PROBLEM (CARSON’S OBSESSION WITH DOING ALL THE WORK HIMSELF; INABILITY TO DELEGATE AUTHORITY) AND ASKS FOR CARSON’S INPUT.

10. COUNTERS DISCUSSION OF CARSON’S PROBLEM AREAS BY MENTIONING "POSITIVE" MOVES HE’S MADE.

11. REFERS TO NOTES TO KEEP TO THE AGENDA.

12. ASKS CARSON’S ADVICE AND AGREES TO HIS SUGGESTION OF MORE REALISTIC GOALS IN MEETING A SCHEDULE.

13. RECOGNIZES HIS ACHIEVEMENTS.

14. POINTS OUT SPECIFIC AREAS THAT NEED IMPROVEMENT AND ASKS CARSON’S OPINION.

15. SUGGESTS READING MATERIAL AND A WORKSHOP THAT MIGHT BE OF SOME BENEFIT TO CARSON.

16. ASKS CARSON IF THERE ARE ANY ISSUES HE WISHES TO DISCUSS.

17. MAKES AN APPOINTMENT TO DISCUSS AN ISSUE FOR WHICH THERE IS NO TIME AT PRESENT MEETING; OUTLINES AGENDA FOR FOLLOW-UP MEETING.
OVERVIEW OF THE REVIEW SYSTEM

STEP 1:


STEP 2:

THE MANAGER AND THE INDIVIDUAL MEET TO DISCUSS THE PRIORITIES (MAJOR RESPONSIBILITIES) OF THE INDIVIDUAL'S JOB AS THEY RELATE TO THE PRIORITIES OF THE UNIT AND THE COMPANY.

STEP 3:

FOR EACH PRIORITY (MAJOR RESPONSIBILITY) THE INDIVIDUAL DEVELOPS SPECIFIC WRITTEN OBJECTIVES AND STANDARDS EXPECTED.

STEP 4:

MANAGER AND INDIVIDUAL MEET TO DISCUSS AND AGREE ON OBJECTIVES, PRIORITY OF OBJECTIVES, WORDING OF OBJECTIVES, AUTHORITY NEEDED TO ACHIEVE OBJECTIVES, AND STANDARDS (CONTROLS).

STEP 5:

MANAGER AND INDIVIDUAL DISCUSS ANY TRAINING AND DEVELOPMENT, COACHING THAT MUST BE DONE TO HELP THE INDIVIDUAL MEET OBJECTIVES.
STEP 6:

THE MANAGER'S (NEXT HIGHER) MANAGER REVIEWS AND APPROVES THE OBJECTIVES, STANDARDS, AND TRAINING AND DEVELOPMENT PLAN.

STEP 7:

MANAGER AND EMPLOYEE MEET PERIODICALLY (AT LEAST EVERY THREE MONTHS) TO REVIEW PROGRESS AND TO ADD OR ADJUST OBJECTIVES AND STANDARDS AS THE SITUATION REQUIRES. INFORMAL FEEDBACK AND COACHING SHOULD ALSO BE DONE AS NECESSARY.

STEP 8:

AT THE END OF THE PLANNING PERIOD, THE MANAGER AND INDIVIDUAL MEET TO REVIEW ACCOMPLISHMENTS, ACTUAL RESULTS, AND IMPROVEMENTS NEEDED ARE DISCUSSED.
HOW TO APPRAISE PERFORMANCE OF SUBORDINATES:

1. SCHEDULE THE EVALUATIONS AT SPECIFIC INTERVALS, FOR EXAMPLE, AT LEAST THREE OR FOUR TIMES A YEAR.

2. DISCUSS THE PERFORMANCE WITH THE SUBORDINATE - LET THEM KNOW WHERE THEY STAND.

3. DO NOT GET PERSONAL - BE CONSTRUCTIVE (ALWAYS BE POSITIVE - NOT NEGATIVE).

4. EVALUATE ACCORDING TO MUTUALLY ESTABLISHED STANDARDS WHEN THE ASSIGNMENT WAS GIVEN (NOT ON THE BASIS OF PERSONALITY TRAITS).

5. KEEP AN OPEN MIND.

6. DO NOT GIVE ADVICE ON HOW TO DO THE JOB.

7. FACE UP TO FAILURES.

8. RECOGNIZE GOOD PERFORMANCE (RECOGNIZE ACHIEVEMENTS AND REWARD THEM IN A MANNER COMMENSURATE WITH THE RESULTS)

   A. LET THE EMPLOYEES EVALUATE THEIR OWN PERFORMANCE RELATIVE TO THE OBJECTIVES
   B. THEN, LET THE EMPLOYEES IDENTIFY PROBLEM AREAS
   C. THE MANAGER SHOULD REVIEW PROBLEM AREAS AND TRY TO DETERMINE REASONS FOR THEM, WERE THERE UNAVOIDABLE DIFFICULTIES? DID YOU MAKE MISTAKES IN SETTING UP AND GUIDING THE DELEGATION? OR DOES THE FAULT LIE WITH THE SUBORDINATE?
   D. PARTICIPATE IN MAKING CHANGES THAT WILL HELP THE INDIVIDUALS ACHIEVE THEIR OBJECTIVES NEXT TIME.
   E. DO NOT COMPARE THE INDIVIDUAL’S PERFORMANCE WITH OTHERS.

10. LET THEM KNOW HOW THEY CAN PROGRESS IN THE ORGANIZATION (DEVELOP AND TRAIN THEM FOR HIGHER JOBS.)
1. PRIVACY - NO INTERRUPTIONS ALLOW ENOUGH TIME

2. SWAP PAPERS

LET THEM EVALUATE THEIR OWN PERFORMANCE RELATIVE TO EACH OBJECTIVE

A. WAS MET
B. NOT MET
C. EXCEEDED

AND LET THEM INDICATE OTHER ACCOMPLISHMENTS

3. EXPLAIN YOUR RATINGS

4. LOOK FOR CAUSES OF DISAGREEMENT

5. REACH AGREEMENT

6. TRY TO HELP - COACH - NOT CRITICIZE

7. SET NEW GOALS
HOW TO CONDUCT INFORMAL PROGRESS REVIEWS

1. LET THEM REVIEW THEIR OWN PROGRESS TOWARD OBJECTIVES
2. LISTEN, QUESTION
3. COACH
4. GIVE PRAISE WHERE IT IS DUE
5. CRITICIZE ERRORS, NOT THE INDIVIDUAL
6. IDENTIFY REASONS FOR LACK OF PROGRESS
7. FOR EACH OBJECT INDICATE:
   A. SATISFACTORY PROGRESS
   B. LESS THAN SATISFACTORY
   C. OBJECTIVE MODIFIED
8. SET THE NEXT DATE
STEPS IN THE PERFORMANCE REVIEW MEETING

1. Ask the person to evaluate the actual results he/she has accomplished compared with the expected results.

2. Ask the person to identify those areas where he/she thinks were the causes of the problem.

3. Carefully evaluate each area, looking at the job, the level of expected results and the problems the person may be having.

SUGGESTIONS TO MANAGERS

1. Be sure to ask the person to make his/her own evaluation.

2. Make comments as to why you think the person may have had the trouble. Do not ask them in a critical way.

3. Help the person search for the explanations and reasons for his/her problems.

4. Provide the resources, ideas and suggestions which help the person overcome his/her problems.

THINGS MANAGERS SHOULD NOT DO

1. Don't lapse back into the traditional role of the critic.

2. Don't let the person get discouraged, encourage them and provide support.

3. Don't hesitate to say it, if you feel the person is holding back and is capable of better work.

4. Don't accept excuses which are not valid and reasonable.

5. Those who cannot improve should be encouraged to seek employment elsewhere, or should be transferred to some other jobs they can perform.
TABLE 1
THREE CHECKLISTS FOR THE OBJECTIVE SETTING-INTERVIEW

CHECKLIST 1 - BEFORE THE INTERVIEW

WHAT THE SUBORDINATE SHOULD DO

Develop preliminary objectives that have a clear performance standard and completion deadline.
Provide the superior with a copy of the preliminary objectives prior to the interview.
Prepare supporting data for each objective.
Decide what resources and coordination will be necessary.
List questions and problems for discussion with the superior.

WHAT THE SUPERIOR SHOULD DO

Decide whether each preliminary objective represents a priority need.
Check for technical completeness of objectives. Is there a clear performance standard, completion deadline, and method of checking results?
Judge whether performance standards are realistic (not too easy, not too difficult).
Decide if the subordinate has sufficient authority in the objective area.
Specify any required personnel coordination needed to achieve an objective.
Determine if needed resources can be provided.
Note whether foreseeable contingencies should be recognized.
Consider the extent of personal support that the subordinate will require for improved performance.
Examine the subordinate's other job responsibilities to see if any are being neglected.
Determine whether additional objectives are appropriate.
Insure that there are neither too few nor too many objectives in total.

CHECKLIST 2 - DURING THE INTERVIEW

WHAT THE SUPERIOR SHOULD DO

Select a convenient interview location and stress the meeting's importance.
Be prompt and allocate sufficient time for an uninterrupted discussion.
Begin with small talk to set the subordinate at ease; tailor the approach to the individual.
Request that the subordinate explain each objective. Provide ample opportunity for developing insight into the objectives. Listen with interest and understanding.
Ask questions based on prior preparation and new information. Encourage subordinate to respond and ask his own questions.

Ask how superior can help subordinate do an even better job. Take notes on agreed support.

Avoid placing the subordinate in a defensive position. Keep advice to a minimum. Avoid clashes over personality differences, weaknesses, and past mistakes; avoid arguments.

Provide positive comments whenever possible. Be open about ideas. Seek self-awareness and mutual understanding. Help him gain insight into his behavior and its consequences. Concentrate on anticipated performance. Future improvement should be the focus.

See that final objectives meet technical requirements (clear performance standard, completion deadline, and method of checking).

Remember that setting objectives is a joint process. Compromise when possible. Be willing to change viewpoints.

Be willing to resolve serious controversies (in the final analysis, there must be a boss).

WHAT THE SUBORDINATE SHOULD DO
Present objectives vigorously
Be thorough and confident in discussing each objective
Accentuate the positive by emphasizing what should be done.
Listen carefully to the superior’s responses, both positive and negative.
They are important indications of his priorities and perception of career development
Insist on final agreement. Do not leave questions hanging in the air. Use the opportunity to bring differences out into the open and resolve them.

CHECKLIST 3 - AFTER THE INTERVIEW

WHAT THE SUBORDINATE SHOULD DO
Set up a method for regularly reviewing progress toward objectives
Renegotiate objectives when major changes occur.
Let the superior know when progress is lagging.
Let the superior know when a lack of coordination or resources requires action.

WHAT THE SUPERIOR SHOULD DO
Maintain a historical and current file on each subordinate’s objectives.
Develop checks and reminders for using with each subordinate to insure continuous progress
In a timely and informal way, let subordinates know that he is interested in week-to-week progress (however, avoid nagging).

1. QUANTITATIVE ASPECTS. (WAS COST REDUCED 5% AS PLANNED?)

2. QUALITATIVE ASPECTS. (HAVE GOOD RELATIONS BEEN ESTABLISHED WITH DEPARTMENTS? HAS AN EVALUATION TECHNIQUE BEEN ESTABLISHED?)

3. DEADLINE CONSIDERATIONS. (WAS THE DEADLINE BEATEN? WAS IT MET?)

4. PROPER ALLOCATION OF TIME TO GIVEN OBJECTIVES.

5. TYPE AND DIFFICULTY OF OBJECTIVES

6. CREATIVITY IN OVERCOMING OBSTACLES.

7. ADDITIONAL OBJECTIVES SUGGESTED OR UNDERTAKEN

8. EFFICIENT USE OF RESOURCES

9. USE OF GOOD MANAGEMENT PRACTICES IN ACCOMPLISHING OBJECTIVES (COST REDUCTION, DELEGATION, GOOD PLANNING, AND SO ON.)

10. COORDINATIVE AND COOPERATIVE BEHAVIOR; AVOIDANCE OF CONFLICT-INDUCING AND UNETHICAL PRACTICES, AND SO ON.
WHAT TO DO WHEN MISTAKES ARE MADE

1. DO NOT LOSE TEMPER

2. TYPICAL CAUSES OF MISTAKES

A. TOO MUCH WORK WAS DUMPED ON THE PERSON AT ONE TIME.

B. THE INDIVIDUAL WAS REQUIRED TO DO TOO MUCH TOO FAST.

C. THE INDIVIDUAL DID NOT FULLY UNDERSTAND WHAT WAS REQUIRED

D. PERFORMANCE EXPECTATIONS WERE UNREALISTIC

E. CONTINGENCIES WERE NOT PROVIDED FOR.

F. OVERALL PERFORMANCE EXPECTED WAS NOT EXPLAINED PROPERLY.

G. PROGRESS TOWARD THE ACCOMPLISHMENTS OF OBJECTIVES WAS NOT MONITORED (NO CONTROLS)

H. UNANTICIPATED PROBLEMS WERE NOT PROVIDED FOR.

3. TACTFULLY, DISCUSS INADEQUACIES WITH THE SUBORDINATE.
DEALING WITH MISTAKES

How effectively do you deal with mistakes made in your department? How well do you learn from them? If a mistake is made, do you regard it as a disaster and disgrace, or as an opportunity to develop and grow?

The following checklist quiz will help you evaluate your dealings of mistakes and, hopefully, call to your attention techniques that will enable you to convert goofs into learning experiences that will lead to ultimate improvement and gain.

1. When a mistake is committed, do you always try to deal with it as quickly as you can? YES NO

2. Do you first assess its importance and significance so that you can view it in proper perspective? YES NO

3. Do you make it a point to investigate every error made in your department to get to the root and cause of it? YES NO

4. In tracking down error causes, do you take care to investigate thoroughly without jumping to conclusions? YES NO

5. Do you take explanations and alibis with a grain of salt, getting all sides of the story before arriving at a judgment? YES NO

6. When a subordinate makes a mistake, do you make every effort to treat it objectively, unemotionally and impersonally? YES NO

7. Are you careful not to show resentment against individuals who commit errors? YES NO

8. After an error is made, do you take positive steps to prevent its recurrence? YES NO

9. Do you openly and honestly own up to errors you yourself make? YES NO
10. Are your people open and honest about their errors, knowing they won’t be persecuted or maligned as a result?

11. Do you try hard to keep criticism constructive, designed to correct and improve, not belittle and lay blame?

12. Do you keep a record of past mistakes and remedies as a history and guide to future corrective measures?

13. Do you conduct periodic error analysis to pinpoint chronic mistake-makers and determine that the right people are assigned to the right jobs?

14. Do you call people to account for their errors on a private and personal basis, without embarrassing them before others?

15. In trying to initiate controls to prevent error recurrence, do you consult your people including the one who committed the error, for ideas about the best steps to take?

TOTAL NUMBER OF YES ANSWERS

Score 5 points for each YES answer. If your total is 70 or higher, you’re to be congratulated—you handle mistakes like a pro.
A. SYMPTOMS OF POOR DELEGATION

1. TOO MANY THINGS TO DO AND NOT ENOUGH TIME TO DO THEM
2. TOO MANY FIRES TO PUT OUT
3. CONSTANT PRESSURE
4. BELIEVING THAT IF YOU WANT TO GET SOMETHING DONE RIGHT YOU HAVE TO DO IT YOURSELF
5. LACK OF TRUST - FEAR THAT IF YOU GIVE THEM THE AUTHORITY, THEY WILL TAKE YOUR JOB AWAY
6. TOO INVOLVED IN DETAILS - IF YOU HAVE YOUR HANDS IN ALL OF THE PIES
7. OVERCONTROLLING SUBORDINATES
8. NOT GIVING YOUR SUBORDINATES THE AUTHORITY TO DO THE JOB
9. PUTTING IN LONG HOURS
10. FREQUENT ORDERS (OF THE SAME ASSIGNMENT)
11. FEAR YOUR SUBORDINATES WILL MAKE A MISTAKE

B. WHY DELEGATE?

1. TO INCREASE OVERALL MANAGERIAL EFFECTIVENESS
2. TO EVALUATE PERFORMANCE OBJECTIVELY
3. TO COMPENSATE PROPERLY
4. TO CONTROL FOR RESULTS

C. QUESTIONS EVERY MANAGER MUST ASK WHEN DELEGATING

1. DO MY PEOPLE KNOW EXACTLY WHAT I EXPECT FROM THEM?
2. HAVE I GIVEN MY PEOPLE THE AUTHORITY TO MAKE DECISIONS?
3. DO I MAKE TOO MANY DECISIONS FOR MY PEOPLE?
4. DO I LEAVE MY PEOPLE ALONE WHEN THEY NEED TO BE LEFT ALONE?

D. THE FOUR KEYS TO EFFECTIVE DELEGATION

1. AN ACCOUNTABILITY AGREEMENT (DEVELOPED BY PARTICIPATION)
2. CLEAR-CUT AUTHORITY
3. CONTROLS
4. CONFIDENCE THAT BUILDS TRUST AND RESPECT

E. THE PARTS OF AN ACCOUNTABILITY STATEMENT

1. A JOB DESCRIPTION
2. KEY RESULT AREAS - PRIORITIES - JOB ELEMENTS
3. SPECIFIC OBJECTIVES

(THE TRADITIONAL JOB DESCRIPTION INDICATES DUTIES - RESPONSIBILITIES, BUT DOES NOT CONSIDER OBJECTIVES OR RESULTS EXPECTED)

F. RESPONSIBILITIES OF THE PURCHASING MANAGER IN THE FILM

1. PLACE ORDERS
2. PROCESS PAPERWORK
3. ENSURE DELIVERIES
4. SUPERVISE VENDORS

(AFTER DISCUSSING THE PERSON’S RESPONSIBILITIES, THE MANAGER SAID, “FROM NOW ON, YOU’RE RESPONSIBLE FOR PURCHASING.” THIS WAS A “DUMP”)
G. THE PURCHASING MANAGER'S PRIORITIES

1. MAKE SURE THAT PROPER SUPPLIES AND MATERIALS ARE AVAILABLE AND AT THE RIGHT PRICE
2. GET THE MOST ECONOMICAL PRICE BALANCE WITH THE QUALITY OF MATERIAL, NUMBER OF SERVICES BEING OFFERED WITH IT
3. GOOD VENDOR RELATIONS
4. KEEP DEPARTMENT COST LEVELS DOWN

H. HOW DO THE PURCHASING DEPARTMENT OBJECTIVES FIT IN WITH THE CORPORATE OBJECTIVE OF AN ROI OF 10%?

1. PROFITS WILL BE INCREASED BY FOLLOWING VALUE ENGINEERING SPECIFICATIONS (AFTER CHECKING WITH ENGINEERING, THE SEMICONDUCTOR IN THE SOLID STATE UNIT WILL BE SUBSTITUTED WITH ANOTHER ONE AT A 2% SAVING IN COST).

2. PROFITS WILL BE INCREASED BY SECURING LETTER WARRANTIES (18 MONTHS ON THE NEW SEMICONDUCTOR VERSUS ONE YEAR FOR THE OLD ONE)

(IN IMPLEMENTING THESE OBJECTIVES, THE PURCHASING AGENT MUST FOLLOW COMPANY POLICIES ON (1) NO INCREASE IN PERSONNEL AND (2) NO INCREASE IN CAPITAL EXPENDITURES)

I. AUTHORITY MUST BALANCE ACCOUNTABILITY - IT MUST BE CLEAR-CUT

1. IT IS NOT CLEAR-CUT:

   A. IF THE MANAGER CAN'T GIVE HIS PEOPLE A RAISE
   B. IF YOUR BOSS SAYS, "WE'LL WORK OUT YOUR AUTHORITY AS WE GO"
ALONG, "OR SAYS, "YOU HAVE ALL THE AUTHORITY YOU NEED."
(THAT IS, UNTIL YOU MAKE A MISTAKE)
C. IF YOUR MANAGER SAYS THAT YOUR AUTHORITY IF BASED ON YOUR
INFLUENCE-THEN YOU WORK OUT YOUR OWN AUTHORITY BASED ON POLITICS
(IF THIS HOW AUTHORITY IS DETERMINED, IT CREATES CHAOS)

2. THE FOUR REQUIREMENTS FOR CLEAR-CUT AUTHORITY:
A. AUTHORITY IS TRANSFERRED FROM THE SUPERIOR TO THE SUBORDINATE
B. THE AUTHORITY MUST BE SPECIFIC ENOUGH FOR THE SUBORDINATE TO
PROCEED WITHOUT FEAR OF GOING BEYOND THE AUTHORITY OR HAVING
DECISIONS REVERSED.
C. AUTHORITY MUST BE GRANTED IN ADVANCE OF THE ASSIGNMENT
D. AUTHORITY MUST EQUAL ACCOUNTABILITY

3. IN THE ADVERTISING-CAMPAIGN INCIDENT:
A. THE MANAGER PUT THE AUTHORITY IN WRITING
B. THE MANAGER AND SUBORDINATE AGREED ON THE AUTHORITY TOGETHER
C. THE AUTHORITY AGREEMENT WAS SENT AROUND TO EVERYONE AFFECTED
D. THE AUTHORITY GIVEN THE ADVERTISING PROJECT MANAGER INCLUDED
   1. BUDGETARY AUTHORITY, WHICH WAS SPECIFIC BUT INCLUDED EXTRA
      MONEY FOR SPECIAL SITUATIONS
   2. AUTHORITY TO APPROVE NEWS RELEASES AND TO ASK THE PUBLIC
      RELATIONS DEPARTMENT TO WRITE THEM, AND
   3. FINAL SAY ON STORY CONTENT
E. THE AUTHORITY OF THE ADVERTISING PROJECT MANAGER WAS GOING TO
   BE TOLD TO THE PUBLIC RELATIONS MANAGER
F. THE MORE PARTICIPATION IN ESTABLISHING THE DELEGATION, THE MORE
   THE COMMITMENT IN CARRYING IT OUT
J. WHY ARE "CONTROLS THAT CONTROL" NEEDED?
   1. SUPERIORS NEED THE INFORMATION TO KNOW WHEN CORRECTIVE ACTION IS NEEDED
   2. SUBORDINATES NEED THE INFORMATION TO MONITOR THEIR OWN PERFORMANCE
   3. FEEDBACK HELPS STIMULATE THE MOTIVATION OF SUBORDINATES TOWARD OBJECTIVES

K. THE WRONG WAY TO CONTROL

   1. SAYING, "HERE ARE THE THINGS THAT HAVE GONE WRONG IN YOUR DEPARTMENT"
   2. UNDERCONTROL - NOT GIVING SUBORDINATES ANY FEEDBACK (THE SUPERVISOR DIDN'T KNOW THAT THE TOP PRIORITY OF HIS MANAGER WAS SETTING UP THE NEW PACKAGING MACHINE RATHER THAN COMPLETING THE FINAL ASSEMBLY, AS HIS MANAGER HAD NOT TOLD HIM)

L. THE RIGHT WAY TO CONTROL

   1. SELF-CONTROL (THE SUBORDINATE DOES THE MONITORING, THE SUPERVISOR ALSO GETS THE REPORTS OF PROGRESS)
   2. SAYING, "WHEN CAN YOU CHECK BACK WITH ME?" (NOT DONE IN THE FILM)
   3. CONFIDENCE ENOUGH IN YOUR PEOPLE NOT TO INTERFERE WITH THEM WHEN THEY NEED TO BE LEFT ALONE
M. STEPS IN AN ACTUAL DELEGATION

1. SET THE STAGE

A. PRESENT THE PROJECT
B. TELL WHY THE PERSON WAS SELECTED
C. TELL WHY THE PROJECT IS IMPORTANT

2. MUTUALLY SET OBJECTIVES

A. DO NOT SAY, "HERE ARE YOUR OBJECTIVES."
B. THE PERSONNEL PROJECT MANAGER AGREED TO CONFORM THE HANDBOOK TO THE NEW POLICY BY 8 WEEKS

3. TRANSFER AUTHORITY (IT WAS TRANSFERRED IN REGARD TO THE BUDGET AND LAYOUT)

4. GET FEEDBACK (THE MANAGER ASKED THE PERSONNEL PROJECT MANAGER TO REPEAT THE DELEGATION)

5. SET CONTROLS TO MONITOR PROGRESS TOWARD RESULTS

6. LEAVE THEM ALONE TO GET THE JOB DONE

7. GIVE DIRECTION, NOT DIRECTIONS

8. IF THE PROJECT YOU ACCEPT TO WORK ON MEANS THAT ANOTHER PROJECT CANNOT BE DONE, DELEGATE THE OTHER PROJECT
SELF-AUDIT: ARE YOU A GOOD EVALUATOR?

In this self-audit please check, for each of the main items below, the point on the scale that you feel describes your attitude, or behavior most accurately. When you are done, review the entire profile.

The second part of this audit provides an opportunity for self-analysis in expressing "Why" and "What to do to change" your attitude and behavior in the best interests of utilizing your people and their advice in the future.

1. Reaction to subordinates when they challenge my own convictions or plans.

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<tr>
<td></td>
<td>Just can't take it</td>
<td>Able to be restrained and objective</td>
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2. Tendency to let my own reactions, thoughts, feelings, be known.

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<td></td>
<td>Conceal, mostly</td>
<td>Divulge, mostly</td>
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3. Behavior when the pressure is on to have me change my mind on a matter.

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<tr>
<td></td>
<td>Yield easily</td>
<td>Hold my ground firmly</td>
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4. Tolerance for the ideas, views, and opinions of others.

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<td></td>
<td>Very limited</td>
<td>Very high</td>
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1. DID THE DELEGATOR SET THE STAGE?
   A. PRESENT THE PROJECT?
   B. TELL WHY THE PERSON WAS SELECTED?
   C. TELL WHY THE PROJECT IS IMPORTANT?

2. DID THE DELEGATOR MUTUALLY SET KEY OBJECTIVES?
   (*ACTIVELY LISTEN* TO THE DELEGATEE IN REGARD TO OBJECTIVES RATHER
   THAN TELLING THE DELEGATEE WHAT THE OBJECTIVES ARE)

3. WAS THERE A TRANSFER OF AUTHORITY? (THAT IS, WAS A SPECIFIC LEVEL
   OF AUTHORITY DELEGATED AND WAS IT DONE BY "ACTIVE LISTENING?)

4. WERE CONTROLS ARRANGED TO MONITOR PROGRESS TOWARDS RESULTS?
   (WAS THIS DONE THROUGH "ACTIVE LISTENING?)

5. WAS THERE FEEDBACK; THAT IS, A REPETITION OF THE DELEGATION FROM
   THE DELEGATEE TO MAKE SURE IT WAS UNDERSTOOD CORRECTLY?