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PERSONNEL MANAGEMENT OF WHITE-COLLAR EMPLOYEES

with special reference to health, social welfare and family planning workers

Editors

DONALD J. BOGUE *and* STANLEY G. HUDSON

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PREFACE

The motive for the preparation of this volume was to satisfy an urgent need in developing countries, where access to recent writings on personnel management is extremely limited. However, it is believed that the materials assembled here will be found equally useful by many American and European professionals. Although most of the items contained in this book can be found in the libraries of most modern universities, they are almost as inaccessible to the members of a health or welfare organization (or any corporation which employs many white-collar workers) as to a personnel manager in Latin America, Asia, or Africa—because of the great effort and cost that would be required to locate, assemble and copy them for future study and reference.

Within recent years, there has been increased emphasis upon management training to improve the effectiveness and efficiency of senior officials in formal organizations of all types—corporations, government offices, and private non-profit organizations. There has been a tendency to assume that if these higher level officials learn the basic principles of decision-making, subdivision of labor, and allocation of authority the organization which they direct will function smoothly and flourish. Even the most casual observation of what actually happens overseas (and often in the United States) reveals that this is false. Top-level organization theory and management practice is only a small part of the total problem—especially in organizations where large numbers of white-collar workers are employed. Much of the waste, inefficiency and low morale that is found in many of these organizations is due to the maltreatment of employees by administrators and supervisors at all levels—from the lowest of the first-line supervisors up through the ranks to the highest officials in the organization. Moreover, the personnel management functions of job specification, recruitment, hiring, training, pay, promotion, and attention to individual personnel problems often appear to be carried out in a way that seems capricious, unjust or even exploitative.

Long ago the employers of blue-collar workers in the United States discovered that it was "good business" to establish a personnel policy and administration based on research into employee motivation and work attitudes. Per-

sonnel policy formulated in the light of research and modern theories of personnel management, carried out by professionally trained personnel managers, was found to be superior to traditional practices that were highly authoritarian. Unfortunately, this lesson has as yet been only partially learned by employers of white-collar workers. This situation appears to be especially acute in those organizations which perform public service functions, such as health, welfare, and family planning services. These workers often are treated in an ambivalent way—sometimes as if they were autonomous professional workers and sometimes as if they were lazy and hostile factory hands. It is hoped that those who read and study the materials presented here will discover that employees of every level can be helped to become much more productive when administered in accordance with the ideas expounded by the writers whose materials are reproduced here.

Because the materials which have been selected are complete and lucid, the introductory materials supplied by the editors are brief. This has enabled us to cover a wide range of topics while keeping the total size of the volume within tolerable limits. Some of the articles have been abridged for the purposes of this volume; omissions are indicated in the text by ellipses.

July 1, 1976

Donald J. Bogue
Stanley Hudson

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Chapter One

THE HUMAN RELATIONS APPROACH TO PERSONNEL MANAGEMENT

The two articles which follow contrast two approaches to personnel management which lie at opposite extremes of a continuum:

The authoritarian approach, according to which a centralized authority assigns tasks and supervises their performance by a downward chain of command. The individual worker is given no voice in the planning or conduct of his work. This is sometimes called the "theory X" approach to personnel management.

The human relations approach, which encourages workers to react to their work assignment and to collaborate in the work enterprise. Their suggestions for improvement are solicited and taken seriously. An effort is made to make work assignments and working conditions agreeable to the worker. This more democratic approach is sometimes called the "theory Y" approach.

The readings spell out in considerable detail the assumptions which underlie each approach and the personnel management philosophy and practices which flow from them. It is widely accepted in personnel management that the strict authoritarian approach—which is the time-honored, traditional approach—is a comparatively inefficient form of personnel management. It needs to be diluted if not wholly replaced by the human relations approach. Most modern organizations utilize an approach which falls somewhere between the extremes, employing principles of both. The trend has been to soften the authoritarian component and to emphasize the human relations aspect.

It would be wrong to assert that the human relations approach, in its extreme form, should be presumed to be best in all organizations or in all countries. On the other hand it is probably correct to say that most authoritarian organizations could improve the productivity of their workers by introducing some principles of the human relations approach. It is fundamentally important for an understanding of this book that the reader clearly grasp these two alternative philosophies of personnel management and reflect upon them as he reads the remaining chapters.

Implications for health, social welfare, and family planning

Health, social welfare, and family planning organizations in the developing countries tend to emphasize the authoritarian approach to personnel management. In doing so, they are reflecting the current practice in the country; personnel policies in most developing countries are highly authoritarian. Perhaps no more authoritarian systems for dealing with civilian employees have been devised (outside slavery) than some of those installed by colonial nations for handling "the natives" in their overseas colonies. The traditions of these systems linger, bolstered by military-based governments and the deep-seated value of obedience to authority. This raises the question, "Is the human relations approach to personnel management too 'radical' to be applicable in Asia, Latin America, or Africa? Or has the time come to soften traditional systems with the elements of human relations management, thereby reaping huge gains in worker effectiveness and efficiency?" The editors of this book believe the answer to the latter question to be a resounding, "Yes."

Patterns of Management*

Paul Pigors and Charles A. Myers
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Measurements now being made available by social science research reveal that managers achieving better performance (i.e., greater productivity, higher earnings, lower costs, etc.) differ in leadership principles and practices from those achieving poorer performance. This variation reflects important differences in basic assumptions about the ways of managing people.[1]

What is management? What is the nature of the managerial process? There are perhaps as many formulations as there are writers or practitioners of the subject. But one central theme is that managers perform several essential and unique functions which distinguish them from other people with professional training such as lawyers, doctors, engineers or scientists. In various degrees, managers undertake risks and handle uncertainties; plan and innovate; coordinate, administer and control; and supervise. The handling of risks and uncertainties is more precisely an *entrepreneurial* function, the next two are managerial, and supervision is often the main task of lower levels of management. For management is also a hierarchy of persons, ranging from the chairman of the board and chief executive, down through middle management and various staff specialists to first-line supervision.

The essence of the managerial process, therefore, is planning, innovation, coordination, administration, and control. If there is a key word to describe management it is probably *coordination*. "Coordination includes some decision-making: establishing broad objectives, initiating and approving changes in key personnel and in management organization, approving decisions on various matters in terms of the approver's interpretation of broad objectives, approving decisions on specific matters to avoid conflicts with other decisions."[2]

Management in this broad sense is not confined to private enterprise. It is also essential for the successful operation of a government department or agency, a public enterprise, a trade union, a non-profit organization, or a college or university. In other words, management is organizational leadership and one of its central tasks is effective coordination and utilization of available human and non-human resources to achieve the objectives of the organization. These objectives may be, for example, to maximize profits or increase the firm's share of the market in business enterprises; to improve efficiency or expand the scope of services provided by a governmental bureau or department; to get more union members or bargain more effectively for members in a labor union; or to improve the quality of instruction, expand facilities and enrollment, and undertake new research in a college or university.

While the human resources available to management in an organization are only one part of resources which must be coordinated, it is through the combined efforts of people that monetary and material resources are utilized for organizational objectives. Without *human* efforts, organizations cannot accomplish their objectives. Consequently, the organization and motivation of human effort—*the personnel function of management*—is a central responsibility of management everywhere. Indeed, the managerial hierarchy itself involves inter-personal relationships, in few or many layers from the top executive downward. The effectiveness with which *managerial* and *professional* human resources—high-talent manpower—are coordinated and utilized ac-

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[1]Likert, [2], p 3.

[2]Gordon, [11], p. 53.

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counts in important measure for success or failure in achieving organizational objectives.

There is an essential difference between those who manage and those who *are* managed. For an understanding of organizational relationships, however, it is important to recognize that at every level in any organization (except at the very top and for employees with no supervisory duties) people are both managers and managed. They are "managers" to their subordinates, but are subordinates or the "managed" to their superiors. At each of these levels, individuals perform various combinations of managerial and non-managerial functions, and it is important for each individual to know when he is performing a managerial function and when he is not.

The Importance of Managerial Philosophies

Every manager makes assumptions and holds convictions about the way people behave in organizations. Sometimes these are explicit—"you have to keep people hopping and check on them closely or they'll take advantage of your absence." Sometimes managerial philosophies are implied by the way that managers behave toward their subordinates in day-to-day relationships. Actions often speak louder than words. Even the manager who prides himself on being practical and having his feet on the ground, scorning any "theory of management," may reveal himself a philosopher about life and people when he has the opportunity. So the managerial philosophies which managers hold and communicate in action become well-known to people in the organization. This is one meaning of the term "organizational climate."

Why are these deeply held convictions important for a consideration of personnel administration? They are important because managerial philosophies affect organizational structures and the ways in which human resources are utilized. An authoritarian manager will develop a highly centralized organization, with subordinates expected to carry out his directives. A different type of manager will seek the ideas of his associates on policy formulation and implication before personnel policies and procedures are developed.

The purpose of this article is to consider alternative philosophies or theories of management, with special emphasis on the traditional or conventional theory of management by direction and external control, in contrast to a different concept of management by shared objectives and self-control. These are two extremes, for purposes of sharpening the differences in patterns of management. We shall consider the environmental forces or pressures which bring about changes in managerial philosophies or patterns, and the implications of behavioral science research for these management patterns. Finally, we shall examine possibilities of developing a management pattern for different situations, and consider some examples of inadequate managers.

The Traditional Pattern of Management

Management by centralized direction and control is probably the most frequent pattern of management anywhere. This authoritarian pattern has deep roots in the long and successful experience of such organizations as the church and military organizations. The line of authority or command goes directly from the top down through the various layers of the organization, with some delegation of authority but full and detailed accountability up the line. At each organizational level, supervisors are linked to the next and lower levels by position descriptions and directives. These statements establish the degree of authority each management representative has to take action for the company. And they usually specify *how* that action shall be performed. All general directives received from top management are progressively particularized as they flow downward along the chain of command. At the work level they are usually specific and unconditional orders. But at every organizational level they are designed to *tell people how to carry out the ideas, principles, and purposes of top management.*

The assumptions behind this view of management have been well expressed by Douglas McGregor, who calls it Theory X:

1 The average human being has an inherent dislike of work and will avoid it if he can.

2 Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.

3 The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, wants security above all.[3]

Many of the principles of organization which are found in the literature of management are derived from these assumptions. Much of the early Scientific Management movement attempted to control worker behavior by breaking down jobs into specialized elements, establishing norms of production, designing equipment so that the worker's pace would be more or less controlled, and devising intricate systems of incentive wage payment to reward the superior workers and penalize the laggards. Accounting and budgetary controls were intended to make sure that subordinate managers did not deviate from established standards. Centralized organizational structures reflected these assumptions about human behavior, and the "one-man" firm was an extreme case. The boss never really trusted his subordinates. Therefore, he limited carefully the amount of responsibility and information he gave them.

Managing by rules and orders establishes a pattern of decisions for meeting most of the ordinary difficulties that confront subordinate managers. But, when an unusual situation occurs—an exception to the rule—supervisors refer to their immediate superiors any matters for decision which (in their opinion) are not covered by previously established rules. In extreme cases, such problems continue their way up through the chain of command, until they are brought to the attention of the top executive. *He decides.*

There is much to be said for this way of managing. It "gets results"—at least in the short-run when people respond to pressures and controls, partly out of fear of the consequences of not following orders. Some managers and management consultants, such as Robert McMurry, believe that people prefer autocratic leaders, though preferably benevolent ones.[4]

From one point of view such subordination may look like an advantage. Subordinate managers are not likely to make the kind of mistake that comes from assuming too much responsibility. But what about the situation in which a critical decision must be made and no management representative (who is available) is willing to make it? The following example shows what can happen.

A Case Example: The Cable Splicer's Dilemma[5]

In a telephone company, during a business recession, an unconditional order had been issued by higher management forbidding supervisors to authorize overtime under any circumstances. One day, a cable splicer was working in a wet manhole on a toll cable running through marshy territory near the sea. About an hour before quitting time, he realized that he could not finish the job within the regular working day. He asked the supervising foreman whether he should stay overtime to finish the work. He estimated that the job could be completed in another 3 hours. The supervising foreman, having no authority to grant overtime, telephoned the supervisor of cable splicing. The latter, unwilling to make an exception to an order whose importance had been so strongly stressed, telephoned the superintendent of construction, who told him to use his discretion. This "decision" was transmitted down the line to the supervising foreman who, however, still feared the possible consequences (for himself) of giving the order dictated by his own judgment. He therefore told the worker to wrap the splice securely and leave it to be finished in the morning.

During the night, an unusually high tide entered the manhole, penetrated the wrap-

[3]McGregor, [3], pp 33-34. An earlier paper of the same title is reprinted in Pigors, Myers, and Malm, [23].

[4]McMurry, [12].

[5]One of the authors learned of this case in his field work with the company.

pings, and spoiled the cable. It took several days to repair the damage. And the toll line was tied up during all that time.

This example shows that management by direction and control cannot always be efficient—even technically. The system of rules and unconditional orders is devised to meet specific requirements. When the rule-makers are not there to size up the situation, lower-management representatives fear to make exceptions even when the underlying purpose of the rule (cost saving) might be achieved. The routine action—which they have learned to take—*supports the system* rather than the management objectives which the system was set up to attain. Naturally under these conditions there can be little *sense of achievement,* which is one of the key factors in job satisfaction for the subordinates. Furthermore, management by rule stifles the initiative of subordinates and reduces the possibility of innovations which might increase productivity.

A Different Concept of Management

Experience like the cable splicer's dilemma under management by centralized controls and rules is in sharp contrast to other work group experiences reported by skilled managers or leaders. Furthermore, recent social science research gives little support to the traditional view. A contrasting theory of management is based on the belief that the most effective way to get results in any organization is to work *with* people rather than *through* them. The quality of the relationships within the organization is what Mary Parker Follett, an early perceptive writer on management, called "co-action," as contrasted with coercion.[6]

This concept of management is not soft management or *laissez-faire* management, in contrast to tough or decisive management of the traditional pattern. Neither is it "kidglove" management based on various techniques of getting other people to do what the boss wants them to do without their quite realizing that they are being manipulated. All of these variations on management by direction and control (except for *laissez-faire* management which simply leads to chaos) are based on the same assumptions about human behavior and motivation that underlie the traditional theory.

The alternative concept of management does not involve any abdication of management responsibility. Management is still responsible for achieving organizational objectives. But this pattern or philosophy of management makes quite different assumptions about human behavior and motivation. A satisfied need is not a motivator of human behavior, and too often traditional managers assume that the lower-level physiological needs which are satisfied by money (wages and salaries) are the prime motivators. But if these are reasonably satisfied, other needs (for safety or security, social acceptance by the group, and the "egotistic needs" for self-respect, achievement, recognition, etc.) become more important. When work does not provide fulfillment of some of these other needs, it becomes a punishment to be undergone in order to enjoy life off the job. Employees then tend to become "clock watchers."

The implications of all of this for alternative patterns of management are well expressed by Douglas McGregor:

Above all, the assumptions of Theory Y point up the fact that the limits on human collaboration in the organizational setting are not limits of human nature but of management's ingenuity in discovering how to realize the potential represented by its human resources. Theory X offers management an easy rationalization for ineffective organizational performance: It is due to the nature of the human resources with which we must work. Theory Y, on the other hand, places the problems squarely in the lap of management. If employees are lazy, indifferent, unwilling to take responsibility, intransigent, uncreative, uncooperative, Theory Y implies that the causes lie in management's methods of organization and control.[7]

In what McGregor calls "Theory Y," the assumptions about human behavior in organizations are as follows:

1 The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inher-

[6]Follett, [13], p xiii.

[7]McGregor, *op. cit.*, p. 48.

ently dislike work. Depending upon controllable conditions, work may be a source of satisfaction (and will be voluntarily performed) or a source of punishment (and will be avoided if possible).

2 External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.

3 Commitment to objectives is a function of the rewards associated with their achievement. The most significant of such rewards, e.g. the satisfaction of their ego and self-actualization needs, can be direct products of efforts directed toward organizational objectives.

4 The average human being learns, under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics.

5 The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.

6 Under conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.[8]

These assumptions lead to a managerial approach which emphasizes the principle of *mutual responsibility* and *shared objectives*. They recognize the fact of *interdependence* in human organizations. To repeat, management under these assumptions is not "soft" or laissez-faire. *High standards of performance are expected.* But a minimum of external controls and incentives is supplemented by self-imposed controls, by enlistment in organizational goals, and by a high degree of self-direction. An important way to attain cooperative action is through discussion, at all levels, of company objectives and sub-objectives. When such objectives are *understood* and *accepted*, a tight system of externally imposed controls becomes unnecessary. "Management by objectives and self-control" is the way Peter Drucker has described this approach.[9] Conflicts may still persist, but they tend to be less disruptive of organizational effectiveness.

Under these conditions, a high degree of organizational authority can safely be delegated, and organization structures tend to be "flat" and decentralized. In such a system, management representatives at all levels (and sometimes even rank-and-file employees) are expected to use their own judgment, within the scope of authority which corresponds to their organizational function. This system is *not* "democratic" in the sense that managing is done by majority vote, but it is "participative" in the sense that superiors seek out their subordinates' ideas and opinions of proposed courses of action before a decision is made. However, top management still makes all official decisions for the organization as a whole. At each organizational level the person in authority—after taking account of the experience and ideas expressed by his associates—is accountable for making the final decision.

In summary, the essential differences between the traditional and the alternative theories of management are in assumptions about human behavior and in the consequent differences in leadership patterns and organizational structures. There is no difference between the theories in the final *responsibility* of management.

The Range of Possibilities

The traditional pattern of management and the alternative concept can be considered as points at each end of a continuum—ranging from little or no participation in decision-making by subordinates at one extreme to considerable participation at the other. Rensis Likert has listed twelve degrees of participation, ranging from "no information given to employees, either about the current situation or in advance of proposed changes," to the other extreme: "leader and subordinates functioning as a group tackle the problem and solve it, using the best available methods for group

[8]McGregor, *op. cit.*, pp. 47-48.

[9]Drucker, [1], Chapter 11. McGregor, *op. cit.* gives an example of management by objectives in Chapter 5.

functioning."[10] The reader may be able to fill in the other degrees from his own experience or deductive reasoning.

As we shall see, there are a number of pressures pushing management away from authoritarian direction and control, even though admittedly this sometimes works. How rapidly can a management move from one extreme to the other: from Theory X to Theory Y, from little participation to much participation? If the manager has a choice, it is well to move gradually, for abrupt changes in managerial philosophy and practice arouse suspicions, doubts and even resentments. Subordinates who have lived under authoritarian managers for a long time are not likely to believe that such a manager can "change his spots" overnight. A short step in the direction of more participation will be more effective than introducing full participative management at once. A new manager is under somewhat less of a handicap than an old one trying to change his patterns of behavior with his own subordinates, but both face the task of changing behavior slowly. The manager, new or old, who barges in and "demands cooperation or else . . . ." is not likely to get it. A number of behavioral science studies bear this out, as we shall see in a later section of this article. The important question for management is: in which direction are we moving on the continuum of managerial theory or philosophy? And any movement has to start with the top management, which increasingly faces pressures for change. Unless top management takes the initiative, little change is likely to occur in most organizations.[11]

• • •

[10]Likert, *op. cit.*, pp. 242-43.

[11]For a specific report on the experience of one company's effort to develop "management by integration and self-control" (Theory Y), see: Kuriloff, [14], pp. 8-17.

Implications of Behavioral Science Research for Management

The pressures which tend to push authoritarian management in the direction of the newer concept of management ("Theory Y") are reinforced by research on the behavior of people in organizations. Within the past ten years there have been an increasing number of research reports which cast doubt on the effectiveness of the traditional theories of management.[20]

Among the most important studies are those done by the Institute of Social Research at the University of Michigan, under the direction of Professor Likert.[21] These are not isolated studies; they have been conducted in a variety of industries such as insurance, automobiles, heavy machinery, public utilities, railroads, chemicals, delivery service, and others. They have covered many thousands of employees from unskilled workers to scientists in research laboratories. Some of the significant findings of this research group include the following:

There are significant differences in the leadership patterns of supervisors of high-producing groups and those of low-producing groups. The former tend to be "employee-centered"—concentrating their attention on the human aspects of their subordinates' problems and on building effective work groups with high performance standards. The low-producing supervisors are more production-centered, using pressure to "get out the work" but neglecting some of the human problems of their work group. While both types of supervisors enforce the rules, arrange work, and make work assignments, the employee-centered supervisors recommend promotions, transfers and pay increases, inform their subordinates about what is happening in the company, keep them posted on how well they are doing, and hear complaints and grievances more often than the production-centered supervisors. In one company,

[20]Examples are Likert, *op cit.*; McGregor, *op. cit*; Chris Argryis, [4]; Bakke, [24]; Whyte, [25]; Zaleznik, Christenson, and Roethlisberger, [26].

[21]These are reported in Likert, *op. cit.*; and also in two of his earlier articles reproduced in Pigors, Myers, and Malm, *op. cit.*, under the original titles, "Motivation: The Core of Management" and "Measuring Organizational Performance."

when high-production managers were switched to low-production divisions, they raised productivity of these divisions faster than the former high-production divisions slipped under the low-production managers, who continued the job-centered and close supervision.

Freedom to set one's own work pace is directly related to productivity. Contrary to the widespread impression that people will "goof off" and slow down in their work unless a supervisor is breathing down their necks, these studies found that departments in which men feel most free to set their own pace have above average productivity, while those in which men feel least free to set their own pace have below average productivity. The pace of work may be controlled by the machine in repetitive operations, but in many other types of jobs it will vary with the employee's ability and will to work. "Managers who achieve high performance in their units accompanied by a sense of freedom supervise by setting general goals and objectives and providing less specific direction than do the managers of low-producing units . . . They use more participation and achieve higher involvement, greater interest in the work, and more responsibility for doing it than do the low-producing managers."[22] These findings apply with even more force to supervisors themselves, in relation to their superiors in higher management, and to scientists in research laboratories.

The greater the supervisor's skill in using group methods of supervision, the higher are the productivity and job satisfactions of his subordinates' ideas suggestions, he will benefit most from frequent meetings with his subordinates on work-related problems. This was shown clearly in interviews with non-supervising employees in a large public utility. Other studies of group loyalty indicate that the group will restrict work and output if it rejects supervision and company goals, but that generally high group loyalty and pride are associated with high productivity. "The willingness of the groups with high peer-group loyalty to help one another seems to come from better interpersonal relationships developed by the foremen's effective leadership."[23]

Superiors at all levels in an organization generally underestimate the extent to which their subordinates believe the "boss" understands their problems. In one study, people at different levels were asked how well they thought their superior understood their problems, and, in turn, how well they thought they understood their subordinates' problems. Of the men in the work group, only 34 per cent said their foreman understood their problems, but 95 per cent of these same foremen stated that they understood the men's problems well! Again, only 51 per cent of these foremen said their own boss (the general foreman) understood the first-line foreman's problems well, but 90 per cent of the general foremen asserted they understood the foreman's problems well. Finally, when the general foremen were asked how well their superior in management understood *their* problems, only 60 per cent gave a favorable reply! A similar finding was made in the power plants of a public utility; the higher levels of management always said they sought their subordinates' ideas much more frequently than the subordinates said their superiors asked for their ideas. These studies illustrate the well known gap between downward communication and upward communication in an organization. Actions speak louder than words.

Pressure through traditional management methods will bring impressive short-run results, but at a cost in the dissipation of the human resources of the organization. Participative methods enhance human resources for longer-run gains. This was shown in a year's experimental study of 500 clerical employees in four divisions which were similar in organization, technology, work, and employee attitudes. Before and after measurements of productivity, employee attitudes and supervisory behavior were carefully made. In two of the four divisions, supervisors were trained in participative management methods; while in the other two there was an increase in closeness of supervision and centralization of decision-making. These were called

[22]Likert, *op. cit.*, pp. 20-21.

[23]*Ibid.* p. 3.

the "hierarchically-controlled;" the first two divisions were "participative." Now for the results:

All four divisions knew that management sought an increase in productivity through a reduction in the number of clerks in each division. Clerks in the participative divisions took part in the decision to reduce the work force, while the managers of the hierarchically-controlled divisions were ordered to cut staff by 25 per cent through transfers and not replacing persons who left. As might be expected, the flat order did result in a 25 per cent payroll reduction. The participative groups achieved only a 20 per cent reduction during the experimental year, although the better of the two groups achieved as much as the two hierarchically-controlled groups, while staff in the other participative division (which had earlier been the poorest of the four before the experiment began) was reduced by only 15 per cent. There were other significant differences, however. "The productivity increases in the hierarchically controlled program were accompanied by shifts in an *adverse* direction in such factors as loyalty, attitudes, interest, and involvement in the work. Just the opposite was true in the participative program."[26] Thus at the end of the experimental year, the people in the hierarchically controlled groups were resentful toward management, their supervisors, and the high producers; some had quit in disgust. In other words, the human resources of these divisions were being dissipated, and productivity would very likely begin to fall (although the experiment was not continued long enough to test this conclusion). Possibly something like this happens when a manager "gets results" by pressure over a time span of a year or two, then moves on through a promotion or transfer while a new manager takes over his old job and finds he has inherited a sullen and resentful work force. Building productivity through participative methods is a longer process, but likely to be more lasting.

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Developing a Management Pattern

Much of what we have reviewed in the preceding sections suggests the need for a different concept or pattern of management which is consistent with the findings of behavioral science research, as well as with the variety of external pressures on management to move away from traditional concepts. But we have noted earlier that there are a number of possible patterns of management, which can be represented as points on a scale or a continuum. One possible continuum, showing seven stages ranging from more use of authority by the manager to a greater area of freedom for subordinates is presented in Exhibit I.

The place where a particular manager or supervisor is on this continuum depends on a number of factors. First, his own value system as reflected in his confidence in his subordinates, his leadership inclinations, and what Tannenbaum and Schmidt call his "tolerance for ambiguity" as opposed to the certainty of rules and procedures, will affect where he is. Second, his own subordinates may behave in certain ways, partly because they have developed patterns of behavior to fit their boss or the situation and partly because they have certain values themselves (scientists differ from workers on the assembly line). Third, factors inherent in the immediate situation may affect the managerial pattern. For example, if the organization is large and geographically-dispersed, possibly more centralized controls will be necessary than in a small research organization. Research organizations are also dependent upon considerable sharing of information: this is less true of a routine clerical operation or one which has been computerized. Finally, the pressure of time and the need for rapid decision-making may inhibit the degree of participation that can be permitted at a particular moment.

These factors have led to the suggestion that "sensitive flexibility" is needed in executives, who must strike a balance between different styles of management.[27] Certainly flexibility is desirable, but it should be in response to an *awareness* of the fac-

[26] *Ibid.*, p. 65. This experimental study is reported in detail in Morse and Reimer, [27].

[27] Jennings, [29].

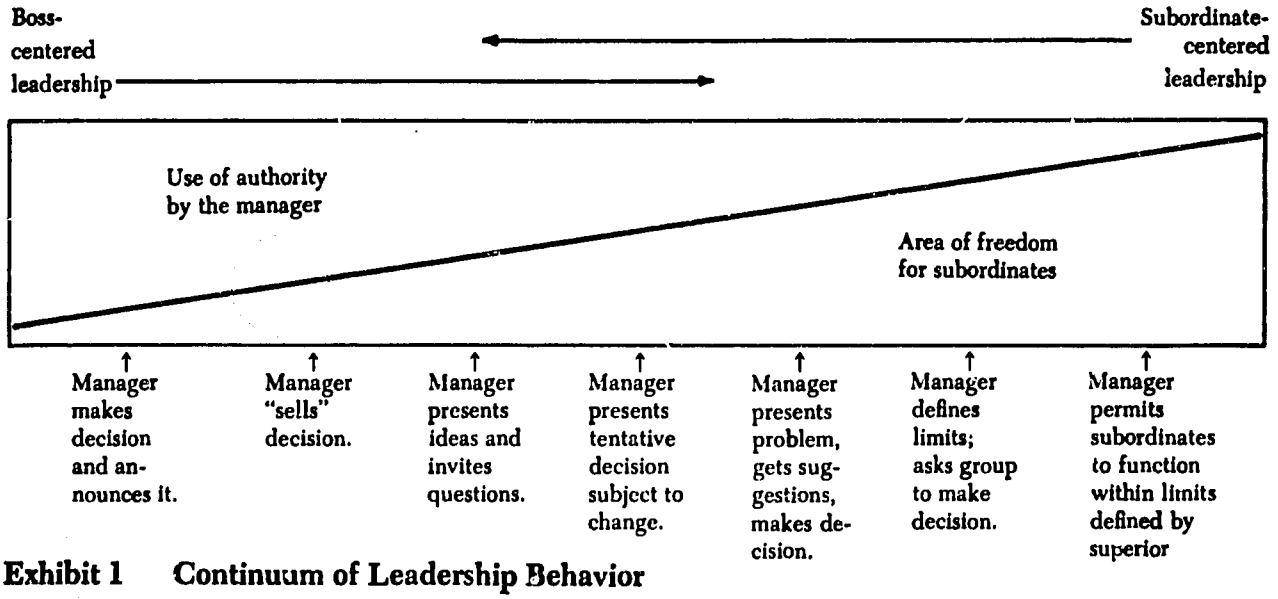

Exhibit 1 Continuum of Leadership Behavior

tors at work in a particular situation and of how the manager can effectively operate in this situation. As Tannenbaum and Schmidt have observed:

"The successful leader is one who is keenly aware of those forces which are most relevant to his behavior at any given time. He accurately understands himself, the individuals and groups in which he operates, and certainly he is able to assess the present readiness of growth of his subordinates . . . the successful leader is one who is able to behave appropriately in the light of these perceptions. If direction is in order, he is able to direct; if considerable participative freedom is called for, he is able to provide such freedom."[28]

In other words, management strategies may change with the needs of the particular situation confronting the manager. If his assumptions about human behavior grow out of a belief in management by shared objectives, he will have the flexibility to move along the scale—even to using directive methods when the situation requires it, as in an emergency or crisis. Under these circumstances his subordinates are more likely to accept a firm hand at the helm. But the manager whose rigid pattern is one of centralized direction and control restricts himself to the left end of the scale in Exhibit I, either because he lacks confidence in the potentialities of his subordinates or is himself an authoritarian personality. He has limited his flexibility.

It is also important to ask: over the long-run, in which direction is the management of an organization likely to move on the scale? This will be in response to the long-run changes which are likely to occur in the internal and external environments, rather than as a result of the factors in the particular situation of the moment. We believe that a preponderance of these changes in an increasing number of organizations is forcing managers to move in the direction of management by shared objectives and self-control. But the road will be long, with intermediate stages on the way. Meanwhile, there will continue to be managers with the philosophy of Benjamin Jowett, the famous Master of Balliol College at Oxford during the early part of this century. He explained his methods of administration in the following words: "Never retract, never explain. Get it done, and let them howl."

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Summary

In this paper we have considered the importance of managerial philosophies and contrasted the traditional theory of management by direction and control (Theory X) with the newer concept of management by integration and self-control (Theory Y). These can be considered as points on a scale or a continuum. An important question is: in what direction is management moving?

[28] *Ibid.*, p. 101. The view that some people want directive leadership is supported in research by Vroom, [30].

It is possible to move in either direction, and there are clearly situations in which management by direction and control is necessary. But a number of environmental pressures, as well as the findings of behavioral science research, tend to call for more management by shared objectives of participative management. The appropriate strategy of management at any one time must be based on an awareness of the forces present in the particular situation.

Whatever the pattern, the essence of good management is getting effective results with the cooperation of other people. This simple truth emphasizes the overriding importance of the personnel function in management. And the pattern or philosophy of management which permeates any organization has a profound effect on how this function is organized and carried out at all levels of management from the top down.

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ARE YOU WASTING *BRAINPOWER?*

by Carson E. Johnson

If, when you hire a man, you get nothing more than a pair of hands, your labor costs are going to seem inordinately high. You can't, of course, force your employees to offer you the benefit of their brainpower as well as their muscles — but you can show them how, and make it well worth their while to do so. How to do this — how to use the techniques of "creative management" — is the subject of this article by Carson E. Johnson, practising industrial psychologist.

AN INVENTOR of a new machine wanted to set up an assembly line to make his product. Unfortunately for him, he was operating in a district where cost of labor was considered prohibitively high. No firm would take on the task at the price the inventor offered. His estimate was that the machine could be produced for $15,000 — or less. Every firm he approached said, "It can't be done".

But the inventor was not to be beaten. He hired a production man and set up his own assembly line. Labor was hired at the current high rate. But before going into production he called the workers together and put his cards on the table.

"I have a suggestion for you," he told the assembled employees. "If you can make this machine for $10,000 I'll give 50 cents for every dollar you save under that figure. Now, go to work. Every practicable cost-cutting idea you devise will be to your own advantage as well as mine."

That manufacturer is now turning out machines at a cost of $5,000 each. The 65 men and one foreman working on the production are taking home a bonus of $2,500 for every machine manufactured.

These men are among the highest-paid workers in the world—in terms of take-home pay — but they have the lowest labor cost per unit. No one in any country where they have sold their product (and their market is world-wide) has been able to compete in price.

Expense or Investment?

There's no doubt about it, labor is expensive. But whether this expense is a crippling disability for your company or a valuable investment depends not a little on what you're buying with your labor budget. To put it baldly, are you buying manpower or horsepower?

From the moment a baby is born, we Canadians devote a tremendous amount of thought and money to develop its physical growth and mental maturity. From this intense concern with education and physical wellbeing, there emerges a man or woman who becomes one of our working force.

What happens after this? Is the man on the job encouraged to give his best in the interest of the community and for his own satisfaction? Or is the early investment wasted by the tendency still to use human beings as though they were packhorses — even though pampered packhorses?

It's obvious, but it cannot be said too often: A man is more than his muscle-power. Even though he is engaged in cleaning the factory floor, he can evolve a way in which to do his work with the least possible expenditure of movement and materials. It is a truism that no one knows more about his particular job than the man who is doing it. But is management cashing in on the whole man? Has anyone ever suggested to the sweeper that it would be worth his while to come up with some labor-saving method? Or is management content to regard a man as, in effect, a mechanical work unit and forget that behind the hands there is a guiding brain—a brain which often could offer ideas that would make a valuable contribution to the running of the business?

The opening story in this article is not an isolated case. There are

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many more, some even more startling. For example, one of the major railways was told by a professional engineer that conversion of one of its locomotive workshops to handle diesel repairs would take three years. A group of employees disagreed. Within six weeks, working on their own time, they produced a new plan, including a working model, which was approved and implemented successfully.

Whether or not employees are going to come up with ideas like this depends on management. And management is not the only party to benefit—or if it is, employees won't be having brainwaves for long. What inducement can be given to employees to offer ideas to management knowing their suggestions are welcomed, and rewarded both financially and in terms of personal satisfaction and prestige?

The Right Approach

The answer lies in the term, *creative management*. This phrase is used by industrial psychologists to describe an attitude precisely opposite to that summed up in the words "You're paid to work, not to think". But creative management is not the prerogative of psychological experts—though put into practice it employs devices thought out and tested by psychologists.

Creative management encourages and teaches its employees to think. It makes use of techniques which have proved successful in producing ideas; which demonstrate clearly to employees that their ideas are considered valuable by management. Creative management is an *attitude* which produces an environment fertile to employee suggestions.

How can this attitude be achieved? It has long been accepted that thinking is an art. Today it has been realized that the average man can be trained to use to best advantage his latent ability to produce constructive ideas. Here are some suggestions, based on successfully-applied techniques worked out by psychologists, on how to encourage your employees to think. The illustrations we have given are true-life examples of the results of these methods.

• ***Develop a critical attitude in your employees.*** Everyone can be more creative in his thinking when he develops a critical attitude. Both management and labor should become familiar with the idea that everything—from the sweeping of factory floor to the routine in the president's office—can be done a better way.

• ***Teach scientific methods.*** When employees first learn the scientific method of approaching a problem, they are confused by finding that there is no pat answer to any situation. It requires almost a month of twice-weekly exercises in creative thinking before the average group of human beings responds with a steady flow of ideas.

A group of men, faced with a problem of increasing sales of their products, were unable to advance more than one or two workable suggestions. After six weeks' training in creative thinking, the problem was presented to them again. This time they produced over 80 suggestions, many of which were subsequently used. Fear of making a mistake was lessened, and ideas poured forth. One idea led to another as the "group spirit" developed, and the participants realized that what may start as an apparently wild idea may often be modified or combined with others by free discussion.

WHAT CAN YOU DO?

What are the techniques of creative management? Psychologist Johnson sums them up as follows:

- Develop a critical attitude in your employees
- Teach a scientific method of approach to problems
- Provide access to usable knowledge
- Develop critical judgment
- Teach use of "delayed thinking"
- See that psychological barriers are removed
- Give employees incentives to think.

• ***Provide access to usable knowledge.*** Usable knowledge will best be acquired by solving problems that you or your men provide. This is the only way in which your employees can learn anything of lasting use and value. Accretion of useless information causes frustration and mental indigestion. Yet many employee-training programs fall down because the knowledge offered is not integrated with a real problem. Instruction may present the highest and purest truths, but if the men return to their work with an unconstructive attitude, nothing has been gained from instruction.

Employees taught creative thinking techniques must practise on subjects that are familiar to them. If, for instance, you manufacture furniture, put your men to thinking about a better layout for your factory, or the designing of a better piece of equipment for some particular job. Best results yet gained by this method have come when workmen were directed to study a specific problem connected with the tools they used.

One such group which was especially successful was composed of store managers. Each man was asked to suggest how he could lower his payroll costs without increasing the work of any employee in his store or cutting down on service to the public.

This called forth another technique—"brainstorming". This is a process of group-thinking. Group-thinking is not discussion. Brainstorming is pure creative thinking. Each man in turn gives a hypothetical answer to the problem at issue. Around the table, in order, each offers the wildest or saneest idea he can conceive until no one has any further suggestions to offer.

All ideas are recorded without critical comment. No one is allowed to comment on any idea while the "brainstorm" is on, although he may add a modifying idea to one already on the record.

Amazing results emerge from use of this technique, for ideas are cross-fertilized when people think in groups. It is important to remember, though, that discussion or criticism at this stage will tend to destroy creative thought by making the thinkers clam up lest they be ridiculed. Brainstorming is called by psychologists "controlled use of the imagination."

One such brainstorming group was faced with the problem of breakage of bottled goods by delivery men, customers and store employees. During the session, this group produced 35 ideas for cutting down breakages by drivers; 35 for eliminating customer breakages; and 27 for those caused by store employees. Not all these suggestions held under subsequent critical examination; but implementation of four or five of the better ones in each area led to significant breakage reduction.

• ***Develop critical judgment.*** When all possible creative ideas have been brought out, critical faculties are brought into play. First the group rules out all impossible ideas. Each suggestion is tested against previously proved fact or experience to see if it is workable. Next all the feasible ideas are studied by the group.

(It is interesting to note that after the brainstorming period few of the participants are able to remember who was responsible for which idea. This happy fact eliminates much personality conflict and assures better participation in carrying out the newly-designed method.)

• ***Teach the use of "delayed thinking".*** Many creative thinkers use the "delayed method" of thinking, that is, use of the subconscious mind in the solution of problems.

A technique has been developed to get the most out of this method. Many good executives plan far ahead on problems by first putting down all the known factors concerning it in a notebook. They outline the problem, what they want to accomplish and a few tentative solutions. They date the entry and put the book away. From time to time they take out the notebook and add more tentative solutions. Ideas may come while engaged in all sorts of irrelevant occupations, but all are carefully noted in the little book. When the time comes to face the problem, the complete answer has often already been found.

• ***See that psychological barriers are removed.*** Everyone has blockages which prevent clear thinking —perhaps social bias, prejudice or teaching. With some people, this is emotional in effect; in others it shows itself in wrong assumptions or preconceived ideas which will not fit into an already-formed conception of truth or fact and thus prevent arrival at workable answers. Such psychological barriers can be overcome by proper counselling from a trained psychologist. A man who has come to know himself better — through testing or discussion—will overcome, unaided, many barriers which he formerly dreaded. Minor difficulties yield to his own efforts after some of the major ones have been revealed. Aptitude and ability tests encourage men to face new problems—to take a positive approach to life.

• ***Give men incentive to think.*** Systems have been devised to make men work harder and expend much physical effort. Where motivation for creative thinking is needed, there must be a favorable environment for thought as well as incentives for expending energy in thinking and and working. Suggestion systems are a must, as is some method of rewarding employees materially as well as in prestige.

An industrial engineer and a trained psychologist can work together to create the environment most fertile for creative thought.

Whether you employ two men or a thousand, you should employ their minds as well as their muscles. An expert cannot do the thinking for your employees — but employees can be encouraged to emulate his critical approach to problems and his belief that there is always a better way to do any job. When workers have learned this attitude from an industrial engineer, you have gained more than if you hire carefully-insulated business experts on a permanent basis.

There is sometimes a dread in the minds of workers that they may think themselves out of a job, but this fear is in fact chimerical. Unemployment is not caused by enhanced productivity otherwise we'd all be out of jobs by now, for productivity has increased a thousand-fold in the past century. The only way that Canadians can raise their standard of living is by increased productivity. And the key to this may well lie in *creative management.*

Application to health, social welfare, and family planning

Work for health/social welfare/family planning inevitably involves contacts with clients. Persons doing home visiting, registering clients at the clinic, or teaching new clients are all having contacts with people. Skillful work in such situations requires that each client be treated as a person; his unique problems and situation must receive sympathetic attention. The health/social welfare/family planning worker who does this will probably have the following qualities:

(a) She likes her job and is committed to the program.
(b) She believes that her ideas and opinions have been considered in setting up the work arrangement.
(c) She feels that she has the freedom and responsibility to use her judgment in handling problems.
(d) She freely exchanges ideas with her supervisor, who considers her suggestions seriously.
(e) She makes friends with the clients and remembers them when they return to the clinic.

The poor white-collar worker may be expected to have the following characteristics:

(a) She dislikes her job and does it only for the money.
(b) She treats all clients alike, in a mechanical fashion; she remains insensitive to individual differences and needs.
(c) She is often absent or tardy.
(d) She is cold, officious, and bureaucratic in her contacts with people, showing more concern for following the rules than for serving the clients.
(e) She accepts orders from her supervisor without comment, meanwhile feeling that her supervisor does not understand her problems.
(f) She is often absent from work, is chronically late, and leaves work as early as possible. Only the watchful eye of the supervisor keeps her attendance within acceptable bounds.

According to the readings presented above, the characteristics of good worker performance are those associated with the human relations (theory Y) approach to personnel management. Moreover, the characteristics of poor workers are those associated with the authoritarian (theory X) approach. If this is correct, one must conclude that the present tendency to manage health/social welfare/family planning workers by authoritarian methods encourages poor worker performance and low productivity. Major improvement in personnel performance could result from the introduction of more human relations elements.

Questions for discussion and exercises

1. In some health/social welfare/family planning programs each worker is assigned a quota of visits or adopters she must obtain each month. Is this a theory X or theory Y policy? How could it be modified to contain a stronger human relations element?

2. Many health/social welfare/family planning programs pay their workers on a "piece rate" basis: they receive a small base salary and an additional payment for each visitor or new acceptor they recruit. Is this basically a theory X or a theory Y policy? How could it be modified to incorporate more of the human relations approach?

3. A major problem of services at clinics is that the workers are bureaucratic, harsh with patients, and neglect to tell the patient everything he or she needs to know in order to carry out the prescribed treatment. Do you think this is a direct consequence of the fact that the system is authoritarian? What human relations actions could be taken to improve the quality of service?

4. In most family planning programs of the world there is a tremendous gap between the expressed attitudes of the public toward family planning, which are favorable, and the low level of actual practice. This could be stated in another way: to date the productivity of the family planning program has been very low. Low productivity, according to the readings, is associated with authoritarian personnel policies. Do you think this is a partial explanation of this problem in family planning?

5. Both of the readings emphasized the importance of encouraging workers at all levels to contribute ideas for improving their productivity. Do you think health/social welfare/family planning programs in your community are "wasting the brainpower" of their employees as the reading by Carson E. Johnson suggests? Do you think a system-wide campaign to obtain recommendations from the workers on improving their work, followed by an implementation of the best of them, would result in a marked improvement of service? If so, how would these organizations set about doing this?

Chapter Two

THEORY OF ORGANIZATION AND MANAGEMENT

Personnel management concerns itself with individual workers. It thus contrasts with the field of organizational management, which views the firm as a functioning machine in which individual people are only replaceable parts. Organizational management deals with strategies and plans for preserving the well-being of the corporation, the government, the department, or other formal organization. It focuses on the forest, whereas personnel management tends to be concerned about the individual trees. When people refer to "management training" they usually are referring to organizational management and not to personnel management. In fact, organizational management is the major field for study in all programs of training for administrators—be they business administrators or public administrators. Personnel management, by contrast, tends to be a secondary course, taken after the principles of organizational management have been mastered.

The present book has been assembled, in fact, because of the relative neglect of personnel management in the field of white-collar employment, compared with the great emphasis upon organizational management. Nevertheless, it would be unrealistic to forge ahead through the following chapters, each dealing with a particular set of personnel management problems, without first placing the whole process in its proper context of organizational management. The present chapter, therefore, takes time out to take a brief overview of organizational management and to link it to the work of personnel management.

Personnel work takes place in a context of organizational plans and arrangements. The firm is divided into departments and divisions; it has its roster of officers and officials whose duties are defined in manuals and memoranda. Almost never does the personnel manager himself have power to

change these organizational structures; he must accept them and try to carry out his work within the given framework. Nevertheless, he must be sensitive to the organizational context. Not infrequently poor organizational management creates personnel problems which will remain chronic until an actual reorganization takes place. At such times, the personnel manager can be an important resource if he is well trained in general (organizational) management theory. Even when there is no crisis, the personnel manager is better able to do his job if he appreciates the design and philosophy of the organization, and the strategy which its top officials have for directing it. It is therefore essential that the personnel manager possess a good background of organizational management theory. It is beyond the scope of this book to do more than provide a brief orientation in this direction.

The present chapter, therefore, is only a quick overview and not a comprehensive treatise. It is presupposed that many readers already have received instruction in organizational management theory or have a good grasp of the organizational structure and philosophy of management of their own organizations. The function of the present chapter is only to summarize the body of principles very briefly, thus establishing a context for the specific personnel tasks which are to be taken up in later chapters.

Because the book is intended primarily for those interested in personnel administration for health, social welfare, family planning, and the other white-collar personnel, the chapter emphasizes improving the efficiency and quality of service rather than making a profit. In selecting the materials for this chapter several considerations were kept in mind. First, it was desired to give the chapter a general theoretical flavor, which the first article seeks to do. Next it was desired to point out that general management theory has made efforts to incorporate the human relations perspective, introduced in Chapter One. This has taken the form of "systems of management" which have been popularized under code names. MBO (Management by Objective) is one such system, introduced in the first article. The second article provides insights about some of the questions which arise when the human relations approach is introduced as a part of management policy.

One of the essential activities which personnel managers—as well as all other administrators—perform is the coordination and scheduling of many diverse but interrelated activities, so that each part of the total task gets completed with a minimum of waiting time for laggard units to contribute essential elements. PERT, discussed in the third reading, is a management system intended to accomplish this. It was included in this chapter because it introduces an essential set of problems and an outline for solving them. The final reading returns to MBO and catalogues a lengthy list of errors which are most commonly committed when the human relations approach is introduced into an organization as a part of general management policy.

AN ESSAY ON FORMAL ORGANIZATION

Donald J. Bogue

Definition. A formal organization is a group of persons who are so closely linked to each other by an explicitly stated set of rules and procedures for the performance of a particular objective or set of objectives that the entire group is officially recognized as a distinctive unit in the national or communal social structure. Factories, retail stores, churches, elementary and secondary schools, colleges and universities, hospitals and all of the departments, divisions, branches, or offices within national, provincial, or local governments are examples of formal organizations. The dividing line between formal (or "enacted") organizations and informal (or "crescive") organizations is that the former are based on formally declared charters, constitutions, articles of incorporation, licenses, ordinances, or other public declarations of association according to explicitly recorded procedures or rules, whereas the latter are based on generally accepted but unrecorded arrangements. Formal organizations usually have a legal status, which gives them special privileges as well as public obligations which informal organizations lack. Professional societies, labor unions, political parties, social clubs, avocational groups or charitable enterprises which have been incorporated or legally licensed are also formal organizations, although their membership may be widely diffused.

Formal organizations have certain physical characteristics which help to give them visibility and continuity. They usually have a headquarters office which controls and administers the group activity. They may own property or collect money, and engage in operating substantial physical facilities such as factories, stores, branch offices, or service outlets. Usually all or some of the members receive a salary, wage, or other benefits from their participation.

In addition to legal or other official documents which authorize the formation and functioning of an organization, the organization itself develops bylaws, manuals of operating procedure, and prescribed arrangements for accomplishing the organizational goals, which serve to regulate the relationships of the participants.

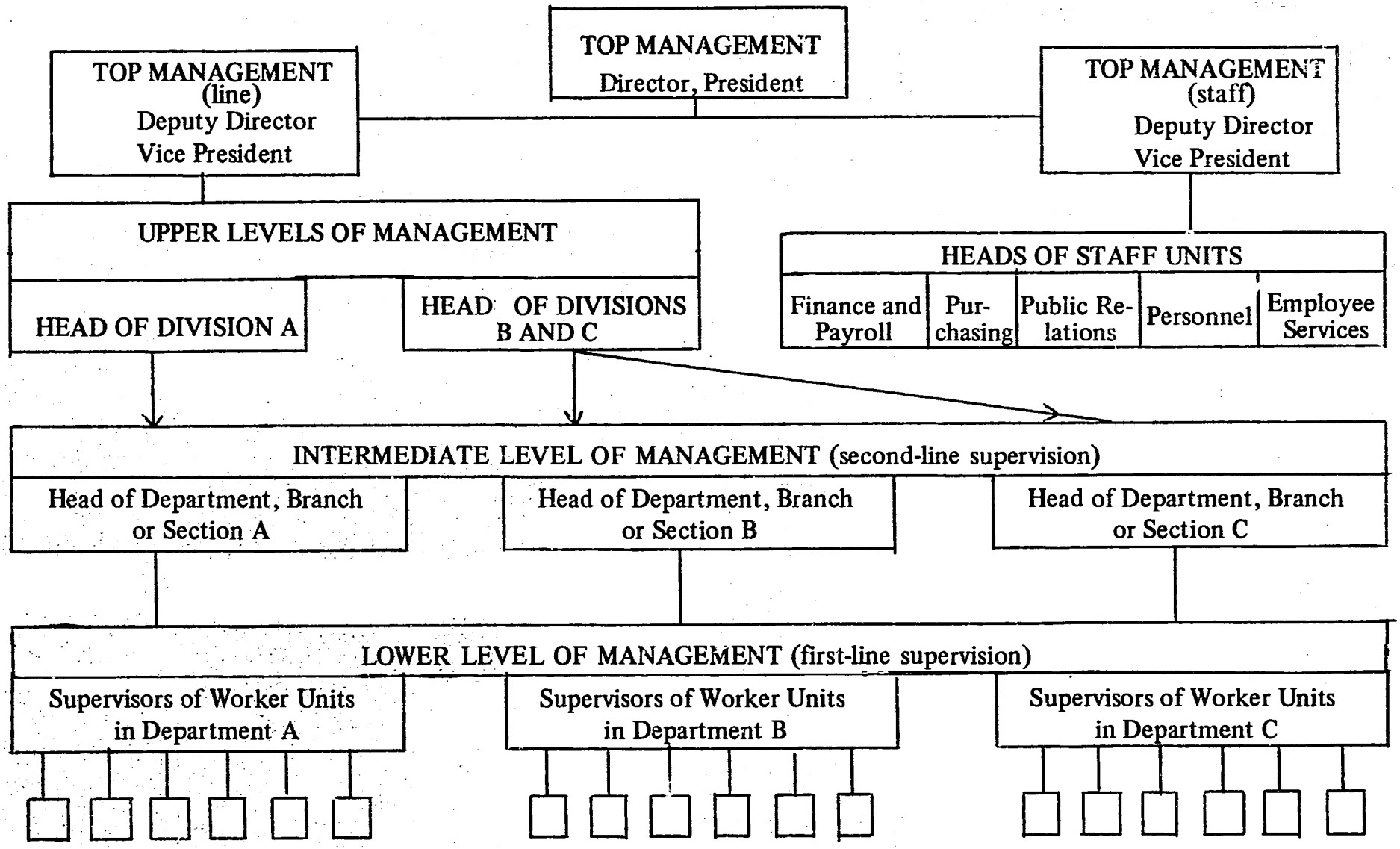
I
Internal Structure and the Principle of Authority

The persons who are incorporated into a formal organization are not a chaotic, undifferentiated mass. Instead, each is related to every other according to a prescribed pattern. Each of the activities which the organization is to perform is explicitly defined and limited in scope, then assigned to a person or group of persons to perform. The role of each person in each group, and the interrelationship of the activities and the groups are also explicitly defined. Underlying this process is the famous "division of labor" principle—greater efficiency and effectiveness can be achieved by subdividing a total task into discrete parts or steps, then assigning individuals specialized tasks to perform.

In order to coordinate the activities of the specialized workers, some method of control and direction is required. The classic way of accomplishing this integration is through a system of stratified authority. "Authority" is the power, invested in a person, to require compliance (within limits prescribed by rules of procedure) of a set of designated individuals who perform a particular assigned task or function in the organization. Persons who hold such authority are themselves held responsible by persons higher in the organization who exercise even more authority. This builds a "pyramid of management" in which a very few persons at the top wield great authority and a great many supervisors (quasi-managers) at the bottom wield only a small and limited authority. Each division of labor or breaking of the overall task into its specialized components is parallelled by the assignment of a management position to each component. These management positions are then arranged in a logical hierarchy of authority and status. Rules, regulations and procedures are established that prescribe the responsibilities and duties of each manager and his position within the pyramid. This establishes a "pecking order," a chain of command among managers.

Thus, classic organization theory stresses layering of formal or enacted authority based on procedural rules and institutional decrees. This calls for tight controls, formally stated policies and procedures, and the expectation that individuals will comply with the requirements of the system, regardless of the individual needs of the persons involved. Figure 1 is a schematic "organization chart" which illustrates the layering principle. This chart is intended to emphasize that the organization chart which may be drawn up by a particular organization is only a specific application of a general system of layering of authority. At the lowest level are the "first line supervisors" who oversee the work of groups of employees. Usually these employees are engaged in similar tasks or have as their objective the performance of a given function or conduct of a particular process. Sometimes they serve a particular clientele or service a given geographical area. The workers in each unit respond only to instructions given by their immediate supervisor.

Figure 1. SCHEMATIC ORGANIZATION CHART ILLUSTRATING THE LAYERING PRINCIPLE



Groups of supervisors are themselves supervised or managed by intermediate level administrators. The units of the lower level are grouped together in terms of some broad set of principles also (similarity of work, similarity of purpose or objective, similarity of clientele, geographic proximity, or other criteria, taken either singly or in combination). Each grouping is declared to be a "department," "section" of the whole, and an intermediate level administrator is placed in charge of it.

Departments, branches, or sections may themselves be grouped into fewer larger units which may be called "divisions," "subsidiaries," or "districts." The criteria for this grouping may be those listed below or additional ones that are meaningful in the particular organization. Sometimes a division may have a single branch or department or it may have more, as illustrated in Figure 1. An upper level administrator is placed in charge of each of these divisions.

Staff functions. The hierarchy of managers that oversee the major activities of the organization—the purposes for which it was created—are called "line" officers. In addition, there are other activities which serve to keep the organization functioning smoothly but which are not related directly to the main activity. The managers who oversee these activities are called "staff" officers. Operating a restaurant for the employees, maintaining a medical office to care for injured or sick workers, and operating a personnel office to employ workers are examples of staff positions.

A major staff function is accountability. Large and complex organizations must provide special arrangements for maintaining accountability. Financial transactions; purchase, storage, and delivery of materials; inspection of products for quality, and other accountability procedures may be placed in the hands of a separate division which has authority to function in its restricted sphere in all lower levels of organization. This is illustrated in the right-hand division of Figure 1. Thus, there may be two parallel hierarchies: one for line and one for staff functions. The line organization is much larger and usually carries more prestige than staff positions.

Top management. Above the upper level of management are the top management officers of the organization: the chief administrator and his deputies. This is the "peak of the organizational pyramid." The deputies usually have a sphere of authority over particular functions or activities which may be relevant either in particular divisions or in all divisions. In Figure 1, there is one such officer for line and one for staff functions.

Organizations may differ in the number of layers, the number of units placed on each layer, the functions assigned to each unit on each layer, and the type and amount of authority given to the persons who head the units on the various layers. An organization with only one or two layers is said to have a more "horizontal" system of organization, while one with many more levels of management is said to be "vertical" or very hierarchical.

The patron saint of classic theories of formal organization is Max Weber, a German sociologist of the nineteenth century. Weber regarded formal authority of the type exercised by managers in formal organizations as the distinctive cohesive force in modern society. In order to accomplish large tasks involving complex technical activities it is necessary to have large numbers of workers each assigned to a specific specialized duty. By establishing a separate administrative system whose function it is to supervise or manage the work of individuals, and by controlling it in such a way that it meets the objectives of the organization, this mass of specialized effort can be made coherent and channelled into the desired result. He used the term "bureaucracy" to identify this separate administrative system. Its principal characteristics are as follows:

(a) Authority is arranged in a hierarchy and follows the division of labor chain.
(b) The chief function of the bureaucracy is to preserve the institution.
(c) Relationships between the members of the bureaucracy are impersonal, detached, or official and are governed by rules and regulations.
(d) The roles or activities of individual workers, both in the productive division-of-labor chain and in the administrative bureaucracy, are so specialized and explicitly delimited that when individuals drop out of the organization replacements can be substituted without serious disruption.

The internal structure of a bureaucracy is expressed in its clearest and purest form by the "organization chart," of which Figure 1 is a prototype.

II
The Classic View of Management and Administration

Each of the boxes in an organization chart is expected to be filled by an incumbent, who is known as a "manager," "administrator," or "official." The effectiveness and efficiency which the structure outlined in the organization chart actually attains is determined, in large part, by the behavior of the "managers" or "administrators" who occupy the positions specified in the organization chart and exercise the authority which goes with the position. A body of theory, knowledge, and principles about this aspect of organization gradually is accumulating. To many sociologists and psychologists it is an important area of research. In schools of business administration, public administration, education administration, health administration, and welfare administration it is a key discipline which is taught as a system of guidelines, principles, or even rules. Among some of the theorems which are widely accepted are the following:

1. *Definition of function.* Each unit in the organization must be explicitly defined and delimited in scope. Insofar as possible its activities should be

unique and non-duplicative of the activities of any other unit on the same level of authority.

2. *Chain of command.* The amount and scope of power and authority should increase at each higher level in an organization in comparison with lower levels.

3. *Unity of direction.* The authority of an administrator on a particular level is limited only to particular designated units at lower levels. Subordinates at lower levels are under no obligation to obey the commands of senior officials whose chain of command lies in another department or division.

4. *Span of control.* The functions which are given to a particular unit should be of sufficient quantity and variety to keep the incumbent fully and profitably occupied. However, they should not exceed in number and complexity the capacity of a well-qualified incumbent to perform them. There is a limit to the number of different functions a single official can administer, to the number of subordinate officers whose work he can personally direct, to the total number of managerial transactions he can perform per working week.

5. *Rational exchange.* An organization which has been enacted on the basis of careful definition of functions, specification of chain of command, unity of direction, and delimitation of span of controls is one that has been formulated on the basis of rational calculations made according to knowledge of human capacities and capabilities. Each person in the management hierarchy will rationally perform his duties in exchange for the rewards he receives.

6. *Motivation.* If appropriate rewards (salary, prestige, benefits) are offered, qualified persons can be induced to perform the prescribed work in exchange for the rewards. The classical theory assumes that workers are primarily motivated by economic rewards. Material rewards should be tied as closely as possible to work effort. Pay should therefore be on merit of performance. The unit of time for which pay is given should be as small as possible. The ultimate ideal, where possible, is piecework wages in which pay is directly dependent upon the actual amount of work accomplished. From this point of view, management or administration consists largely of overseeing a system of rational exchange between the formal organization and its members in accordance with rigorously defined rules. By administering the rules impartially and justly, and by proportioning the amount of reward to the amount and quality of the assigned work, the entire system is made to function. When he accepts the position and the reward offered by the organization, the manager is expected to assume the functions of his office—a set of duties which he is expected to perform loyally, even under circumstances of stress and duress.

The general principles stated above have found their purest expression in military organizations, especially before World War II. They have been adopted or adapted by business corporations, government departments, educational institutions, corrective and public service institutions, and many others.

III
Internal Stress in Formal Organizations

The ideals of efficiency to which the classic theory of organization aspires are seldom, if ever, fully achieved in reality. Organizational plans which look splendid on paper often turn out to be fiascoes when put into practice. On the other hand, some organizations which would appear to be very haphazardly organized show great productivity. The critical difference appears to lie in the presence or absence of internal stress between the managers and their workers and among the various managers themselves.

For some managers, enforcing the rules for attaining the organizational goals may become an end in itself. Instead of achieving coordination and integration, the various departments or branches of the organization may compete with each other, or their managers may try to impede each other's work. The entire organization may desert its original goals, and may devote most or all of its energies merely to maintaining its existence and keeping its members employed. Preserving one's position in the hierarchy of authority (or climbing even higher within it) may motivate individual manager's actions more than loyal and efficient performance of duties. Authority and power may be wielded in such a way that their exercise maximizes the personal reward to the incumbent rather than maximizing service to the public or other organizational goals. Instead of being impersonal and rational, interaction between officials may be guided by intense personal likes or dislikes. To the extent that these stresses develop, worker morale tends to sag, turnover tends to be high, creativity and initiative decline, and the capacity to handle crisis situations is dissipated.

Organizations enacted and administered along strictly classical lines are so prone to one or more of these ailments that terms such as "bureaucracy," "administrative channels," and "company policy" have become stereotyped synonyms for mindless enforcement of rules, needless procrastination and delay, refusal to act on the basis of petty and inconsequential deviations from customary practice, and lack of justice to the individual worker or concern about the effect of administrative behavior upon the individual worker's attitude toward his work and the organization that employs him.

IV
Informal Organization

Numerous researchers over the past quarter-century have demonstrated that the members of formal organizations invariably react to the formal authority structure and its rules by a gradual development of an informal pyramid. Within the context of the formal division of labor and management they

establish unwritten but generally accepted principles and rules of conduct and work. They strengthen or weaken the enforcement of particular company policies. They influence managers and administrators to apply the rules differentially, and they develop traditions and precedents which managerial incumbents sometimes dare not countermand. They develop policies concerning how much information and what types of information can be transmitted as feedback to their supervisors and thus to higher echelons. In some cases, this informal organization may be highly functional in promoting the declared aims of the organization. Perhaps equally as often it is organizationally dysfunctional and developed primarily to protect the individual workers from the frustrations and indignities of the extreme dependence and subordination demanded by a classic authority system—especially when there are few other safeguards against excessive use of authority and power. Mass aggression, regression, and anomie are other reactions which can develop as organizational diseases spawned and supported by informal organizations within the institution. Apathy, absenteeism, withholding of information, minimal cooperation, or transfer of enthusiasm and energies to activities unrelated to work are other by-products of internal stress and dysfunctional informal organization.

When these ailments strike, classical managers typically react by tightening up the structure, enforcing the rules even more rigidly, replacing permissive "employee-oriented" administrators with those more "company-oriented," and tightening the flow of communication so that it conforms more narrowly to the chain of command and unity of direction principles. Under these conditions, communication tends to be from-the-top-down, with less feedback of information from-the-bottom-up.

Not infrequently the informal organization that develops within an organization is rationalized around cliques or competing factions, each struggling to maximize its power or goals at the expense of other cliques or individuals. These cliques may be integrated around racial, ethnic, religious, political, educational, occupational, or other lines.

Management and administration of formal organizations must come to acknowledge the existence of informal organizations as an overlay or external ornamentation of the formal structure. They must deal with them as a fundamental fact of administrative life. The extent to which they can be rendered functional from an organizational point of view is a measure of the managers' administrative sophistication and skill.

V
Defects of Traditional Management Theory and Practice

The above description makes it clear that as they actually exist, typical formal organizations are based upon three organizational subsystems:

(a) A *technical* subsystem—the scientific division of labor, the assembly of technical knowledge and skills needed in order to accomplish the task.
(b) An *administrative* subsystem—the system of authority which manages basic policies and procedures and coordinates the functioning of the technical subsystem.
(c) A *social* subsystem—the network of human relationships that develop among the human beings who must cooperate to perform the work of the organization.

A major failure of the classical theory of management is its failure to acknowledge and take account of the third of the above subsystems. In many respects, the premises upon which the traditional bureaucratic pyramid is built are inconsistent with the social values of the human beings who are employed within them. The pyramidal principle is not invalid; it is only incomplete. When exercised in a mechanical way, it tends to coerce human beings in ways which are dysfunctional for the organization itself as well as for the individual employees. It is a basic misconception of classical organization theory that a human being can be directed and controlled as if he were simply a special type of machine—a logical and programmable instrument for performing a specified job—and that his emotions can be ignored:

> The organic quality of the human being is not considered; his capacity to grow and to adapt to change does not enter into the equation of management. The organization suffers not only through loss of human potential for growth but also through the rigidity that evolves from the constraining pressures of bureaucracy. Through inflexibility and lack of human growth, the organization loses its ability to cope with the changing forces of an inconsistent world.[1]

This defect of the traditional management approach manifests itself in many ways and at all levels of authority. Workers at the bottom of the pyramid tend to acquire brute passivity. Bored and frustrated, they develop an attitude of apathy and a feeling of alienation from the organization. They communicate these emotions to each other and thereby reinforce and legitimate them. The social subsystem that develops is typically "anti-establishment" at the bottom of the pyramid.

Toward the top of the pyramid the defect manifests itself in other forms. Since rewards (and punishments) flow from the top downward, the managers seek to maximize their rewards and minimize their punishments. They behave in ways which will gratify their superiors, minimize challenges from their equals, and cause their subordinates to be loyal to them. "Don't make waves," "Give the boss what he expects," and similar rules-of-the-road for upwardly mobile bureaucrats create an atmosphere of fear, submission, and not taking risks. The traditional management system stifles creativity, bold action, fresh

[1] Arthur H. Kuriloff, *Organizational Development for Survival* (New York: American Management Association, 1972), p. 19.

thinking, and honest assessment of and dealing with reality among the middle and upper levels of management.

Because these defects of the classical school of management have become glaringly apparent, new schools of management theory are being developed. One classification of these schools is as follows:[2]

(a) Management process school: management is a process of planning, organizing, staffing, directing and controlling.

(b) Decision theory school: management is a process of decision making; analytic techniques can make each decision a more rational selection among alternatives.

(c) Mathematical school: mathematical models can simulate actual operation of organizations and increase understanding of management problems and the forces involved.

(d) Empirical school: the study of real management cases gives a broad experience which can be applied in new situations.

(e) Social system school: an understanding of how social groups interact can help solve problems of getting people to work together to attain organizational goals.

(f) Human behavior school: an understanding of how individuals interact in group situations (behavioral science) can help solve problems of getting people to work together.

These schools disagree in many ways, but all tend to concur in one premise: modern management requires that the defects described above be reduced by some procedure for taking into account the existence of the social subsystem. Somehow it must be modified so that it reinforces and complements the technical and administrative subsystems—rather than sabotaging them. All of the schools, but particularly the last two in the above list, have incorporated a great deal of social science theory and research as a major modifier of classical organization theory. We have called this the "human relations" or "social science" element in management theory.

The importance of taking into account the human nature of workers has resulted in the development of practical "packages" of management practice based upon sociology and behavioral science. One of the better known and more widely accepted of these is a program called Management by Objectives—MBO. This is a management theory based upon the principle that each worker should work in terms of the objectives of the organization after participating in the establishment of those objectives. Instead of the old-fashioned chain of command, with orders descending from the top downward, MBO calls for a more open kind of management, in which managers at all levels join in the planning of policies, goals and action plans. This policy allows the creative potential of all levels of managers and supervisors to be tapped. Manage-

[2]See Harold Koontz, *Toward a Unified Theory of Management* (New York: McGraw-Hill, 1964).

ment by objectives includes the principle that the individual worker should be involved in his own management, and should be helped to grow and to attain higher levels of achievement. In consultation and agreement with his manager, practical and attainable levels of attainment (objectives) are set in a way that will enhance the capacity of the subordinate. In this way, even the lowest level of worker may participate in the establishment of management policy and company goals. In many cases the traditional pyramid form of organization is discarded for a "management matrix" system in which two or more sets of managers (technical managers and project managers) jointly exercise responsibility for coordinating work to attain particular objectives. This human relations component of some of the newer systems of management is considered to be such a revolutionary set of ideas in traditional companies that it can be instituted only by a gradual process which may require the participation of an external expert to teach managers its use and to counsel and coach them through the transition. The process of transition from the chain-of-command to the MBO or other social science approach to management has come to be termed "organizational development."[3]

VI
Worker-Management Conflicts of Interests

Despite their apparently diametrically opposed orientations, the traditional and the human relations approaches to management share one common element. They both assume that there is a community of interest between management and workers. Although the two approaches differ radically in their prescription on how to attain high productivity and efficiency, both assume that the best interests of individual workers and the organization are not basically inconsistent. Both assume that the workers concur that the charter of the organization is legitimate and that the system of authority installed to oversee the production workers is acceptable to the workers. The classical theorists believed that "what is good for the company is good for the workers." The behavioral science approach to management modifies this philosophy only slightly: "An arrangement that is best for both the company and workers can be arranged." This latter group believes that most problems of management can be traced to outmoded administrative practices. Once managers and workers understand that both are human beings with many needs which cannot be satisfied by salary alone, major management problems will disappear.

A school of sociologically-oriented theorists which has termed itself "structuralist" challenges this underlying assumption. These critics maintain that it

[3]A comprehensive statement of this approach is contained in Arthur H. Kuriloff, *Organizational Development for Survival* (New York: American Management Association, 1972).

is factually incorrect to assume congruity of interests between workers and managers. In many areas (especially in the realm of income) they insist that the interests of the workers run counter to the interests of management and that no amount of infusion of MBO, job enrichment, or special communication programs can alter this fact.

> The structuralists suggest that the Human Relations approach did not provide a full view of the organization and that its partial view favors management and misleads workers. The structuralist sees the organization as a large, complex social unit in which many social groups interact. While these groups share some interests (e.g., in the economic viability of the corporation) they have other, incompatible interests (e.g., in how the gross profits of the organization are to be distributed). . . . The various groups might cooperate in some spheres and compete in others, but they hardly are or can become one big happy family as Human Relations writers often imply.
>
> Two groups within the organization whose interests frequently come into conflict are management and the workers. This is largely because management's effort to get him to work is basically alienating to the worker. There are many ways to make labor more pleasant, but none to make it satisfying in any absolute sense. . . .
>
> To be sure, the Human Relations approach has indicated some ways in which the resulting frustrations might be reduced, but, the structuralists insist, there are sharp limits to the degree to which this can be achieved. . . . Workers, it is suggested, spend much of their working day in a semi-conscious delirium, dreaming about their major source of satisfaction, the post-work day.
>
> By providing an unrealistic "happy" picture, by viewing the factory as a family rather than as a power struggle among groups with some conflicting values and interests as well as some shared ones, and by seeing it as a major source of human satisfaction rather than alienation, Human Relations comes to gloss over the realities of work life.[4]

The structuralists point out that the behavioral science approach has a distinctly pro-management bias and that the findings of psychology and sociology can be used by them to manipulate the workers to favor the interests of the corporation. In many instances, it is contended, the programs are outright deceptions—workers do not actually participate in setting objectives and making decisions, but are only involved in ceremonial meetings whose major objective is to create the illusion that they are. They assert that sometimes the best interests of the workers, of management, or of both are best served by outright confrontation, and that conflict is sometimes desirable in order to eliminate intergroup (management-worker) arrangements which cannot be

[4]Amitai Etzioni, *Modern Organizations* (New York: Prentice-Hall, 1964), pp. 41–43.

patched up by behavioral science bandages. Labor unions, the structuralists remind us, do not necessarily lose their appeal for workers when modern systems of management based upon behavioral science are instituted.

It is not correct to equate the behavioral (Human Relations) approach simply with trying to make workers "happy," as in the Etzioni exposition cited above. This approach is roundly attacked by the leading experts on behavioral management.[5] Whereas the behavioral approach tends to have a pro-management bias, at least some of the structuralist writings have an equally strong pro-worker bias and hence are not necessarily more objective or scientific. Nevertheless, a balanced approach to the study of formal organizations should include an awareness and appreciation of the criticisms which the structuralists make of the behavioral approach to the study of organizations.

It is difficult to accept seriously the so-called structuralist approach as a separate "school of thought" in the field of organization study. The scientific study of formal organizations is far from complete, and will continue to benefit from the participation and contributions of all social science disciplines, from anthropology to psychiatry and even including history. Instead of creating a new discipline, the structuralists have made an important contribution to a pre-existing one which, simply because it is growing and improving, need not change its name. The concept of a "human relations" approach to social organization is capable of subsuming the structuralists' insights, rather than the reverse. Only when it adopts an extreme position about the role of managers in organizations, such as those held by anarchists or Marxists, does the structuralist approach to organization seem sufficiently distinctive to treat it as an alternative set of theories.

VIII
Personnel Management and Management Theory

Because of the widespread recognition of the human element in management, the staff function of personnel management has assumed much greater importance in modern management theory than it occupied in the traditional Weberian system. Much more of the managerial task is now acknowledged to be the management of human beings as human beings, rather than as robots. Most management theories do not discard the classical principles of the managerial pyramid; they simply try to minimize the dysfunctional human behavior that such pyramids often engender. A first step in this direction is to understand what motivates workers to work. Once the forces which motivate

[5]One outstanding critic of the "happiness" approach is a leading behavioral theorist, Frederick Herzberg, who is most impatient with those who equate the two. See his article "One More Time: How Do You Motivate Employees?" which is reproduced in Chapter 3 of the present volume.

workers to perform more efficiently are understood, the problem remains of harnessing these forces in practical management programs that are effective in particular organizations.

With this rise in the importance of personnel management has come a significant change in the professional status of personnel managers. Instead of merely a high-grade clerk who takes care of the petty administrative details which accumulate because of human frailties and inabilities of individuals to fit into the system devised by the corporate managers, the personnel manager now is an essential part of the accountability function. He helps set and maintain standards of quality in the exercise of management. He helps establish management policies that are based on research in the behavioral science of work. He has professional management skills which other managers in the system need to be taught.

In order to perform these higher duties properly, the personnel manager must be schooled in the theories of behavioral science and sociology in addition to the more traditional subjects of business administration and public administration. He must keep abreast of a steady flow of research literature on the social science aspects of work and apply it to the needs of his own organization. The function of personnel management, in short, is rapidly becoming another field of applied sociology and social psychology.

MBO: What's in it for the individual?

Ethan A. Winning

Many organizations that have introduced management by objectives (MBO) have assumed that achievement of objectives per se is motivation for the individual—but this assumption lies behind the failure of many MBO programs. An awkward number of individuals still ask, "What's in this for me?" For that reason, this writer believes that achievement of objectives is not a motivator unless it is linked to a reward system.

The rationale of organizations adopting MBO is this: Achievement is a motivator; meeting objectives is achievement; therefore, meeting objectives is a motivator—something satisfying to a person. The problem lies with the defining of achievement and motivation. In their dictionary of psychological and psychoanalytical terms, English and English define achievement as "success in bringing an effort to the desired end." In this case, who is stating what the *desired* end is? Usually, it is the organization; even when the individual has a say in the definition of the goal, it is external to that person. And achievement has quite a different base from motivation, which English and English describe as "the general name for the fact that an organism's acts are partly determined in direction and strength by its own nature . . . and/or internal state." What is motivating to an individual is, then, determined by the individual. What is achievement to an individual is shaped by external forces—the supervisor, the

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organization, for example. And how does the individual know he has achieved? He may have a *sense* of achievement, but it is the external reward for attaining the desired end that overtly tells him that others recognize his achievement—an essential condition to his internal motivation.

In other words, MBO without tangible rewards is MBO in a vacuum. Rewards are tangible referents by which the individual can measure whether or not, and how much, he has achieved, grown, and been recognized. Motivation depends on how well an individual's needs are met. If achievement is one of those needs, the individual *may* be motivated by his own sense of achievement, but if his sense of achievement depends on confirmation by the rewards he receives for meeting objectives, then he will need the rewards, both as confirmation and as a device to measure how well he has achieved.

What is needed is a greater incentive for the individual to set and meet objectives, to be fully involved in MBO as a *process*. MBO is usually thought of as a *program*, and a program has both beginning and end. The fact that most MBO programs do have an end—die a natural death—may point to the underlying flaw in hypotheses companies have about MBO and what the individual will attain from them. The incentive should meet the individual's needs, the driving forces that propel (motivate) an employee toward a goal that is most often self-centered, rather than company-oriented.

Because motivation is internal, it is difficult to ascertain, but achievement is external to the individual, and achievement can be measured. MBO is a system for measuring achievement, or at least it can be. By itself, it may satisfy only the organization's needs. It may aid in planning. It may help in assessing productivity, costs, overhead, and so on. If it doesn't satisfy individuals' needs, however, in the long run MBO won't work for the organization, either. MBO with a reward system is a viable approach to meeting corporate needs *and* individual needs, to meeting the terms of the company-employee "psychological contract."

In an MBO/Rewards system, what rewards?

There are, of course, a number of different incentive or reward plans, the success of which is dependent on the type of organization involved. One of these incentive systems, piecework or commission, predates MBO by several decades. Another, the bonus, goes at least as far back as Bob Cratchit's Christmas turkey. Last, we have a percentage system; it may be a percentage of salary increase based on productivity, or a percentage based on sales, or profits.

The idea behind piecework was to get the employee to produce more by paying him in terms of the number of items he produced. It is still a common practice, especially in textile, electronics, and other assembly line industries. The commission, one step above piecework, is usually paid in sales areas, the salesman reaping a percentage of the sales he has generated. One step further is, of course, salary-plus-commission. These three (two-and-a-half?) systems have one common underpinning: The individual is rewarded, or paid, according to his own productivity.

Is the piecework or commission system a good one? To the extent that both have at times excluded other motivational factors, no. To the extent that both place the responsibility for productivity on the individual, yes. The individual sets his own pace and in doing so has set certain objectives within corporate standards to be met. Both systems are MBO approaches without being labeled as such.

The bonus is probably the oldest form of incentive system, and is currently particularly popular at upper-management levels. The bonus is based on an individual's present salary, his status in the organization, his productivity, or the company's profit picture. It is an incentive, but it loses much of its motivational impact because it is too far separated in time from performance, or it may be given across-the-board without regard for individual productivity.

Moreover, its impact is limited; it does not reach far enough down into the organization to affect the middle- or lower-level employee. Thus, the lower-level employee who gets no bonus feels that he is doing the "real" work, while upper-management reaps a percentage of the profits the employee has been instrumental in attaining. If such is the case, why should the lower-level employee write objectives and try to meet them? He may do it because he has been told to, but he will really want to write and meet objectives only if there is something in it for him, a tangible reward when the goal has been reached.

If the bonus is given once a year, then how does one sustain the momentum to reach the desired goal? Perhaps the bonus will have to be a large one, or perhaps it should be given out several times a year—for instance, at the end of every objectives-review period. If a bonus system is used, it should be related to objectives and based on productivity. For that matter, all incentives should be based on productivity, or value to the company. If bonuses are handed out across-the-board, they will satisfy only a few, and may actually demotivate those who feel that they have been more productive than others who are receiving the same reward.

Some of the defects of a bonus system may be avoided in a percentage

system, which, all in all, is probably the most palatable and most productive when combined with MBO. The percentage of salary (perhaps with an upper limit of 25 percent and a lower limit of 5 percent) would be entirely an individual matter. The employee's performance, and only his performance, would be the basis for such a reward. His performance would be measured by how well he met the objectives that he was committed to and had contracted for with his supervisor. Since objectives can be set for anyone at any level in the organization, all employees could benefit from such a program. Moreover, since a manager is supposed to be in control of his organization and his subordinates' reaching or not reaching their objectives will reflect on his abilities, it is a fair system to use in both the evaluation of the manager's performance and his reward.

A percentage increase of salary can be seen as a type of bonus, but it is more specific and does not have some of the drawbacks of other bonus systems. It is related only to the individual's performance and on what he has agreed to attain, and the distance-in-time objection can be eliminated if it is tied to fairly short-term objectives, if, for example, objectives are set on a quarterly basis, and percentage increases are given (or not given) at those intervals.

The problems of an MBO/Rewards system

There is no question that there are negative aspects in all incentive systems, and they are complicated by problems inherent in MBO. The first question that comes up is that of the negative incentive, the reduction in salary or the loss of bonus because the employee hasn't met objectives. In theory, if an employee is to be rewarded for meeting objectives, then there should be a reduction or withdrawal of the reward for not meeting them. In practice, though, the theory should probably be "bent," so that there is always some percentage increase of salary, perhaps a cost of living increase. If an employee does meet objectives and gets a 20 percent salary increase, the employee who does not meet his objectives should receive a minimal increase at least for his effort to meet objectives.

There are some who would go so far as to give an individual a decrease in salary depending on the degree to which objectives were missed, and in an "entrepreneurial" context, this might be acceptable: *If* the individual had total control over his environment, the staffing, the budget, and the way the organization operated, like the self-employed businessman, he should expect to reap the profits, but he should also expect to take any loss, too. Setting objectives is a tricky business, however. Control of conditions is difficult enough at upper levels and sometimes

nonexistent at lower ones. There, aside from external determinants of productivity—the market, raw materials, and the like—much of an individual's achievement may be contigent on that of others inside his company. If a reduction in salary were to be imposed, in part because of factors he could not control, the employee's reaction to MBO/Rewards would become evident in a number of ways: He would set easily attainable goals; he would argue that *no* objective can be counted on as being attainable in present-day circumstances; he would set objectives having due dates months past the times when they can be achieved; he might reduce the number of his objectives; or he might just plain balk.

Overcoming the drawbacks in an MBO/Rewards system

Assuming that an MBO/Rewards system is decided on, how can these problems be solved? First, as is customary in MBO, objectives are set by the supervisor and employee together, to reflect the unit or corporate objectives. Ultimately, it's the boss's responsibility to see that objectives are reasonable and feasible, with dates that are neither too far off or too close, and that the number of objectives is realistic.

Second, the number of objectives, their timing, and their rationale should all be open to later negotiation and adjustment. Since it is difficult to fix objectives because of the control factor, the objectives should be flexible; the MBO process should allow for the changing of objectives when circumstances change beyond the employee's control.

Third, if the reward for performance is assured, the employee will probably want to achieve more than easy objectives. Of course, the supervisor or manager should not accept objectives that are "too easy," but he should not agree to too-difficult objectives, either.

To sum up, the points made here are these:

- MBO without an incentive program is a system without sound foundation.
- The individual is self-centered and needs a reward in order to meet management's expectations of him.
- There are three types of incentive systems that may work along with MBO and make MBO a stronger tool.
- The positive aspects of MBO/Rewards outweigh the negative.
- The negative aspects of MBO/Rewards can be handled.

A crucial step in the MBO process is the discussion between supervisory and subordinate in setting objectives, a discussion that should include both the definition of responsibilities and a definition of expectations. Expectations are more than objectives. They are statements of

desired behavior of both supervisor and subordinate. While the supervisor has expectations of the employee in terms of productivity and performance, the employee has expectations of the supervisor in terms of directon, support, training, and so on. If he is to achieve objectives that are aligned with corporate or unit goals, then he must be given the opportunity to explain what he needs from his supervisor in order to meet those goals. And the expectation of the company that he will meet those goals will be considerably more realistic if the employee himself has the expectation of a tangible reward if he does meet them. "What's there in it for me?" is a very human question.

PERT—Its Promises and Performance

Peter P. Schoderbek

FOR the smooth functioning of modern complex industrial society new management planning and control techniques have recently been introduced. Of these, one of the better known, more useful, and now widely accepted is PERT, an acronym standing for Program Evaluation and Review Technique.

From its inception in 1958, PERT (originally developed by the Navy for the aerospace industry) has aroused widespread interest in the business community and has won willing acceptance by a growing segment of private industry. For years industry had been seeking more realistic and more sophisticated approaches to the conventional managerial functions of planning and control. Here finally was a technique designed not only to improve project planning and control of the most varied and complex proportions but also one which has actually proven its ability to do so. So successful, in fact, has the Defense Department found this technique that it now requires all prime contractors to use it.

From the United States PERT has moved into Canada, crossed over into Great Britain and the European continent, and penetrated behind the Iron Curtain. The Canadian Government also now requires many of its contractors to use PERT or other similar methods. Although Great Britain began using PERT only a few years ago, their enthusiasm for this method has already been felt throughout Western Europe where they are promoting and endorsing this technique.

The real value and importance of PERT, however, can probably be more justly appraised by the extent of its adoption by those corporations not contractually obligated to use it. In the past several years, industrial applications have appeared at an ever increasing rate so that PERT is now no longer solely used for complex industrial and defense projects but is employed also by small firms for such tasks as book publishing, house building, theatrical production, marketing, and making organizational changes.

That PERT is already revolutionizing the planning and control function of management in many industries is a phenomenon familiar to many. Yet as the technique matures through imaginative use and guided experimentation, the added refinements that are bound to result will help usher in the day of the automated control system whereby management will become even more an operating reality rather than a textbook ideal. Herein lies PERT's long-range value to society.

Historical Development of PERT

In 1957 when Morgan R. Walker of E. I. du Pont de Nemours & Co. and James E. Kelley, Jr. of Remington Rand introduced the network method of depicting the project

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plan and of supplying time estimates for the completion of each job segment, it became possible to identify the job parts which were critical for the completion of the over-all project. This method became known as the Critical Path Method (CPM) and is the civilian counterpart of PERT.

In January, 1958 Willard Fazar of the Special Projects (SP) Office of the Navy Bureau of Ordnance, together with representatives of the consulting firm of Booz, Allen, & Hamilton, and of Lockheed Missile Systems Division began the development of a network system for managing the Fleet Ballistic Missile (FBM) program. They originally named their network system the Program Evaluation and Research Task—later changed to Program Evaluation and Review Technique. They developed this technique because, with advances in technology, the complexity of the Navy weapon and support system had increased significantly. The research and development and the actual production and installation of the above-mentioned systems had also assumed prodigious proportions. Since some 2,000 contractors were involved in the FBM program, a new managerial technique was evidently required to integrate the major program tasks upon which so many subordinate ones depended.

While the list of PERT users is growing rapidly, most users are in the two major areas of application—research and development, and construction. The use of PERT in the construction industry is especially appropriate since the myriad requirements, related interdependencies of projects segments, and the over-all coordination needed in this industry fit nicely into the PERT framework. It is interesting to note that for the 1964 World's Fair almost all of the major exhibitors have used the network approach for planning, scheduling, and controlling progress on the projects. Although the construction industry uses the Critical Path Method (CPM), there is essentially little difference between it and PERT. PERT uses three time estimates—the Optimistic Time, the Most Likely Time, and the Pessimistic Time—while the CPM utilizes only one time estimate—the Expected Time.

The Basics of PERT

As originally conceived, PERT's prime objective was to provide management, through an integrated system of forced planning and evaluation, with on-the-spot control at any point in time and at the proper organizational level. A notable weakness of many current reporting tools is the time lag in the reporting of timed data and the evaluation of the possible effects of such belated data on the successful outcome of the project. With PERT, however, it is possible to observe the effects of any one activity upon the total performance. Because PERT is a dynamic reporting tool, it can call attention to trouble spots requiring immediate remedial decisions if deadlines are to be kept. This progress reporting can be done as often as management desires, although many users have found a bimonthly report sufficient.

PERT highlights critical activities with the end result that trade-offs in manpower or other resources may profitably be resorted to. If, for instance, a breakthrough occurs in one part of a network—less time is consumed than was expected—then it is possible to utilize this manpower and equipment on other major activities either to shorten their completion dates or, if behind schedule, to bring them up to their expectancies. PERT accepts project uncertainties as part of the system and is consequently readily adaptable to unforeseen changes in the program. By its very nature it forces the development of a logical and comprehensive plan for program completion and permits realistic rescheduling to meet the exigencies of the situation.

Basically, PERT is concerned with the formulation and development of a sequential network consisting of the totality of activities required for implementing the final objectives. Each activity is carefully analyzed so that a realistic estimate of the time required for completion can be made. But since PERT is so often used on the construction of devices never

before produced, the time estimates must necessarily be somewhat uncertain.

To cope with this uncertainty factor PERT utilizes a weighted time average, the Expected Elapsed Time, calculated from the three time estimates for every activity. Given these three time estimates, a computer can be used to compute the expected completion dates for each activity (or this can be done manually) and to calculate the Latest Allowable Date on which events must be completed if the key objective is to be reached.

PERT Network

The PERT Network is a "flow diagram consisting of the activities and events which must be accomplished to reach the program objectives, showing their logical and planned sequences of accomplishment, interdependencies, and interrelationships."[1] It is important to notice that the network comprises not only events and activities but also the interrelationships that exist between them. Fundamental to an understanding of the network are the concepts of *events* and *activities*.

An event is a "specific, definable accomplishment in a program plan, recognizable at a particular instant in time. Events do not consume time or resources."[2] Each accomplishment in a specific program is an event and is usually represented visually as a circle or as a rectangle. Typical events might be "Start training personnel," "Start production," etc.

Events are related to one another by activities. Each activity is a time-consuming task connecting events, but the beginning or end of an activity (an event) is assumed to be instantaneous, i.e., not to consume time. Activities utilize resources—manpower, equipment, materials, etc.; therefore, they represent work to be done. Since activities connect events, they are bounded by two events: the Beginning Event which is the starting point of the activity and the Ending Event or Successor which is its terminus. On the network diagram, activities are represented by arrows pointing in the direction of the time flow—toward the Ending Event. Figure 1 shows that events numbered 6 and 8 are related, i.e., the activity connecting these two events cannot begin until event No. 6 is completed nor can event No. 8 take place unless the activity is completed.

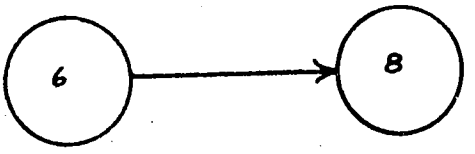

FIGURE 1. Event-Activity Relationship

In the case where several activities lead up to an event, all activities must be completed before the event comes into existence. For instance, the network activities number 8–11, 9–11, 10–11 in Figure 2 must all be completed before event No. 11 can "instantaneously" occur.

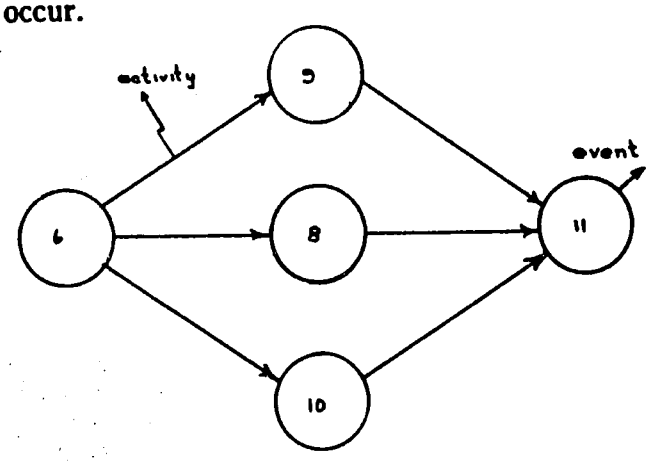

FIGURE 2. Network Schematic

An actual example of the preceding schematic is illustrated in Figure 3. While an activity implies doing or acting, events are usually expressed as a state of being, e.g., tested, developed, completed, or started. However, since the completion of several activities leading up to the same event could occur simultaneously, the events by themselves cannot always specify all of the activities which are connected to them.

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[1] *PERT FUNDAMENTALS*, (Washington: PERT Orientation and Training Center, 1963), Vol. III, p. 16.

[2] Definitions of PERT concepts can be found in many government publications now generally available from the Superintendent of Documents, Government Printing Office, Washington, D. C. See Bibliography.

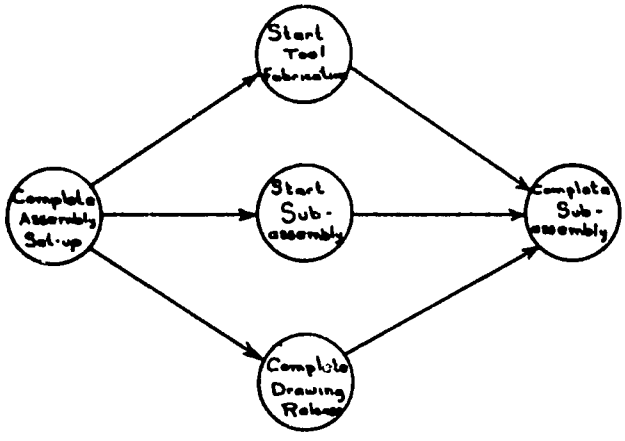

FIGURE 3. PERT Network Diagram

The network also serves as an external communications device as well as an internal control vehicle. The need for scheduled dates can be realistically impressed upon a supplier or a sub-contractor by showing him the deleterious effects his delay will have on the entire project. When many sub-contractors are involved in a complex project it becomes imperative that they meet delivery dates on time if the project is to proceed as planned.

While the network functions admirably as a control device, its greatest value perhaps comes from its usefulness as a planning aid. Planning involves the determination of what tasks are necessary to achieve the end objectives and the sequence in which they should be performed. The network allows one to plan at whatever level or depth he feels is necessary for the proper management of the project. If desired, the events in a project can be broken down into still smaller events, thus forming a longer and more detailed network. The value of this further breakdown is that it enables the manager to look at specific segments as through a magnifying lens.

Time Estimates

Because of the uncertain nature of the activities involved, PERT usually requires three time estimates for each activity. If the time required to complete an activity could be estimated accurately, there would be no need for three time estimates; one time estimate would be sufficient. However, when a company is involved with activities of an exploratory nature, with non-repetitive activities, three time estimates are most desirable.

There is still much debate over the merits of using only one time estimate instead of three. Those advocating the use of one time estimate believe that the statistical manipulations that need to be performed only add computational work to the efforts already put forth. Also, many persons doubt that the use of three time estimates actually improves the accuracy. On the other hand, with the increased complexity of research and development projects and with the inherent uncertainty of these fallible forecasts, project engineers hesitate to commit themselves to the one time estimate. For they know well that the completion of an activity can be affected by many factors over which they have no control whatsoever.

The three time estimates (usually expressed in calendar weeks) employed in estimating activity time are the following:

Optimistic Time: The least amount of time that an activity can take. It is assumed that everything "works" the first time. This time can be expected to be accomplished in only one out of a hundred cases.

Most Likely Time: If only one time estimate is required, this is it. It is the expected time for an activity if the activity were repeated many times under identical conditions, or that most often given if many qualified persons were asked to give a time estimate.

Pessimistic Time: The maximum amount of time that an activity can take. It is the expected time if unusually bad luck were experienced. Maximum time estimates should include the possibility of initial failure followed by a fresh start.

In the PERT network the three time estimates are usually entered above the activity arrow to which they apply in the following order: the optimistic time, the most likely time, and the pessimistic time.

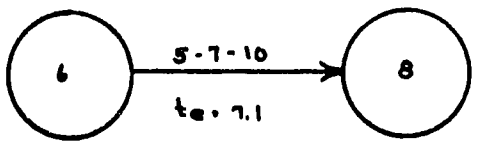

FIGURE 4. Network Segment

Figure 4 shows that the optimistic time, the most likely time, and the pessimistic time of the activity (6–8) are 5, 7, and 10 weeks respectively.

From the optimistic, most likely, and pessimistic times the Expected Elapsed Time (t_e) can be obtained by statistical techniques. These three time estimates are related to the Expected Elapsed Time by the formula:

$$t_e = \frac{a + 4m + b}{6}$$

where a = optimistic time
m = most likely time
b = pessimistic time

In arriving at the expected time, the most likely time estimate is given four times as much weight as the optimistic and pessimistic estimates. The Expected Elapsed Time in our example is 7.1.

Earliest Expected Time

The Earliest Expected Date (T_E) of an event is the earliest calendar date on which an event can be expected to take place. (Dates are predicted of events, times of activities. Symbolically, the former are generally represented by upper-case letters, the latter by lower-case letters.) The T_E value for a given event can be calculated by summing all activity times (t_e) through the most time-consuming chain of events from the beginning event to the given event and this path is called the critical path. In Figure 5 there are two paths from Event zero to Event No. 5. One is via Event No. 1, and the total of the T_E value is 8. The other is via Event No. 3 and the total T_E value is 19. Similar reasoning shows that there are two paths from Event zero to Event 6. One, via Event 3, has a T_E of 11. The other via Events 2 and 4 has a T_E of 17. Therefore, the larger figure, 17, is the most time-consuming path, and must control.

Critical Path

In Figure 5, a network is depicted within which there is one path composed of activities which, if delayed, would affect the expected completion date of the entire project. This is the most time-consuming path through the network and is designated on the diagram by a heavier line. The path itself is called the critical path and the activities located on the path are termed critical activities. Since no ending event can be completed until all activities leading to it have been completed, it can

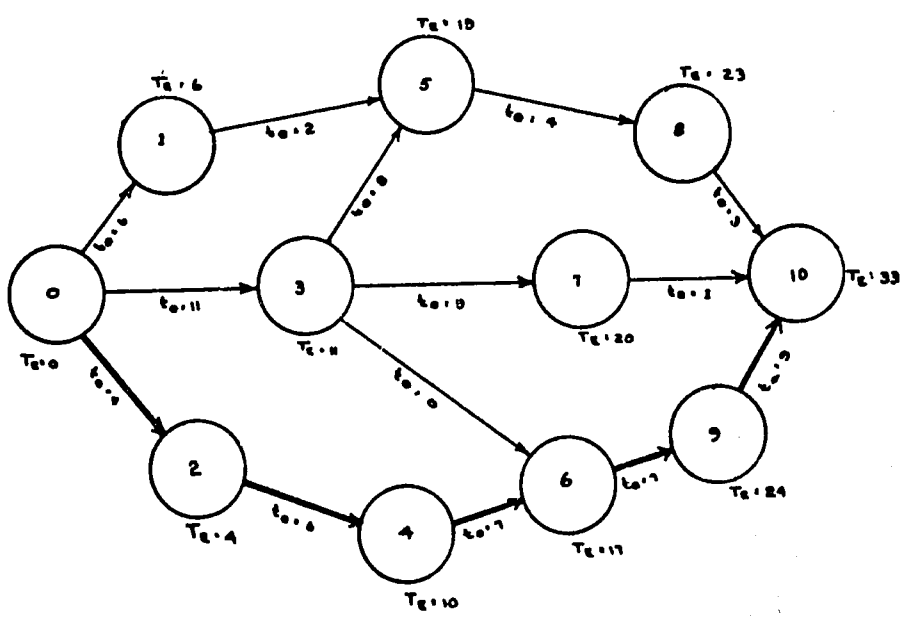

FIGURE 5. Critical Path

be readily seen that Event No. 10 cannot occur before all activities located on the critical path have taken place. The earliest completion date for an ending can be no sooner than the time required for the most time-consuming activities along the critical path to occur.

Since the critical activities are the most time-consuming activities in the network, there is no leeway, no "slack" possible in their case. Therefore, the critical path is often defined in terms of slack as "that particular sequence of events and activities in a path that has the greatest negative, or least positive, algebraic slack; that is, the longest path through the network. All other paths in the network are called "slack" paths; they have some slack.

Slack Determination

Slack exists in a network system because of multiple junctions which arise when two or more activities contribute to a third. The slack for an event is a measurement of the "excess" time available. It is calculated as the difference between the latest allowable date (T_L) and the earliest expected date that the activity can be completed (T_L–T_E). The Latest Allowable Time is the latest calendar date on which an event can take place without affecting the scheduled completion date of the project. When computing the T_L for an event, it is necessary to work back from the final event in the network. You subtract the value of the t_e following the event from the value of the T_L of the succeeding event. For example, the T_L for event number 8 in Figure 5 is 30 (33–3).

The critical path has no positive slack since it is already the most time-consuming path in the network. Since slack may be negative, zero, or positive it is characteristic of all network paths. In the previous figure, the earliest expected date (T_E) that the project can be completed is 33 weeks. If you wanted to complete the project in 30 weeks there would be three weeks of negative slack; if the project deadline were 38 weeks away then five weeks positive slack would exist. One of the advantages of PERT is that resources can often be interchanged whenever slack exists somewhere in the network. Thus it is possible to divert manpower resources to those areas where negative slack exists so as to be able to complete the project on time.

PERT Simulation

Despite rigorous efforts to adhere to any set, definitive plan, it sometimes becomes virtually impossible not to deviate from it. Regardless of whether the changes that bring this about are intentional or not, some method for an orderly and efficient plan revision is absolutely necessary. Naturally enough, these adjustments should be made with a minimum of disorganization, confusion, frustration, and wasted effort.

Inherent in the PERT system are the means whereby alternative courses of action can be simulated and evaluated even before action is actually undertaken. This simulation of activities becomes extremely important when serious trouble occurs unexpectedly. Some type of corrective action is then definitely necessary, sometimes almost immediately. It is this ability to assess rapidly the possible impact of a proposed change that makes simulation such a great aid to decision-making.

Simulation is also useful in the initial planning stages of a program. Alternative methods of realizing events by means of different resource combinations or of various techniques can be tested. Even alternative network plans can be tested and evaluated through simulation.

PERT Problems and Limitations

1. *Acceptance.* One of the significant problems associated with PERT is due, not to the inadequacy of the technique, but rather to the failure of top management to support its acceptance. Top management has done little in selling the benefits of PERT to the operational managers and the technical personnel. Al-

though these engineers are often instrumental in the initial introduction and installation of the PERT system, they lack an appreciation of its benefits and an awareness of its limitations.

2. *PERT Logic.* Another difficulty with PERT is that some programmers and data processors have become mesmerized with their own ability to modify the PERT system, and as a result, it is becoming increasingly and unnecessarily complicated. These complexities hinder the operating managers from utilizing this technique as they should. Many of the modifications made by programmers are intellectual exercises rather than improvements in the system. Coordination must be achieved between these programmers who view PERT as a toy or a management systems concept and the line operating personnel who view it as another, though more effective, reporting tool.

3. *PERT Mis-use.* PERT at times has been misused. Although it was developed as a planning and control device for use on complex research projects, and even though PERT users have extended its application to many new areas (it has recently been used by one company in their recruiting efforts), its main strength still lies in the forced planning of one-time complex projects in contradistinction to repetitive or routine projects.

4. *Resistance to Change.* One obstacle standing in the way of initial adoption and of full utilization of the PERT system can be characterized as "resistance to change." It is almost axiomatic that workers resist attempts by management to alter work procedures and to modify existing work regulations. The pages of history are replete with the activities of organizations that have fought tooth-and-nail against superior innovating practices. But somehow modern man often fails to notice that the problem has more historical interest. It too can assume a modern gard (as it has with PERT) and appear in a twentieth-century managerial milieu.

When analyzing resistance to change one must keep in mind that the factors favoring this state of affairs are not one but many; that one factor may out-weight another, and that, generally speaking, no single factor infallibly and of itself will bring about or hinder change. The cumulative effect, therefore, will decide the direction in which the scale will finally tilt—toward acceptance of change or toward rejection. For despite the many potential advantages inherent in the PERT system, these are ultimately diminished when the system itself is not utilized at its utmost efficiency.

Another reason for the lack of practical interest in a proposed change is the fact that at times the advantages associated with it are neutralized or even outweighed by the disadvantages. It is the task of management, and a not too difficult one at that, to interest the would-be PERT personnel in the tangible advantages and present rewards flowing from the PERT system. It goes without saying that they themselves must not only be "sold" on the system but also must be thoroughly conversant with it, with its merits and its inherent limitations.

PERT/Cost

Recognizing the benefits and future of the PERT technique, the Department of Defense and the National Aeronautics Space Administration have recently developed a uniform PERT/Cost system which measures not only the physical but also the financial progress of a project.

In the PERT system as originally developed it was found impractical to try to integrate both time and cost considerations since in the scheduling process the critical path often ignored the availability of resources. Before the emergence of a PERT/Cost system much experimentation was necessary with respect to the use of one cost estimate, three cost estimates, single costs, direct costs, total costs, etc.

The incompatibility of time and cost data also posed problems. Since activities often cut across normal accounting periods, cost analysis required the measurement of the costs

of activities in progress and an estimation of the value of the work performed. Current accounting systems for the estimation of manpower costs, skill classifications, time/cost trade-offs, and optimum cost schedule were inadequate. Only through much trial and error has an adequate PERT/Cost system been developed.

The use of PERT/Cost greatly facilitates the assessment of project status and its bearing on financial planning, the interrelationship of time and costs, and the financial effect on the project of possible changes in resources and/or schedules. PERT/Cost also allows for the comparison of progress data from multiple sources of information and provides a single report by which financial status can be evaluated against physical status.

Stripped of all its paraphernalia, PERT/Cost is concerned with the accumulation of cost data and the summarization of reports which integrate time and cost information on a single framework. The resource dimensions which are added to basic PERT include labor man-hours, material, subcontracting costs, and travel costs.

By integrating PERT/Time and PERT/Cost one can determine whether the managers at various levels are meeting their committed schedules and cost estimates; and, if not, how resources can be utilized so as to minimize premium costs and how additional resources will affect the over-all program.

In measuring the progress of a project, a direct comparison can be made between the sum of actual costs to date and funds authorized and the estimated cost to complete the project. This comparison will reveal potential cost over-runs and/or cost underruns and will pinpoint those segments of work where these can occur.

The Future of PERT

A survey of the 200 largest industrial corporations, made by the author, indicated that although the use of PERT is related to the size of the firm, i.e., the larger firms tend to employ it more, an increasing number of small firms are adopting the technique. No longer is the use of the method limited to large, complex projects; its usefulness has been demonstrated on projects as short as two weeks. Such diverse activities as the taking of inventory, monthly closing of accounting books, college recruiting, maintenance, book publishing, and even weddings have been PERTed.

Nor is the use of PERT limited to those companies with computers. While a network containing over a hundred activities becomes cumbersome to work with manually, it can be managed. Much of the benefit of PERT is derived from the detailed planning that is required in the initial preparation of the network.

A certain amount of mysticism surrounds the PERT system, which is probably due to the statistical underlying assumptions of the concept. However, a mathematical orientation is not a requisite for using PERT. In the study referred to above, only one-half of the companies had formal training programs in PERT and no company had any specific education requirement for participation in the PERT training program.

As the technique matures and as further experimentation and refinements occur, PERT will bring management a more useful tool for the planning and control of small projects as well as large ones.

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FORTY COMMON GOAL-SETTING ERRORS

Thomas P. Kleber

Let's say you have read a book or two on Management By Objectives and taken part in a seminar. You and your people were impressed with the results-centered approach. So you set out to bring it to your organization. After explaining and selling the concept, your turned to the application and plunged immediately into goal-setting. Your experience at that point might have been similar to that of many other managers—they made just enough mistakes at this crucial point so that goal-setting spelled the doom of the whole emergent MBO system rather than acting as a spur to improved performance. But abandoning goal-setting achieves nothing. Because the results of an effective MBO system are so desirable in developing managers, it is necessary to weed out goal-setting problems and to improve the process.

Unfortunately, producing effective goals is both a long and continuing struggle. The problems of goal-setting, in the most general of general terms, are disagreements, lack of commitments, incomplete or false analyses of the situation at hand, inconsistent and unrealistic goals, unclear goals, an autocratic leadership style of the boss, and an inability of a subordinate to be self-managing.

In many cases, the introduction of an MBO system is part of a larger change in management and thus the difficulties are compounded. The time needed to implement the changes is increased; the chance of success is decreased. But whether the goal-setting process is new in your organization, or has been working reasonably well for some time, it's likely that the following list of the 40 most common mistakes in goal-setting can be used to advantage as a guide for what to guard against, as a reminder as to what should be done in formal goal-setting, and as a vehicle for examining your own goal-setting performance and that of your subordinates.

This accumulation of errors is especially useful because it calls on the manager to consider what isn't being done at the same time that he analyzes existing and proposed goals. It's reasonable to suppose that sins of omission are as great a cause of failure as sins of commission.

1) GOALS ARE SET TOO LOW. The subordinate manager isn't challenged and doesn't have to hustle if he is permitted to get away with setting goals too low. His boss must know the work that is to be measured to enable him to recognize reasonable output levels for his subordinates.

2) GOALS ARE SET TOO HIGH. While setting goals too low fails to provide an incentive for the subordinate, setting goals too high is equally damaging. If the goal cannot be achieved, not only will the manager not achieve it, he probably won't even try. Instead, he'll direct his attention to possible goals, to be certain of achieving them. The result is that an important objectives area may be overlooked. Although assigning blame for setting poor goals is not important here, it is useful to recognize that the fault may lie with either the boss or the subordinate in either case. For example, setting goals too high may be done by the subordinate to impress his boss,

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or it may imposed on him, supposedly to motivate him to increase output.

3) COMMON GOALS ARE NOT SET BEFORE INDIVIDUAL GOALS ARE IDENTIFIED. Because not all common, or strategic goals of an organization are divisible into the individual goals of managers at lower levels, it is essential that the goals be set at the top first. Decisions such as those to diversify or otherwise change the product mix, to attain growth through mergers and acquisitions, or to buy components rather than manufacture, need to be known by managers at all levels if their individual goals are to be consistent with the common goals of the organization.

4) COMMON GOALS ARE NOT COMMUNICAED TO LOWER LEVEL MANAGERS. Even if common goals are set first, many managers seem to overlook the fact that various elements of corporate strategy need to be known by the lower level manager before he sets his own goals. Common goals often identify the boundaries for individual goals. One obvious boundary involves sales territories. Others involve such things as limitations on human and economic resources and on types of product to be produced or purchased.

5) INDIVIDUAL GOALS OF A MANAGER'S SUBORDINATES DO NOT FIT THE COMMON OBJECTIVES OF THE LARGER UNIT OF WHICH THE INDIVIDUALS ARE A PART.

6) INDIVIDUAL IS HELD ACCOUNTABLE FOR SOMETHING BEYOND HIS CONTROL. As in setting goals too high, either the boss or the individual may be guilty of setting objectives in areas which are not controlled by the subordinate. The result is frustration and discouragement for the subordinate.

7) RESPONSIBILITY FOR RESULTS AND THE ORGANIZATION STRUCTURE ARE NOT CONSISTENT. Make sure authority and responsibility are held by the same person for a particular objective. If necessary, change the organization structure. But do it before the individual does his goal-setting for the upcoming period when the change is to be put into effect.

8) FAILURE OF GOALS TO IDENTIFY JOINT RESPONSIBILITY SITUATIONS. When there are joint responsibilities, as there frequently are in any complex organization, goals must be written in such a way that specific statements as to what measures of exception should be attributed to which subordinate can be obtained. What's involved here is that individual go ls identify joint responsibilities, identify who the responsibilities are shared with, and identify as well as possible the extent of each individual's responsibility. Frequently in joint responsibility areas, work merely falls down a crack because individual responsibilities haven't been adequately clarified.

9) MORE THAN ONE PERSON IS GIVEN RESPONSIBILITY FOR A PARTICULAR OBJECTIVE. If there is no joint responsibility, it is undesirable that two or more individuals be permitted to believe themselves responsible for doing the same things. Having only one responsible party is better when it is possible.

10) GOALS ARE ACTIVITY-CENTERED. Output is the proper end of the work and is what is to be sought. Activities are the behaviors of people (designing, making, selling, bookkeeping, engineering, etc.) to produce the goods and services which are outputs.

11) GOALS ARE NOT RELATED TO PAYOFF. Even if the goals are output-centered, it is necessary that they be be the proper results related to the payoff—the objective sought.

12) METHODS OF WORK ARE STRESSED. Goals are often overly concerned with how a job is to be accomplished. As a result, individual areas of responsibility aren't clarified. To get the benefit of individual responsibility and commitment to goals it is necessary that results and responsibility be given first priority in setting goals.

13) GOALS ARE ACCEPTED UNCRITICALLY. While results must be stressed in the goals, the boss should probe to discover what program the subordinate proposes to follow to achieve his goals. The plan should be looked at critically to insure its acceptability and practicality.

14) GOALS ARE INFLEXIBLE. A failure to allow for normal and acceptable variations sets up an unrealistic situation.

15) OUTPUT INDICATORS ARE NOT EXPRESSED AS A RANGE. Identifying a minimum acceptable level of output and an outstanding level is one means of adding flexibility to goals. It also permits the establishment of the "exception principle" to work for identifying problem areas.

16) JOB CONDITIONS PREVENT ACHIEVEMENT OF GOALS. The problem may lie in the organization structure, or it may be that the goal is simply impossible to achieve given various built-in limitations and/or work rules; but either way a no-win situation is present which jeopardizes the smooth functioning of any MBO system.

17) TOP MANAGEMENT IS NOT COMMITTED. If the chief executive and the men around him haven't clarified their own goals, or simply have given only half-hearted support to the goal-setting process, commitment at lower levels will be weak and/or unrewarded. Some managers have been able to make a go of an MBO approach and formal goal-setting at lower levels without the participation of top management, but, unless the lower unit operates pretty much independent of the top, the result is generally a flop.

18) FAILURE TO MEASURE THE EASILY MEASURABLE. Simply because something is easy to measure, it may be overlooked. If it's important to manage, measure it.

19) FAILURE TO MEASURE THE MOST COMMON, ROUTINE OBJECTIVES. The more common or routine the activity, the more important it may be to measure its output. Many of these activities are of the loss-prevention variety that avert the larger attention that will be needed if they are poorly executed. Measuring the most common activities can be used as a means for gaining early warning of developing problems. A side benefit of identifying very routine goals is that the superior becomes cognizant of the routine work being done by each subordinate and can better gauge what part of each man's time is devoted to such generally boring activities. This can be a preliminary step awakening the boss to the necessity of planning for job enrichment.

20) USELESS NUMBERS ARE HUNG ON GOALS. In the quest to quantify all outputs, it may be overlooked that a verbal description of the output can, in some situations, be both more useful and more accurate.

21) FAILURE TO SET GOALS FOR NOT-EASILY QUANTIFIABLE OBJECTIVES. When the results are hardest to measure, it is especially important that an effort be made to measure them. Attention must be directed to results and output at all times. Generally, some kind of an index can be devised to reveal progress to meeting the desired objective.

22) GOALS CONFLICT WITH LAWS.

23) GOALS CONFLIT WITH COMPANY POLICIES.

24) ORGANIZATION IS IN A STATE OF FLUX. It's a difficult time to carry on goal-setting, and the worst time to try to initiate a participative management system using individual goal-setting, when major internal change is taking place as in the case of continuing merger activity.

25) BOSS IS AUTOCRATIC. Inability to let the subordinate set his own goals destroys the participative benefits of more active involvement and commitment. Nevertheless, because a manager may be used to the autocratic style of leadership, or may fear that the subordinate won't set the right goals, he takes the initiative in setting his subordinate's goals. Regarding this situation Douglas McGregor noted that "Genuine commitment is seldom achieved when objectives are externally imposed. Passive acceptance is the most that can be expected, indifference or resistance are the more likely consequences."

26) SUBORDINATE IS UNABLE TO SET OWN GOALS. Especially at first, the development of a self-managing capability in a subordinate may be difficult. The trick is for the boss to encourage and assist the individual in the goal-setting process, helping him develop his management skills, without discouraging him and without making the goals "his" instead of the subordinate's.

27) BOSS AND SUBORDINATE DISAGREE ON INDIVIDUAL GOALS. Differences of opinion are likely to exist as to goals chosen, indicators selected, and results levels sought. Agreement can best be achieved at a friendly personal meeting between the two managers where differences are discussed honestly and notes are made to look into the matter at the end of the period when results can be evaluated and the agreed-upon goals can be restudied.

28) FAILURE TO GET COMMITMENTS. The boss-subordinate goal-setting meeting should do more than secure agreement on goals. Commitments from the subordinate to the agreed-upon goals should be obtained and should be confirmed by memo.

29) CAN'T "KO" INAPPROPRIATE GOALS. Because of the pride of the participants in the goal-setting

process, or the weakness of the boss, poor and inappropriate goals are often retained and detract from the overall effectiveness of goal-setting.

30) BOSS IS RELUCTANT TO ADD TO THE SUBORDINATE'S GOALS. Known needs of the boss and/or higher management may need to be added to the individual goals in spite of a manager's reluctance to impose them on his subordinate.

31) FAILURE OF THE BOSS TO THINK THROUGH THE IMPLICATIONS OF A SUBORDINATE'S GOALS. Often it will be necessary for the boss to take certain actions himself to enable the subordinate to accomplish the goals he has set for himself. Common examples may involve organization changes and assignment of joint responsibilities.

32) FAILURE OF THE BOSS TO INTRODUCE NEW IDEAS FROM OUTSIDE THE ORGANIZATION. The status quo is frequently a goal of an unimaginative or non-innovative boss. He needs to be creative himself and to encourage creativity in his subordinates.

33) MANAGEMENT POLICIES DISCOURAGE INNOVATIVE BEHAVIOR. Punishment for failure to achieve creative goals dampens the interest of subordinate managers in planning for innovative behavior through creative goal-setting.

34) FAILURE TO SET INTERMEDIATE TARGET DATES. Especially in the areas of problem-solving and innovative goals, the setting of intermediate target dates is necessary for measuring progress. The target dates can also be used for a re-examination of the goals and the methods being employed to achieve them.

35) OLD GOALS ARE RETAINED EVEN AFTER BEING PROVED INFEASIBLE, IRRELEVANT, OR IMPOSSIBLE. Often, old goals, having been agreed upon once, are considered sacred and are retained long after their useful life. Many times it is because the old goal reflects what one wants to find rather than reality. For an organization to continue to set a goal of a 20% growth rate when this is no longer possible to achieve, or to set a goal for the elimination of customer complaints may reflect desirable goals. But, inasmuch as they cannot be achieved, such goals are unrealistic and damage morale of the managers being held accountable for accomplishing them. Of course they won't succeed.

36) CAUSE AND EFFECT ARE CONFUSED. In many cases, the wrong indicator is watched and progress toward the goal isn't really measured at all. Worse still are the times when the data being studied as a cause is really itself an effect. If low production results, for example, are seen as caused by insufficient supervision of employees, supervision may be increased with a resultant further loss of production if this wasn't the cause of the original unsatisfactory results.

37) KEY FACTS ARE OMITTED FROM THE ANALYSIS OF CAUSES OF A DESIRED RESULT. Incomplete analysis of causes may, for example, lead the sales manager to set sales targets based solely on manufacturing capacity if, in the past, he has sold all that has been produced. He may have overlooked, or may not have even known, that other marketing considerations (e.g., competition) may have changed the situation.

38) UNREPRESENTATIVE SAMPLES ARE USED TO SET LARGE GOALS. A sample may be too small, or the research may not be sufficiently valid to generalize from in planning major goals. The result is the forecast of unrealistic target levels for output.

39) GOALS ARE CONSIDERED SACRED. A boss-subordinate team needs to be able to identify important developments and needs to be flexible enough in their planning to change goals or drop less important ones to pursue new opportunities during a given time period for which goals have been set.

40) NO EFFECTIVE EVALUATION OF RESULTS AND GOALS IS UNDERTAKEN. At the end of a period, before new goals are set for an upcoming period, a boss and subordinate need to review the results and goals of the completed period. Successful behavior needs to be identified and reinforced when goals are achieved, and unsuccessful behavior—when goals are missed—needs to be corrected (in a positive manner). The subordinate manager is then better equipped to do a better job in the coming period in setting effective goals.

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Application to health, social welfare, and family planning

Much of the discussion in the readings of this chapter is oriented toward the organization of commercial enterprises. It is believed, however, that the general principles developed in each article are directly applicable, with very little restatement or modification, to the organization of public and private agencies whose objective is to provide a service rather than to make a profit. In fact, some of the organizational problems of such agencies can perhaps be understood more clearly by re-examining them in the light of the corporate approach to organization. Many times the organizational structure of such agencies was established a generation or more ago and has become almost a legendary arrangement, with an accumulation of many of the dysfunctions of bureaucracies described here. It could be argued, therefore, that these agencies are just as seriously in need of "organizational development" as any other.

The readings of this chapter may appear to place so much emphasis upon the development of organizations to manage technical processes performed by blue-collar workers as to be inapplicable to organizations where most of the employees are white-collar workers—professionals, sub-professionals, para-professionals, and clerical workers. It is believed that this is an erroneous view. Hospitals, welfare agencies, family planning organizations, and other government and public agencies where large numbers of white-collar civil servants are employed, have their serious organizational problems. In such agencies, moreover, some of the newer proposals for social science approaches to organization can pay large dividends. Management by objective, for example, should be at least as practicable, if not more so, in such organizations as in organizations employing masses of blue-collar workers.

Questions for discussion and exercises

1. Go to a social agency, a public health agency, or a family planning organization and ask for a copy of the organizational plan. Study it carefully in the light of the readings of this chapter. How many layers of management are there? How many managers are there on each level? What is the ratio of supervisors to workers at the lowest levels? Is there more than one channel of authority—one technical and one administrative? Is there a staff and a line distinction? Given the variety, quantity, and nature of the functions which the organization performs, evaluate the formal organizational plan.

2. Does the structuralists' distinction between the interests of the organization and those of the employees apply with as much force to white-collar workers as to other organizations? What implications does this theory have for the growing number of protests and widespread unionization on the part of social workers, teachers, resident physicians and interns of hospitals, and family planning field workers?

3. Taking the organization which you have studied in Item 1 above, try to find out what system of authority is used. Have the social science approaches been considered or implemented? Find out how much management training (either formal education or special short-term training) the managers on various levels have received. Is there a system to try to teach management principles to these various levels of managers?

4. Hold interviews with at least one supervisor or manager on each level of the organization studied in Item 1. Try to find out how many of the dysfunctions of bureaucracy are present, how prevalent they are, and how much they impair the functioning of the organization.

5. Study the work performed by the organization studied in Item 1. To what extent are its tasks subject to improvement by:

(a) Classical engineering techniques
(b) Modern systems analysis and decision-making techniques such as PERT
(c) Social science management procedures?

6. Examine the goal-setting done by the top management. Which of the forty errors cited by Kleber do you find present? Which of them are so serious as to injure the functioning of the organization? If the workers themselves were to take a hand in setting these goals, do you think the situation would be improved or worsened?

7. Much of the work of social welfare, health, and family planning organizations requires making decisions about individual cases or carrying out decisions that have already been made. To what extent, and in what ways, does this decision-making element of the work modify the authority relationships between workers and managers? What safeguards are erected to make certain that the worker does not usurp the authority of the person above him in the hierarchy? How are these safeguards codified in rules, procedures, and records?

Chapter Three

THE MOTIVATION OF WORKERS

Workers vary greatly in their productivity. Some are highly industrious and accomplish more than employers expect. Others are listless, careless, and "lazy" to the point where they produce far less than would be expected considering their salaries. Psychologists explain the behavior of the energetic and productive worker by calling him "motivated"; they explain the lack of productivity of the laggard by calling him "unmotivated." Motivation is one of the major areas of research in psychology, and efforts have been made to apply these theories to the study of work behavior. There is not only worker-to-worker variation in motivation, but department-to-department variation and differences from one company to another. A finding repeatedly verified by research is that the rate of pay has a very low (often zero) correlation with productivity: high productivity appears to be explained by non-economic factors. The articles in this section summarize and comment on the best-known and most widely discussed of the efforts to identify factors which can explain performance.

The first article, by Rensis Likert, develops the theory that the type of supervision a worker receives, and the relationship that exists between supervisors and the groups they manage, are major factors determining productivity. Where there is group pride, group solidarity, group loyalty, and a group feeling that the employer and supervisor are interested in the welfare of the employees and welcome their ideas and suggestions, productivity tends to be higher than where these factors are absent.

A more theoretical and more psychologically sophisticated theory is the "motivation-hygiene" theory of F. Herzberg, introduced in the second reading and critically commented upon by G. F. S. Rao in the third. The Herzberg thesis that each worker is simultaneously trying to satisfy two unlike sets of needs—and that workers vary widely in the balance of these two sets of needs—is widely accepted in principle, although greatly modified in its practical application. If the theory is valid, employers who seek to increase productivity will have far less success if they change external factors such as pay rates, working conditions and fringe benefits than if they give personal recognition, increase responsibility, and provide opportunities for advancement as promptly as they are merited.

Motivation: The Core Of Management

¶ Rensis Likert

Director, Institute for Social Research
University of Michigan, Ann Arbor

IT IS WIDELY recognized that there are large differences in the productive efficiency of different companies. Even within a company there are usually substantial differences in productivity among the different plants or departments. These differences in productivity are often due to differences in managerial policy and practice.

There is too little information on what a good management does that makes the difference between high and low productivity, between high and low employee morale. American business is spending millions of dollars every year applying the scientific method to product development and the improvement of production methods, but it is not similarly applying its resources to discover how the most effective managers and supervisors function and how their principles and practices can be applied more generally.

The Institute for Social Research of the University of Michigan is one of the few organizations conducting systematic research on this problem.[1] It is trying to find what makes an organization tick; trying to discover the principles of organizational structure and the principles and practices of leadership that are responsible for high productivity and high job satisfaction.

The Institute program is designed to provide a mirror for business so that it can see in its own operations and experience what works best and why. Studies have been conducted or are under way in a wide variety of organizations. These include public utilities, an insurance company, an automotive company, a heavy machinery factory, a railroad, an electric appliance factory, and some government agencies. The work of the organizations studied has varied from highly routine clerical and assembly operations to complex scientific research.

One of the basic concepts underlying this research is that no matter how varied the task—whether in government, industry, or any part of the military organization—there are common fundamental principles appli-

[1] This program was started by a contract with the Office of Naval Research. Since its initiation, business organizations and governmental agencies, as well as ONR, have contributed to its support.

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cable to the effective organization of human activity. In addition to these general principles, there may be specific principles that apply to particular types of work—such as selling, as opposed to office management. But the philosophy behind this whole program of research is that scientifically valid data can be obtained which will enable us to state general principles. Once we know the general principles, we must learn how to transfer them from one situation to another. We are doing this research at all levels of organization—not only at the employee level and the small-unit level but at the plant level and the company level. We expect that some principles will carry right on through; others will be specific, perhaps, for the different levels or parts of an organization.

In carrying forward this program of research, two major criteria have been used to evaluate administrative effectiveness:

1. Productivity per man-hour or some similar measure of the organization's success in achieving its productivity goals.
2. The job satisfaction and other satisfactions derived by employees or members of the group.

The results being obtained show that a consistent pattern of motivational principles and their application is associated with high productivity and high job satisfaction, irrespective of the particular company or industry in which the study is conducted. I shall present some of these results and briefly summarize some of the generalizations that are emerging from this research.

FACTORS IN HIGH AND LOW PRODUCTIVITY

There are some factors which are commonly assumed to increase productivity but which, when actual results are examined, are found not to be related to productivity or else to have a negligible relationship. Thus we are finding very little relationship, *within a company*, between employees' attitudes toward the company and their productivity. The more productive employees or sections do not have appreciably more favorable attitudes than do the less productive employees. Chart 1[2] illustrates the

[2] See Appendix, page 21, for listing of charts with sources.

CHART 1

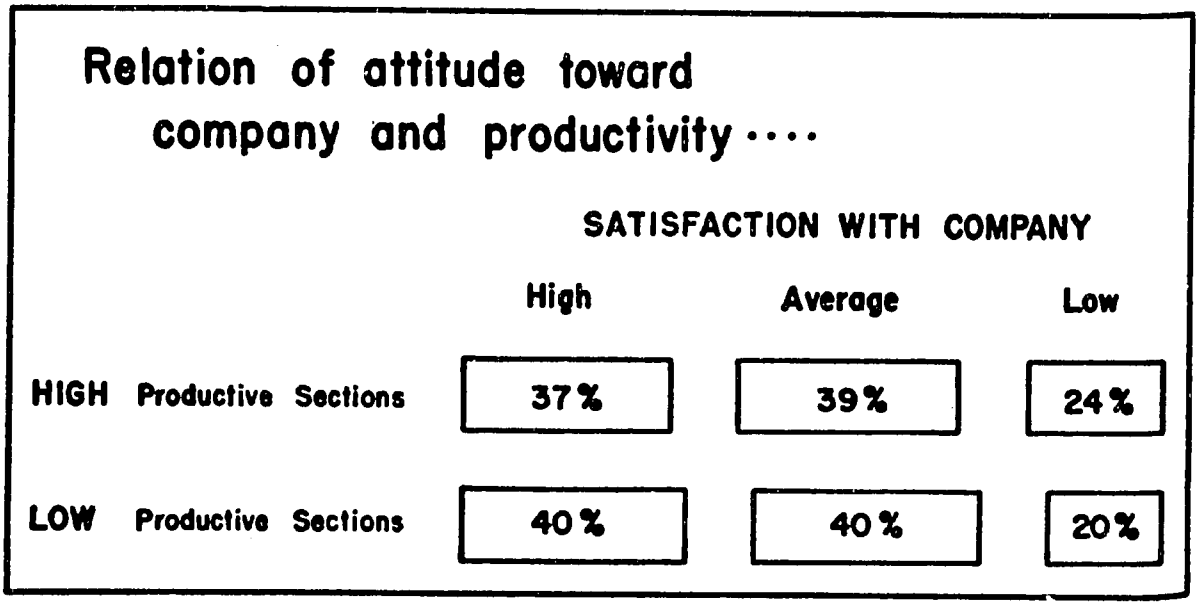
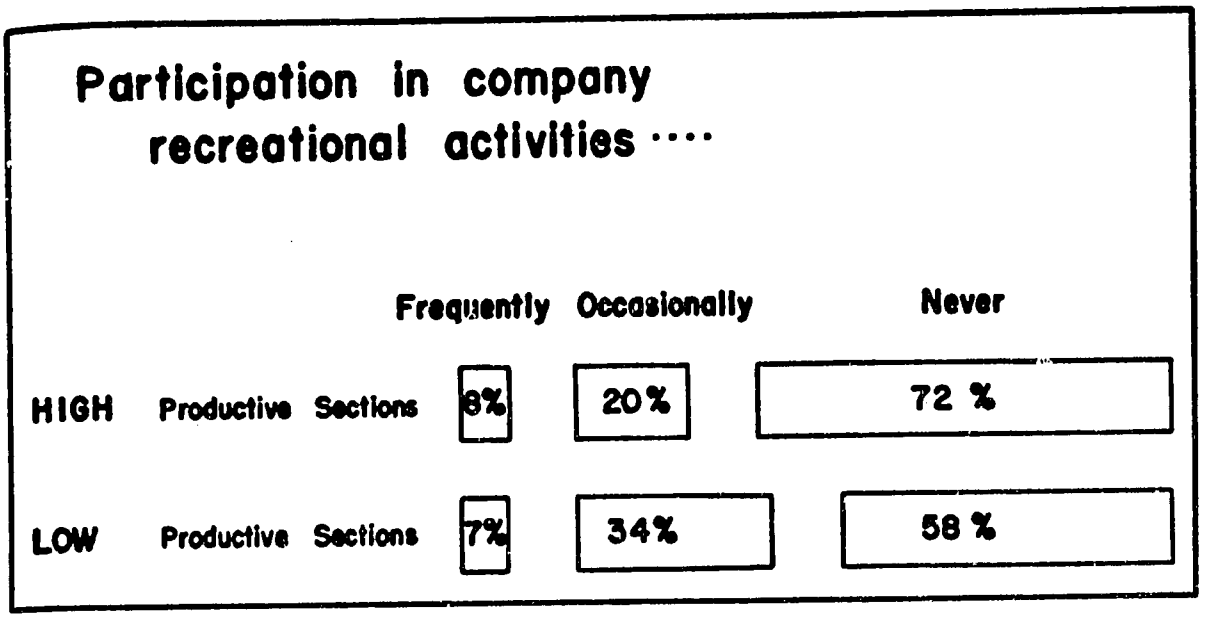


CHART 2



pattern of relationship that we are finding. The common assumption that developing a favorable attitude among employees toward the company will result in increased productivity does not seem to be warranted.

A favorable over-all attitude toward one's company and job does result in less absence from the job. I suspect also that it may result in less turnover and may attract a better labor force in a tight labor market, but we do not yet have any data on these points.

Illustrative, again, of the kind of variables that show no relationship to productivity or even a negative relationship is the material in Chart 2. We are finding, in some situations at least, that there is a negative relationship between the extent to which employees participate in a recreational program and their productivity. The less productive sections participate in recreational activities more often than do those sections that are more productive.

THE SUPERVISOR: EMPLOYEE-CENTERED OR PRODUCTION-CENTERED

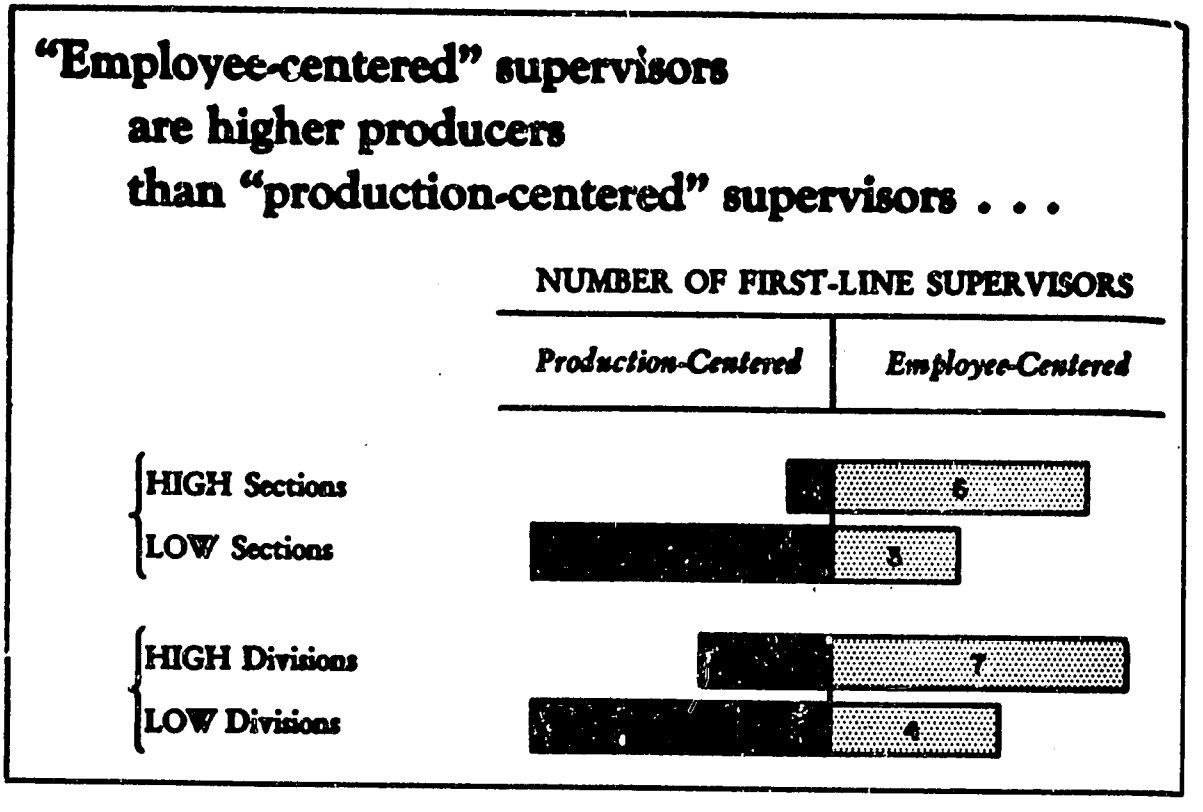
In contrast to these patterns involving factors of a nonpersonal nature, we are consistently finding that there is a marked relationship between the kind of supervision an employee receives and both his productivity and the satisfactions which he derives from his work. When the worker (or a person at any level in a hierarchy) feels that his boss sees him only as an instrument of production, as merely a cog in a machine, he is likely to be a poor producer. However, when he feels that his boss is genuinely interested in him, his problems, his future, and his well-being, he is more likely to be a high producer. Some typical results are shown in Chart 3.

The employee-centered supervisor not only trains people to do their present job well but tends to train them for the next higher job. He is interested in helping them with their problems on the job and off the job. He is friendly and supportive rather than being punitive and threatening.

The following illustrations represent typical viewpoints of supervisors whom we have classified as employee-centered or production-centered:

Employee-centered supervisors are those who describe their work as did this one:

CHART 3



I've tried to help my girls in getting better jobs and to get advanced, but there're so few positions for them to go to. That's why I teach them how to supervise. A lot of my girls are assistant section heads today.

In spite of the fact that this supervisor has promoted many of her ablest girls to better positions, she still has a high-production section. By giving her girls supervisory experience or letting one of them supervise two or three others in small groups, she builds effective teamwork and a friendly, cooperative atmosphere.

Another supervisor, also employee-centered, commented as follows:

I study the girls' work, find out who works together and put them together. The main thing is to keep the girls happy. I talk with them and learn what their peculiarities are so that if a girl gets excited, I know whether it is important or not. Your girls have to feel that you are one of them, not the boss. Some girls get sort of cranky, and you can't just say, "Do it." It is much better to ask them to do the work in other ways; that's only human nature.

Another employee-centered section head commented as follows:

I try to understand each girl. I remember I was one once and that I liked to be the kind that was known by my supervisor. Knowing the girls helps with handling the work here. You also have to know what happens outside to help them inside here at their work.

In contrast, this comment is illustrative of the attitude of a production-centered supervisor in charge of a low-production section:

I know we're doing what is supposed to be done in our section. Hit the work in and out—and hit it right—not slipshod.

Another production-oriented, low-producing section head commented as follows:

It is my job to get the employee to stay on the job and produce. I have to work up efficiency charts. My efficiency chart is my argument if I have to make any complaint. My biggest headache is to get the employees to do their best.

Still another production-centered supervisor commented as follows:

> *The girls sometimes stop work before the bell rings; I have been after them and I keep them overtime to do the work. You have to do something drastic and make examples of them.*

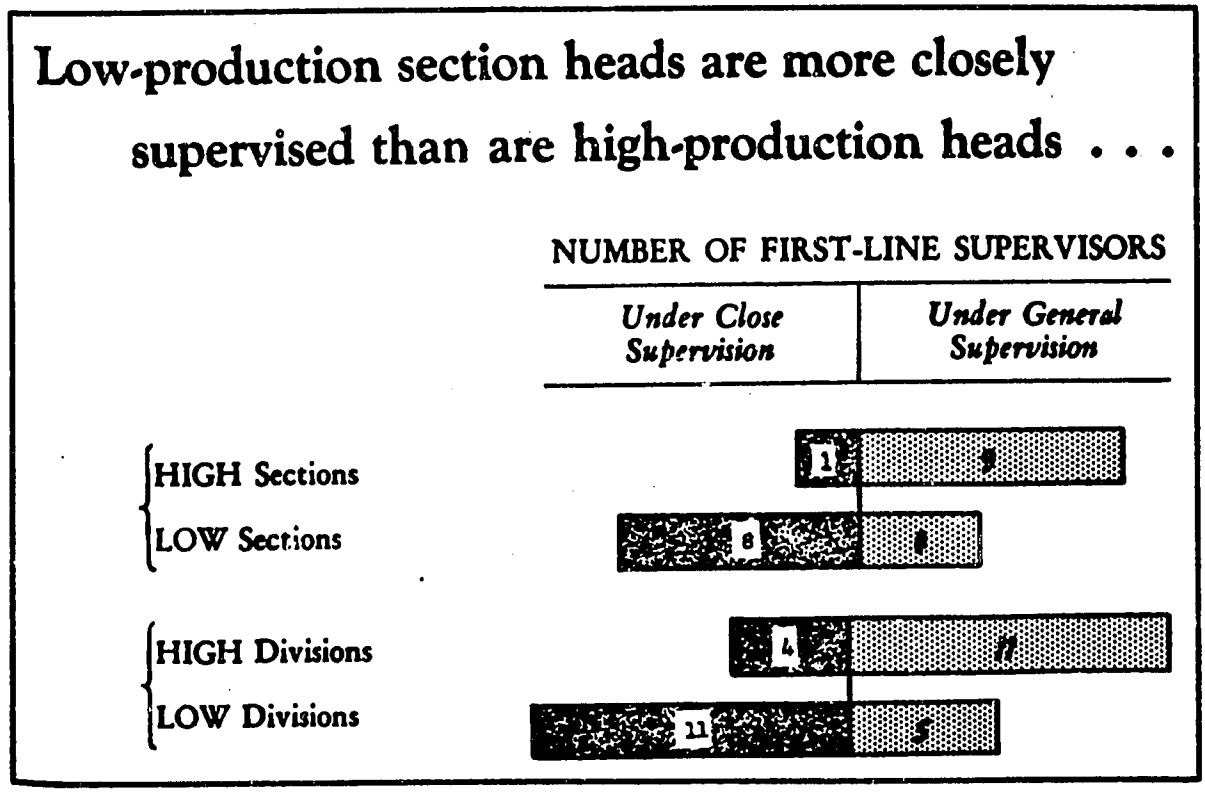
PRODUCTIVITY AND CLOSENESS OF SUPERVISION

Related to pressing for production is the *closeness* of supervision that a person experiences. Close supervision tends to be associated with lower productivity and more general supervision with higher productivity. This relationship is shown in Chart 4.

Low productivity may at times lead to closer supervision, but it is clear that it may also cause low productivity. In one of the companies involved in this research program it has been found that switching managers of high- and low-production divisions results in the high-production managers, raising the productivity of the low-production divisions faster than the former high-production divisions slip under the low-production managers. Supervisors, as they are shifted from job to job, tend to carry with them and to maintain their habitual attitudes toward the supervisory process and toward their subordinates. This suggests that supervisory attitudes and habits tend to be the causal influence. For example, an assistant manager of a low-production department, in discussing his situation, said, "This interest-in-people approach is all right, but it is a luxury. I've got to keep pressure on for production, and when I get production up then I can afford to take time to show an interest in my employees and their problems." Being under pressure for increased production, and being primarily concerned with it, seem to cause supervisors to neglect important human dimensions of the supervisory process which in the long run determine the production of their groups.

Heads of low-producing sections seem to recognize that close super-

CHART 4



vision adversely affects their work. They show more dissatisfaction with the way their job is organized than do high-producing section heads and give as the reason for this dissatisfaction "too little delegation of authority."

In studying the results one gets the impression that persons who use general supervision tend more often to specify the goal or tasks to be accomplished and give subordinates some leeway in how it is accomplished. Persons using close supervision, however, are more likely to specify the precise activities of subordinates. Those using general supervision may, of course, make available to subordinates the resources of work simplification, etc., but do not specify in every detail precisely how they will be used.

When people are given general supervision, it is necessary to keep them well-informed. As shown in Chart 5, supervisors in charge of high-production groups report more often that they are kept informed about developments than do supervisors in charge of low-production groups.

We are finding conflicting patterns of relationship between morale and productivity. In some situations there is high morale and high productivity; in others we find high morale and low productivity or the converse. There are good reasons for these variations, and they are related to the kind of supervision that exists. But the significant finding for this discussion is that the kind of supervision which results in the highest productivity also results in the highest morale. Thus, for ex-

CHART 5

SUPERVISORY COMMUNICATIONS AND PRODUCTIVITY

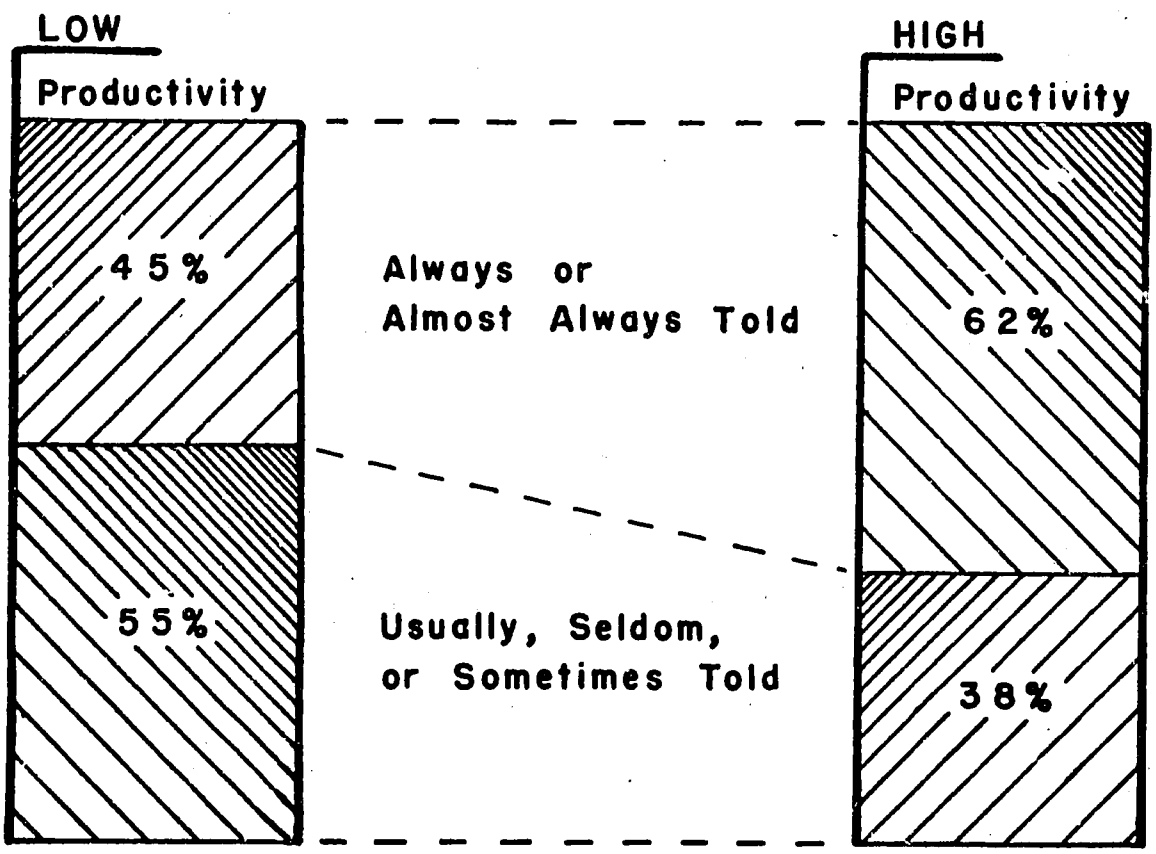
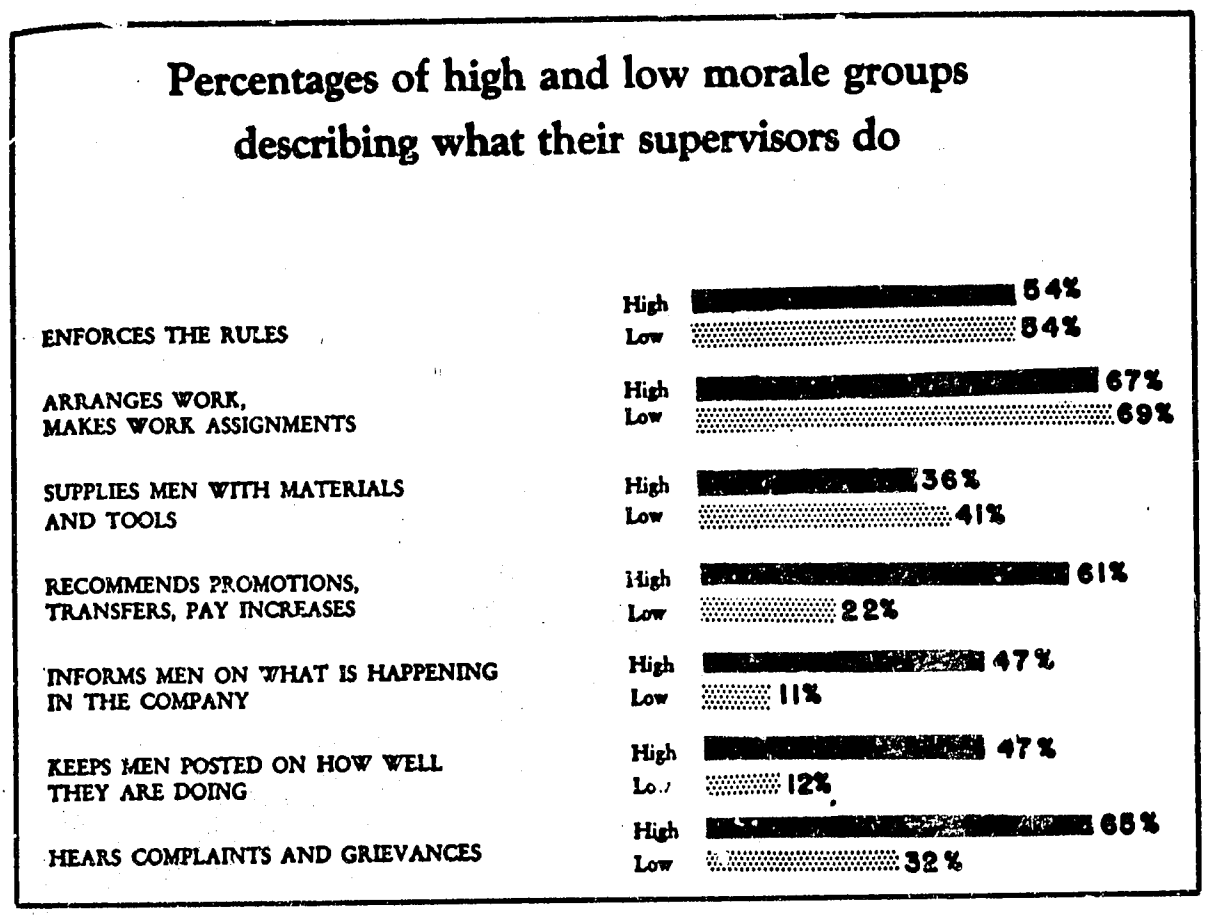


CHART 6



ample, employee-centered supervision produces high levels of job satisfaction as well as high productivity.

Chart 6 illustrates the kind of findings being obtained. Where work groups with the highest and lowest morale were asked to describe what their supervisors did, the results were as shown in Chart 6. The workers in low-morale groups mentioned just as often as workers in high-morale groups that their supervisors performed such production-centered tasks as "enforces the rules," "arranges work and makes work assignments," and "supplies men with materials and tools." But the high-morale groups mentioned much more frequently than the low such employee-centered functions as "recommends promotions and pay increases," "informs men on what is happening in the company," "keeps men posted on how well they are doing," and "hears complaints and grievances."[8]

IMPORTANCE OF THE GROUP RELATIONSHIP

Books on management and administration tend to deal with the relationship between superior and subordinates, between supervisors and employees, as *individuals*. Research on management similarly has tended to focus on the relationship between the superior and the subordinates as individuals. We are encountering increasing evidence, however, that the superior's skill in supervising his subordinates *as a group* is an important variable affecting his success: the greater his skill in using group

[8] In this discussion the term "morale" is used as meaning the total satisfactions the individual derives from his work situation. It is not being used as synonymous with the degree to which the individual is motivated to do his work.

methods of supervision, the greater are the productivity and job satisfaction of the work group.

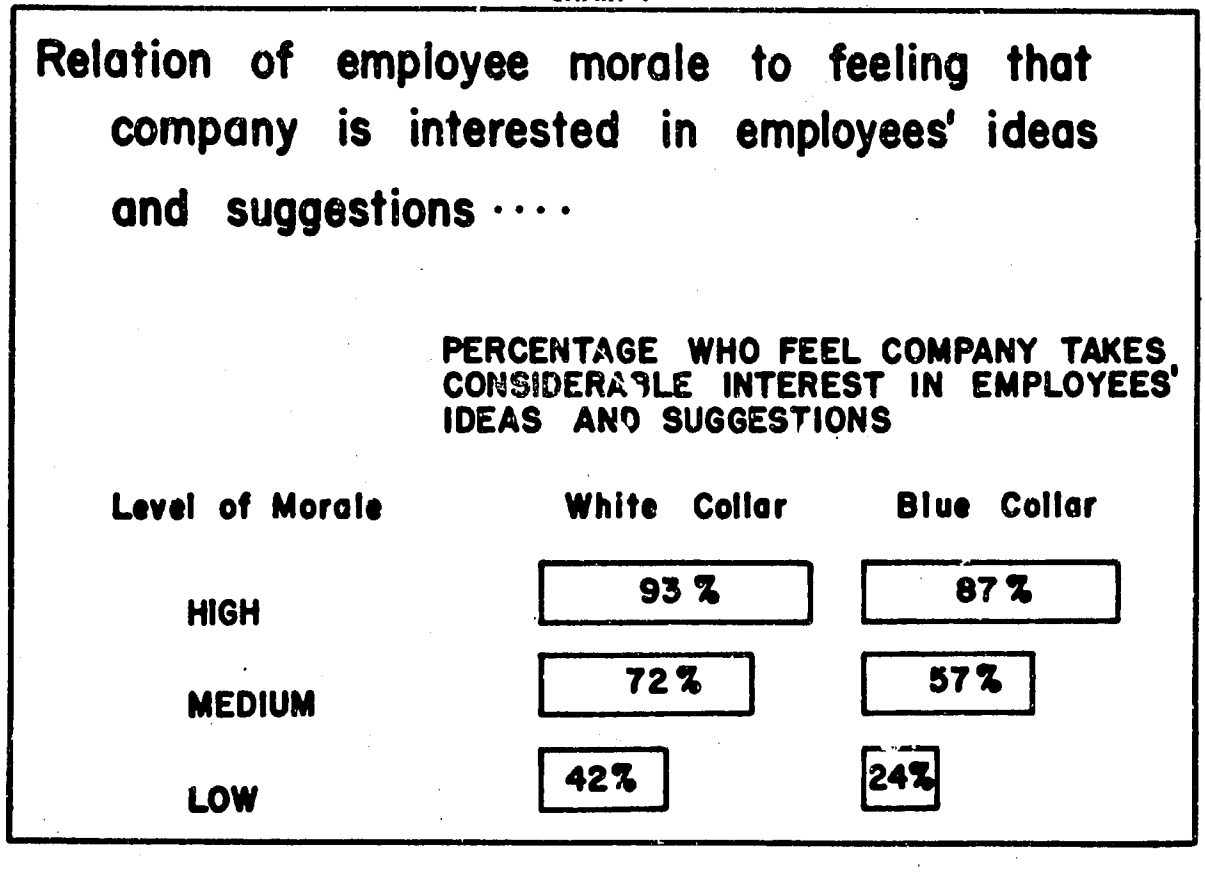
Chart 7 shows the relationship between the feeling that the "company is interested in employees' ideas and suggestions" and the level of employee morale. For both blue-collar and white-collar workers, there is a marked relationship between worker morale and how much employees feel that their boss is interested in discussing work problems with the work group.

Another important and striking relationship is shown in Chart 8. Foremen of high-production work groups report much more frequently than the foremen of low-production groups that their work groups perform well when they, the foremen, are absent. High-production supervisors, through group methods of supervision, apparently develop within the work group the expectation and capacity to function effectively whether the foreman is present or not. This ability to function well in the absence of the supervisor is, no doubt, one of the reasons for the greater productivity of the high-production groups.

Chart 9 shows the relationship between group pride (or loyalty) and group productivity. The high-production groups show greater group loyalty and greater group pride than do the low-production groups. We are finding that this relationship holds for many kinds of groups and many kinds of work. In Chart 9, for example, "Situation I" deals with clerical workers and "Situation II" deals with maintenance-of-way crews on a railroad.

In the study of the clerical operations, the workers and supervisors who displayed pride in their work group would make such comments as: "We have a good group," "We work together well," or "We help out each other." One supervisor said about her group:

CHART 7



They all have definite assignments, and they're a nice cooperative crowd. They just jump in and do things and never bother me. They have a responsibility toward the group.

HOW GROUP PRIDE AND GROUP LOYALTY OPERATE

There appear to be several reasons why work groups with high group pride and loyalty are the more productive. One reason is that the workers cooperate more and help one another in getting the work done. Work groups with high group loyalty show more teamwork and more willingness to help each other than do those with low group loyalty. In the high-loyalty groups there tends to be a flow of work back and forth between the workers depending upon the load. In groups with low group loyalty there tends to be more of a feeling that each worker is on his own and that how he gets along with his work is his own responsibility.

The effect upon productivity of workers, helping one another is shown in Chart 10. When foremen were asked, "How does your section compare with other sections in the way the men help each other on the job?" the answers showed a marked relationship to group productivity. The foremen of high-production groups reported much more often than the foremen of low-production groups that their men helped one another in getting the work done.

The workers in the high-production work groups not only have greater group loyalty and help one another more but give this help on their own initiative. Workers in groups with low group loyalty at times help one another, but then it is more often upon the request of the

CHART 8

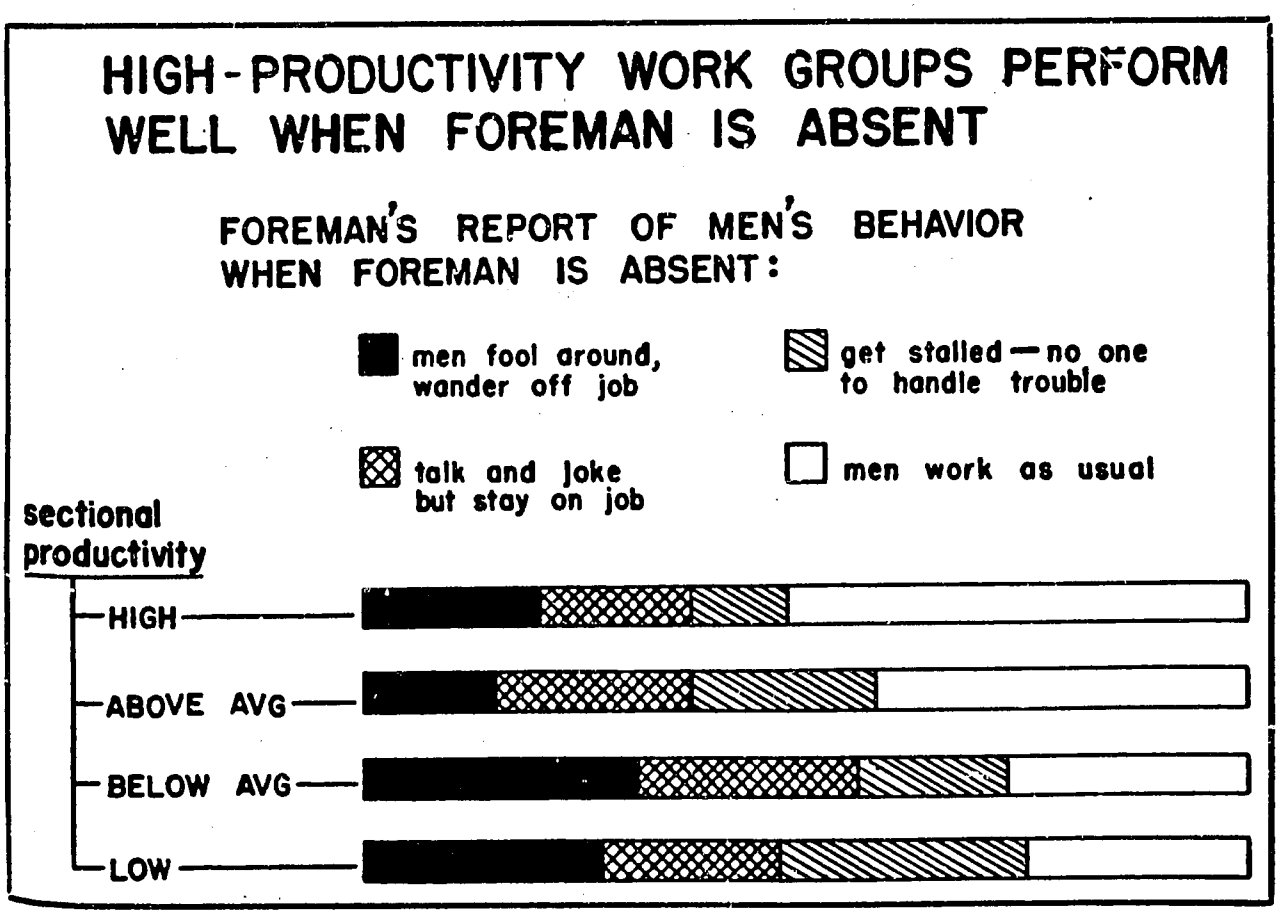
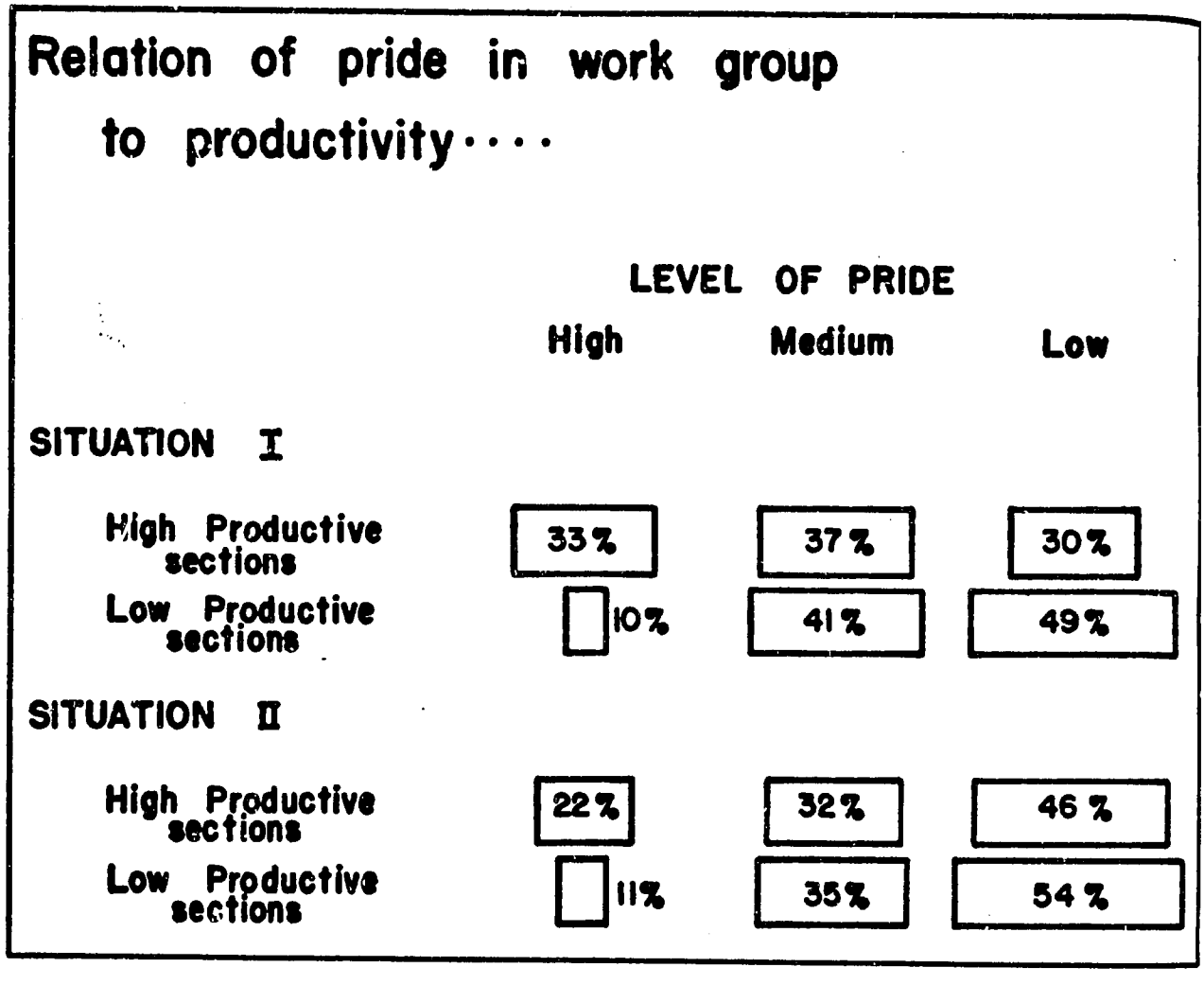


CHART 9



foreman. The willingness to help one another displayed by the groups with high group loyalty seems to come from a better team spirit and better interpersonal relationships that the foreman has developed in the group. This atmosphere seems to come from group methods of supervision and assigning work tasks as a whole to the group. Low group loyalty seems to occur where the foreman deals with workers individually and makes individual work assignments. One supervisor of a low productive clerical group described his pattern of supervision as follows:

> *I apportion out the work to the people in my section and generally supervise the work handled. If a clerk is out, I have to make arrangements to have her work done. The work must go on even though there are absences. This involves getting work redistributed to those who are there.*

Another factor contributing to the higher productivity of groups with high group loyalty is their lower rate of absence from the job. As Chart 11 shows, persons in groups with high group loyalty are much less likely to be absent from work than persons in groups with low group loyalty. This chart is based on data from white-collar workers. Similar results were obtained for blue-collar workers. Liking the work group clearly results, for all kinds of workers, in less absence from the job.

As might be expected, work groups with high group loyalty have more favorable attitudes toward production than do groups with low group loyalty. Thus we find that high-loyalty groups differ from groups of low group loyalty in having higher production goals. Their opinion as to what is reasonable production is higher and is more nearly the same as that of their foreman. Moreover, the high-loyalty groups have a more favorable attitude toward the high producer. This is shown in Chart 12.

We are finding that the high-loyalty groups differ from the low in ways that form a consistent pattern. In addition to the differences already mentioned, the following characteristics have been found. The groups with greater group loyalty are more likely to

- —Have greater identification with their group and a greater feeling of belonging to it.
- —Have more friends in the group and in the company—rather than outside the company.
- —Have better interpersonal relations among the members of the work group.
- —Have a more favorable attitude toward their job and their company.
- —Not only have higher production goals but produce more with less sense of strain or pressure.

CHART 10

GROUP SOLIDARITY AND PRODUCTIVITY

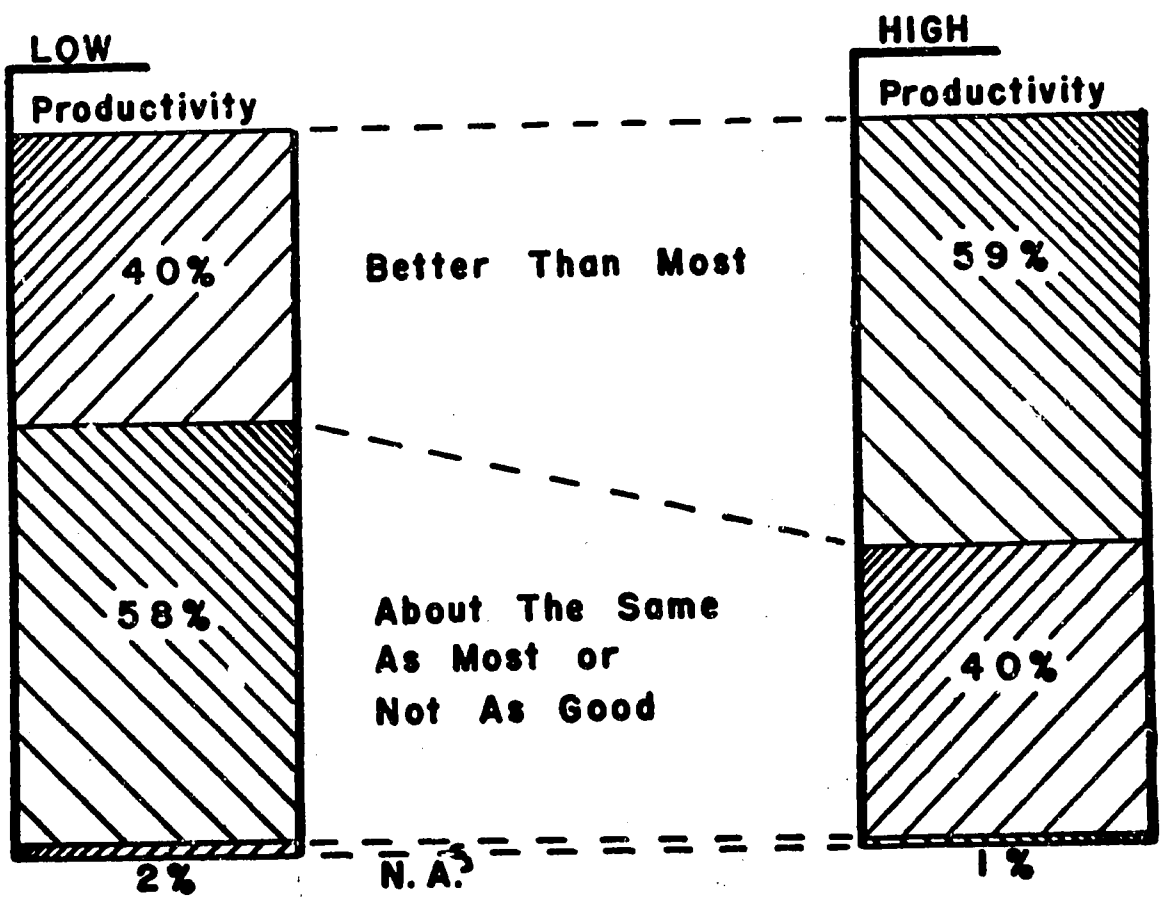
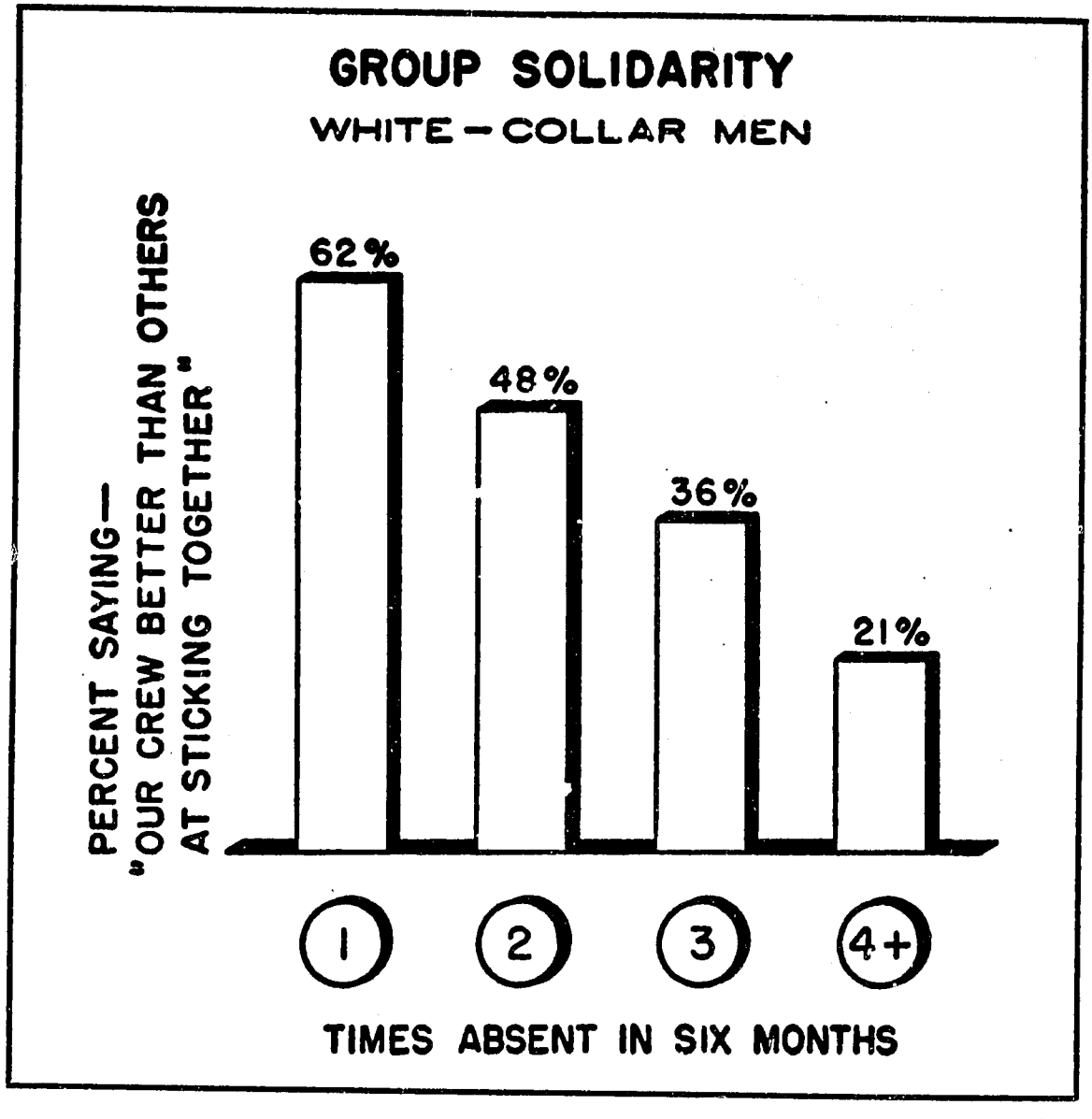


CHART 11



There is evidence that whenever a supervisor (or manager) abdicates his leadership role and does not develop a good team spirit, other persons within the group will take over and develop some kind of group loyalty. Often the informal leadership which emerges establishes groups with goals counter to the goals of the over-all organization. Human nature is such that there seems to be no question as to whether or not groups will be formed. If constituted leadership lacks group skills and fails to establish group leadership, other leadership will emerge and take over.

DEVELOPING GROUP LOYALTY AND TEAM SPIRIT

Since high group loyalty and a good team spirit seem to result in greater production, greater job satisfaction, less absence, and, I suspect, less turnover, it is important to ask, "How can group loyalty be developed?" One factor which exercises an influence is shown in Chart 13. When a superior treats subordinates as human beings, it results in greater group loyalty and pride. Moreover, as Chart 14 shows, when supervisors stay sufficiently close psychologically to their workers to be able to see the

problems of the workers through the eyes of the workers, the supervisors are better able to develop good group loyalty.

The good supervisor is able to identify with his employees and keep psychologically close to them. This seems to foster a good team spirit with open communication. It permits the supervisor to understand problems as employees see them and to interpret for top and middle management the employees' points of view. The supervisor who fails to identify with employees becomes psychologically far from them. This makes him incapable of seeing and dealing with problems as employees see them and hence unable to arrive at mutually satisfactory decisions. This supervisor is also unable to help middle and top management to see problems as employees see them and thereby to help management to arrive at policy decisions which will be mutually satisfactory.

Our research results indicate that it is important for supervisors to accept the goals of the over-all organization and to have a clear understanding of the role and function of their work group in achieving the over-all goals. When supervisors recognize and accept responsibility for performing the functions required of their work group and at the same time have the capacity to identify with their employees, effective results are obtained.

There are, of course, many other factors which are important in developing group loyalty and team spirit. Scattered research in industry and elsewhere indicates that commonly recognized methods of group leadership will yield good group loyalty when used. These methods and skills include those developed and taught by the National Training Laboratory in Group Development. Among the most important of these methods are those involving group participation in decisions affecting the

CHART 12

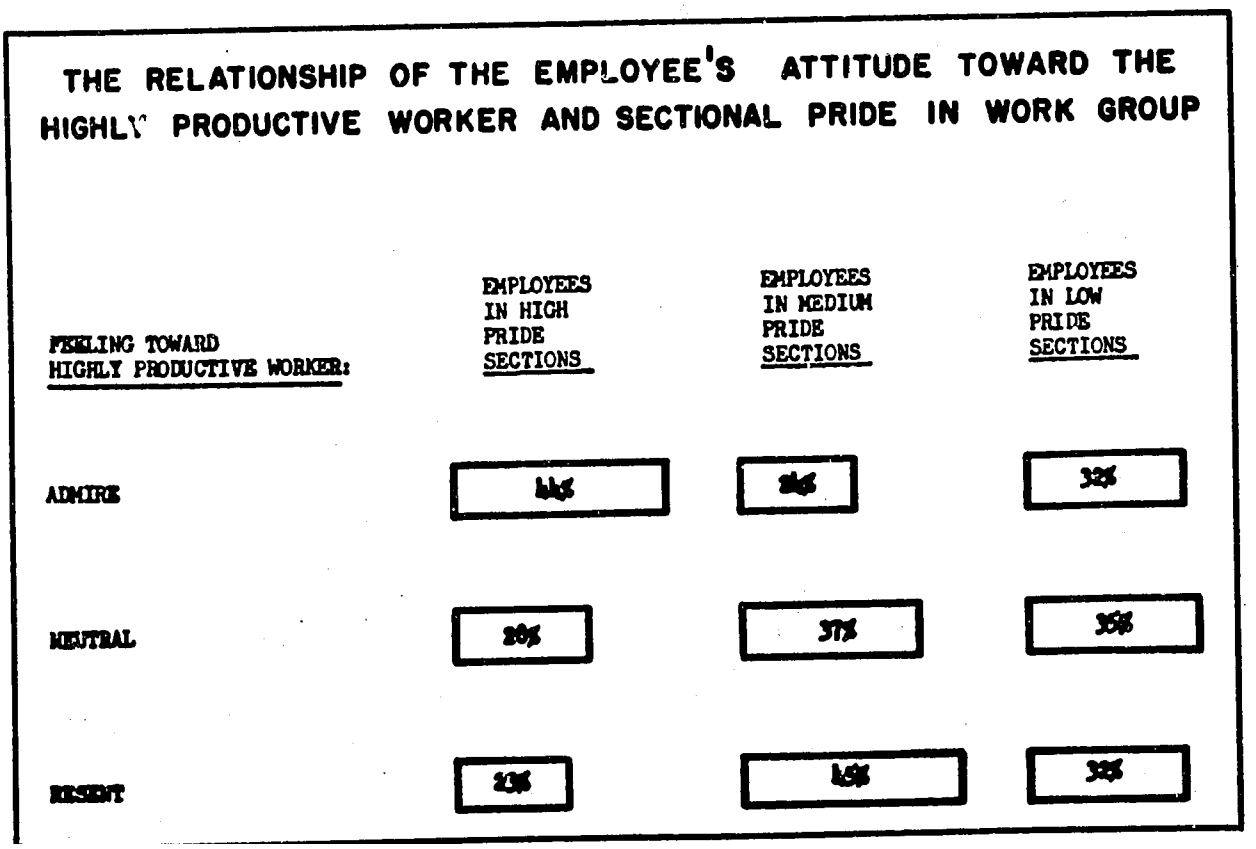
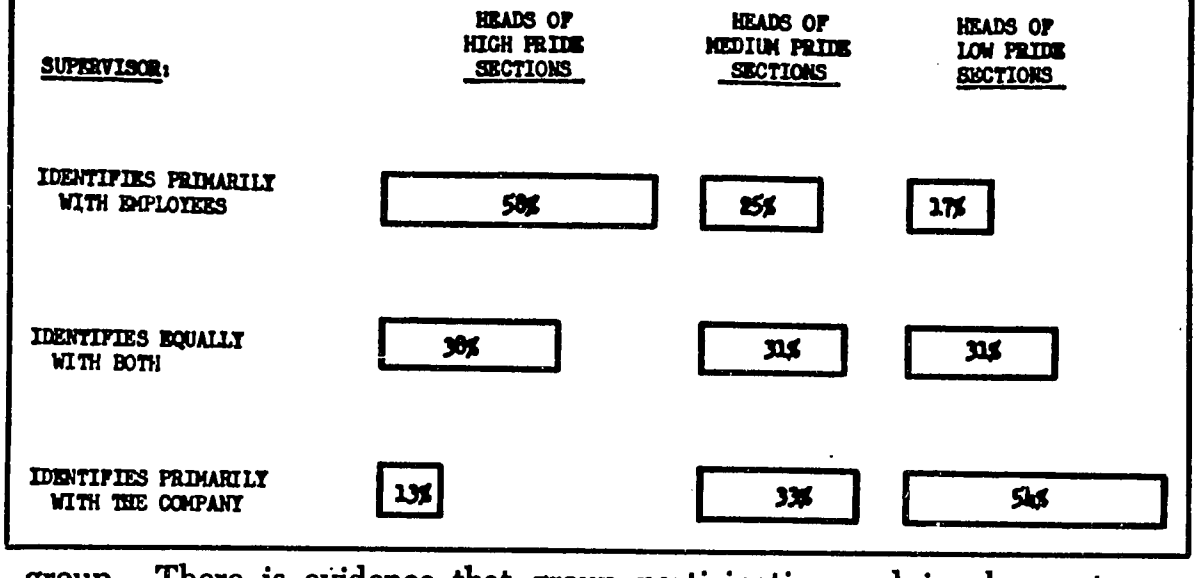


CHART 13

THE RELATIONSHIP OF THE SUPERVISOR'S ATTITUDE TOWARD HIS EMPLOYEES AND THE EMPLOYEES' DEGREE OF PRIDE IN WORK GROUP



group. There is evidence that group participation and involvement are beneficial at all levels in an organization. One of the best ways, for example, to have supervisors become aware of the job that needs to be done by their work group and to have them accept responsibility for it is to involve them in decisions where the functions and responsibilities of their work group are examined and reviewed.

CONCLUSION: NATURE OF HUMAN MOTIVATION

Some general conclusions have been stated here as the different results were presented. Additional conclusions emerge, however, as the results are looked at in an over-all manner. Thus these results suggest an important conclusion as to the nature of human motivation. An examination of the results presented here and of results from other research shows that every human being earnestly seeks a secure, friendly, and supportive relationship and one that gives him a sense of personal worth in the face-to-face groups most important to him. The most important face-to-face groups are almost always his immediate family group and his work group. If his formal face-to-face work group is hostile, he develops new friendly informal groups. Human nature seems to motivate each of us to establish and maintain these friendly supportive relationships in those face-to-face groups in which we spend most of our lives. Either we successfully establish these friendly and supportive relationships or we crack up.

It is not surprising, therefore, that we see people generally striving for a sense of dignity and personal worth. We all seem to seek recognition and a sense of importance in terms of the values and goals which we cherish and which our most important face-to-face groups also cherish.

To say that people seek friendly and supportive relationships does not mean that they seek to be coddled. Quite the contrary. People seek

to achieve a sense of importance from doing difficult but important tasks which help to implement goals which they and their friends seek.

THE FINDINGS APPLIED

If there is anything of value in the results presented and the conclusions drawn, then when these findings are applied there should be an increase in productivity and in job satisfaction. We have been running several tests applying these results. These tests involve hundreds of employees in widely different kinds of industries. I shall report briefly the results obtained in one of these tests.

Chart 15 indicates the effect of participation upon productivity. This chart is based on the experiment by Coch and French[4] designed to employ three variations in participation procedure.

> The first variation involved participation through representation of the workers in designing the changes to be made in the jobs. The second variation consisted of total participation by all members of the group in designing the changes. A third (control) group was also used. Two experimental groups received the total participation treatment. The (control) group went through the usual factory routine when they were changed. The production department modified the job, and a new piece rate was set. A group meeting was then held in which the control group was told that the change was necessary because of competitive conditions, and that a new piece rate had been set. The new piece rate was thoroughly explained by the time study man, questions were answered, and the meeting dismissed. Experimental group I was changed in a different manner. Before any changes took place, a group meeting was held with all the operators to be changed.
>
> The need for the change was presented as dramatically as possible, showing two identical garments produced in the factory; one was produced in 1946 and had sold for 100 per cent more then its fellow in 1947. The group was asked to

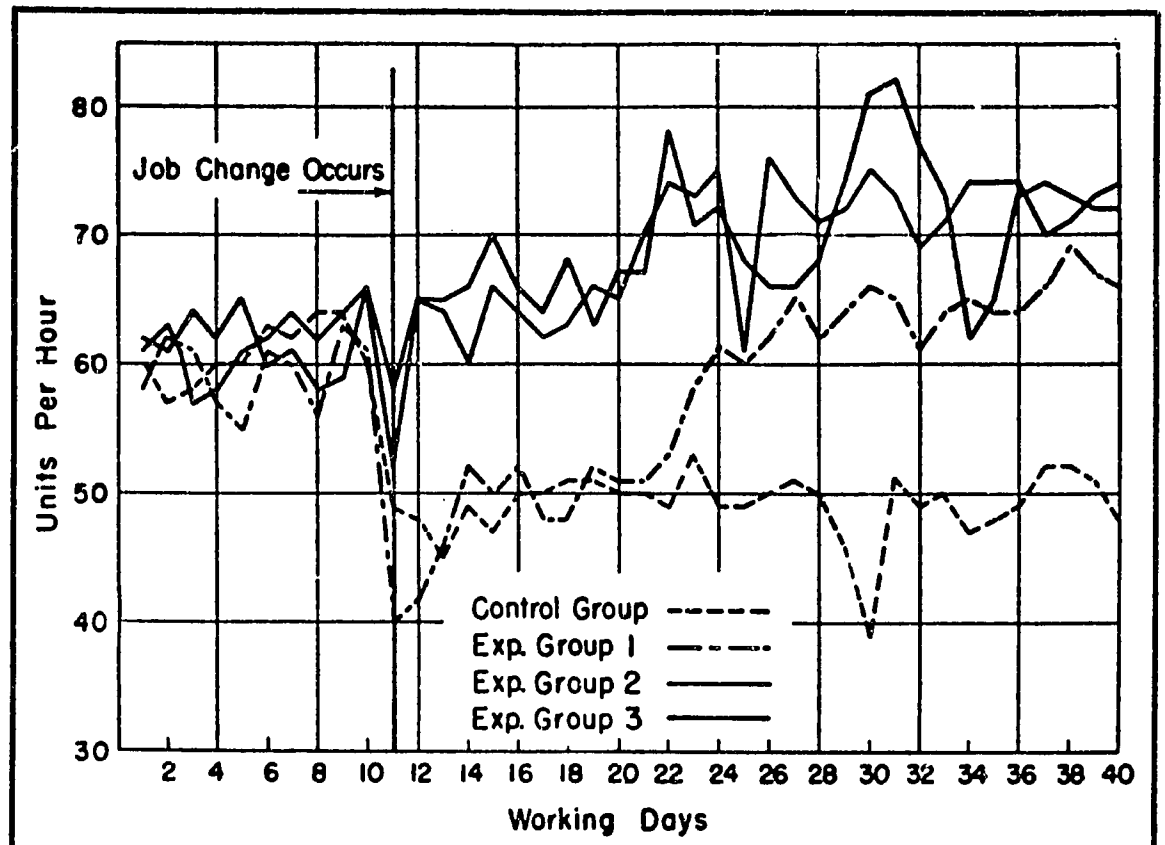
[4] Coch, Lester, and French, John R. P., Jr., "Overcoming Resistance to Change," *Human Relations*, Vol. I, No. 4 (1948).

CHART 14

THE RELATIONSHIP OF THE SUPERVISOR'S ATTITUDE TOWARD HIS EMPLOYEES AND THE EMPLOYEES' DEGREE OF PRIDE IN WORK GROUP

SUPERVISOR:	HEADS OF HIGH PRIDE SECTIONS	HEADS OF MEDIUM PRIDE SECTIONS	HEADS OF LOW PRIDE SECTIONS
CONSIDERS EMPLOYEES AS HUMAN BEINGS	47%	20%	33%
CONSIDERS EMPLOYEES PRIMARILY AS PEOPLE TO GET THE WORK OUT	26%	35%	39%

CHART 15



THE EFFECT OF PARTICIPATION ON PRODUCTION

identify the cheaper one and could not do it. This demonstration effectively shared with the group the entire problem of the necessity of cost reduction. A general agreement was reached that a savings could be effected by removing the "frills" and "fancy" work from the garment without affecting the folders' opportunity to achieve a high efficiency rating. Management then presented a plan to set the new job and piece rate:

(1) Make a check study of the job as it was being done.
(2) Eliminate all unnecessary work.
(3) Train several operators in the correct methods.
(4) Set the piece rate by time studies on these specially trained operators.
(5) Explain the new job and rate to all the operators.
(6) Train all operators in the new method so they can reach a high rate of production within a short time.

The group approved this plan (though no formal group decision was reached) and chose the operators to be specially trained. A sub-meeting with the "special" operators was held immediately following the meeting with the entire group. They displayed a cooperative and interested attitude and immediately presented many good suggestions. This attitude carried over into the working out of the details of the new job; and when the new job and piece rates were set, the "special" operators referred to the resultants as "our job," "our rate," etc. The new job and piece rates were presented at a second group meeting to all the operators involved. The "special" operators served to train the other operators on the new job.

Experimental groups 2 and 3 went through much the same kind of change meetings. The groups were smaller than experimental group 1, and a more intimate atmos-

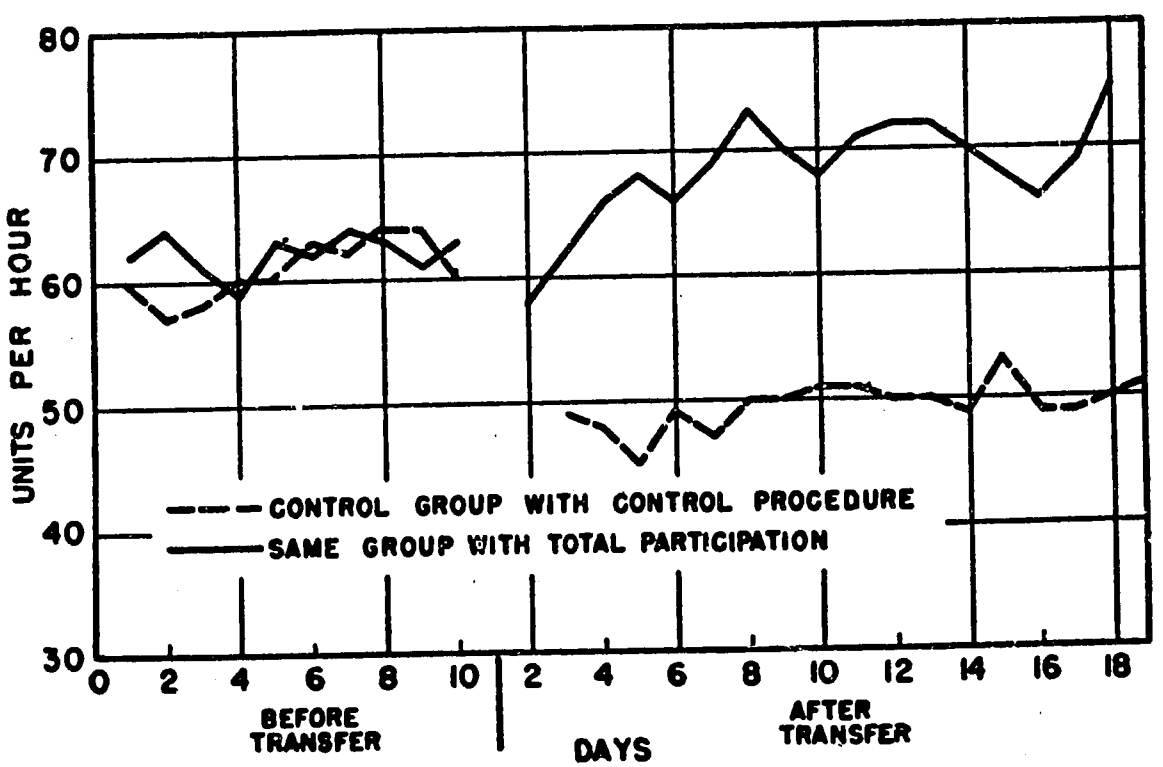
phere was established. The need for a change was once again made dramatically clear; the same general plan was presented by management. However, since the groups were small, all operators were chosen as "special" operators; that is, all operators were to participate directly in the designing of the new jobs, and all operators would be studied by the time study man. It is interesting to note that in the meetings with these two groups, suggestions were immediately made in such quantity that the stenographer had great difficulty in recording them. The group approved of the plans, but again no formal group decision was reached.

The results shown in Chart 15 clearly demonstrate the effectiveness of participation upon production. It is significant that the control group, when treated like experimental groups 2 and 3 in another change that occurred some months later, showed a productivity record identical to that shown by experimental groups 2 and 3. Chart 16 shows these curves.

The following, also taken from Coch and French, presents evidence on the power of group standards:

> Probably the most important force affecting the recovery under the control procedure was a group standard, set by the group, restricting the level of production to 50 units per hour. Evidently this explicit agreement to restrict production is related to the group's rejection of the change and of the new job as arbitrary and unreasonable. Perhaps they had faint hopes of demonstrating that standard production could not be attained and thereby obtain a more favorable piece rate. In any case there was a definite group phenomenon which affected all the members of the group. . . .
>
> An analysis was made for all groups of the individual differences within the group in levels of production. In Experiment I the 40 days before change were compared

CHART 16



A comparison of the effect of the control procedure with the total participation procedure on the same group.

with the 30 days after change; in Experiment II the 10 days before change were compared to the 17 days after change. As a measure of variability, the standard deviation was calculated each day for each group. The average daily standard deviations before and after change were as follows:

Group	*Variability*	
Experiment I	*Before Change*	*After Change*
Control group	9.8	1.9
Experimental 1	9.7	3.8
Experimental 2	10.3	2.7
Experimental 3	9.9	2.4
Experiment II		
Control group	12.7	2.9

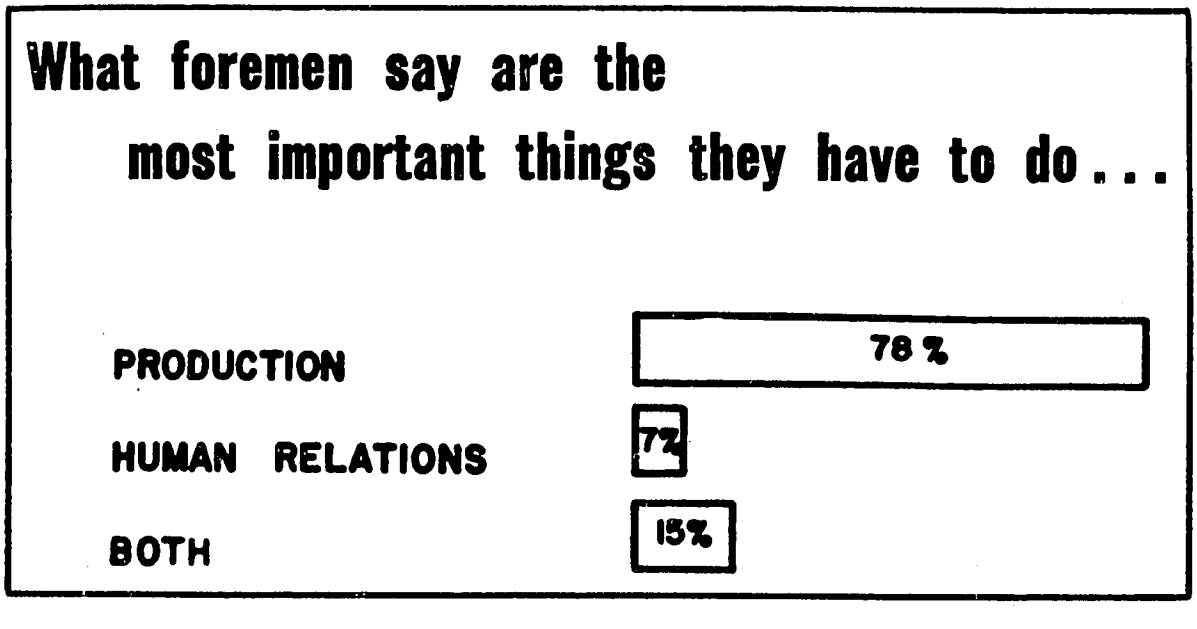
There is indeed a marked decrease in individual differences with the control group after their first transfer. In fact the restriction of production resulted in a lower variability than in any other group. Thus we may conclude that the group standard at 50 units per hour set up strong group-induced forces. . . .

The table of variability also shows that the experimental treatments markedly reduced variability in the other four groups after transfer.

This experiment by Coch and French shows that the results from research can be applied in the shop and can yield substantial improvements in production. This experiment also yielded improvement in attitudes toward the job.

Personnel departments have a very large and important task to perform in helping the line organization to apply the results of human relations research. This includes helping the line organization to appreciate that employee-centered supervision yields better production and better job satisfaction than production-centered supervision. Chart 17, which shows what the foremen in a very well-managed company say are the most important things they have to do, gives an indication of the magnitude of the job that personnel people face in helping the line organization to become employee-centered in its supervision. Over three-quarters of the foremen in that company state that pushing for production is the most important part of their job. The line organization, moreover, needs help in learning the skills required for using employee-centered supervision effectively. Research results pointing to effective ways to develop these skills are available, but that is a topic for other discussions.

CHART 17



APPENDIX

The charts presented here are based on research conducted by the staff of the Institute for Social Research of the University of Michigan. Shown below is the source of each chart and some sources of additional related information. All of these are publications of the Institute for Social Research, unless otherwise specified.

Charts 1, 2, 3, and 4. Katz, D., *et al., Productivity, Supervision and Morale in an Office Situation: Part I,* 1950, 84 pp. (Available from the University of Michigan Press.)

Chart 5. Neel, R., *Factors Related to Productivity (A Preliminary Report),* hecto., 1952, 8 pp. See also Kahn, R., "The Importance of Human Relations Research for Industrial Productivity," in *New Solutions to Production Problems,* Manufacturing Management Series No. 200, American Management Association, New York, 1951.

Charts 6 and 7. From a study conducted by Floyd Mann which has not yet been published.

Chart 8. Kahn, R., *et al., Factors Related to Productivity,* mimeo., 1951, 87 pp.

Chart 9. Katz, D., *et al., Productivity, Supervision and Morale in an Office Situation: Part I,* 1950, 84 pp. (Available from the University of Michigan Press.) See also Katz, D., *et al., Productivity, Supervision and Morale among Railroad Workers,* 1951, 61 pp. (Available from the University of Michigan Press.)

Chart 10. Kahn, R., "The Importance of Human Relations Research for Industrial Productivity," in *New Solutions to Production Problems,* Manufacturing Management Series No. 200, American Management Association, New York, 1951.

Chart 11. Mann, F., and Baumgartel, H., *Absences and Employee Attitudes in an Electric Power Company,* 1952, 24 pp.

Charts 12, 13, and 14. Morse, N., *Satisfactions in the White-Collar Job,* 1953, 235 pp. (Available from University of Michigan Press.)

Charts 15 and 16. Coch, Lester, and French, John R. P., Jr., "Overcoming Resistance to Change," in *Human Relations,* Vol. I, No. 4, pp. 415-556, 1948.

Chart 17. From a study conducted by Eugene Jacobson which has not yet been published.

One more time: How do you motivate employees?

Frederick Herzberg

Foreword

KITA—the externally imposed attempt by management to "install a generator" in the employee—has been demonstrated to be a total failure, the author says. The absence of such "hygiene" factors as good supervisor-employee relations and liberal fringe benefits can make a worker unhappy, but their presence will not make him want to work harder. Essentially meaningless changes in the tasks that workers are assigned to do have not accomplished the desired objective either. The only way to motivate the employee is to give him challenging work in which he can assume responsibility.

Frederick Herzberg, who is Professor and Chairman of the Psychology Department at Case Western Reserve University, has devoted many years to the study of motivation in the United States and abroad. He is the author of *Work and the Nature of Man* (World Publishing Company, 1966).

How many articles, books, speeches, and workshops have pleaded plaintively, "How do I get an employee to do what I want him to do?"

The psychology of motivation is tremendously complex, and what has been unraveled with any degree of assurance is small indeed. But the dismal ratio of knowledge to speculation has not dampened the enthusiasm for new forms of snake oil that are constantly coming on the market, many of them with academic testimonials. Doubtless this article will have no depressing impact on the market for snake oil,

Author's note: I should like to acknowledge the contributions that Robert Ford of the American Telephone and Telegraph Company has made to the ideas expressed in this paper, and in particular to the successful application of these ideas in improving work performance and the job satisfaction of employees.

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but since the ideas expressed in it have been tested in many corporations and other organizations, it will help—I hope—to redress the imbalance in the aforementioned ratio.

'Motivating' with KITA

In lectures to industry on the problem, I have found that the audiences are anxious for quick and practical answers, so I will begin with a straightforward, practical formula for moving people.

What is the simplest, surest, and most direct way of getting someone to do something? Ask him? But if he responds that he does not want to do it, then that calls for a psychological consultation to determine the reason for his obstinacy. Tell him? His response shows that he does not understand you, and now an expert in communication methods has to be brought in to show you how to get through to him. Give him a monetary incentive? I do not need to remind the reader of the complexity and difficulty involved in setting up and administering an incentive system. Show him? This means a costly training program. We need a simple way.

Every audience contains the "direct action" manager who shouts, "Kick him!" And this type of manager is right. The surest and least circumlocuted way of getting someone to do something is to kick him in the pants—give him what might be called the KITA.

There are various forms of KITA, and here are some of them:

☐ *Negative physical KITA.* This is a literal application of the term and was frequently used in the past. It has, however, three major drawbacks: (1) it is inelegant; (2) it contradicts the precious image of benevolence that most organizations cherish; and (3) since it is a physical attack, it directly stimulates the autonomic nervous system, and this often results in negative feedback—the employee may just kick you in return. These factors give rise to certain taboos against negative physical KITA.

The psychologist has come to the rescue of those who are no longer permitted to use negative physical KITA. He has uncovered infinite sources of psychological vulnerabilities and the appropriate methods to play tunes on them. "He took my rug away"; "I wonder what he meant by that"; "The boss is always going around me"—these symptomatic expressions of ego sores that have been rubbed raw are the result of application of:

☐ *Negative Psychological KITA.* This has several advantages over negative physical KITA. First, the cruelty is not visible; the bleeding is internal and comes much later. Second, since it affects the higher cortical centers of the brain with its inhibitory powers, it reduces the possibility of physical backlash. Third, since the number of psychological pains that a person can feel is almost infinite, the direction and site possibilities of the KITA are increased many times. Fourth, the person administering the kick can manage to be above it all and let the system accomplish the dirty work. Fifth, those who practice it receive some ego satisfaction (one-upmanship), whereas they would find drawing blood abhorrent. Finally, if the employee does complain, he can always be accused of being paranoid, since there is no tangible evidence of an actual attack.

Now, what does negative KITA accomplish? If I kick you in the rear (physically or psychologically), who is motivated? *I* am motivated; *you* move! Negative KITA does not lead to motivation, but to movement. So:

☐ *Positive KITA.* Let us consider motivation. If I say to you, "Do this for me or the company, and in return I will give you a reward, an incentive, more status, a promotion, all the quid pro quos that exist in the industrial organization," am I motivating you? The overwhelming opinion I receive from management people is, "Yes, this is motivation."

I have a year-old Schnauzer. When it was a small puppy and I wanted it to move, I kicked it in the rear and it moved. Now that I have finished its obedience training, I hold up a dog biscuit when I want the Schnauzer to move. In this instance, who is motivated—I or the dog? The dog wants the biscuit, but it is I who want it to move. Again, I am the one who is motivated, and the dog is the one who moves. In this instance all I did was apply KITA frontally; I exerted a pull instead of a push. When industry wishes to use such positive KITAs, it has available an incredible number and variety of dog biscuits (jelly beans for humans) to wave in front of the employee to get him to jump.

Why is it that managerial audiences are quick to see that negative KITA is *not* motivation, while they are almost unanimous in their judgment that positive KITA *is* motivation? It is

because negative KITA is rape, and positive KITA is seduction. But it is infinitely worse to be seduced than to be raped; the latter is an unfortunate occurrence, while the former signifies that you were a party to your own downfall. This is why positive KITA is so popular: it is a tradition; it is in the American way. The organization does not have to kick you; you kick yourself.

Myths about motivation

Why is KITA not motivation? If I kick my dog (from the front or the back) he will move. And when I want him to move again, what must I do? I must kick him again. Similarly, I can charge a man's battery, and then recharge it, and recharge it again. But it is only when he has his own generator that we can talk about motivation. He then needs no outside stimulation. He *wants* to do it.

With this in mind, we can review some positive KITA personnel practices that were developed as attempts to instill "motivation":

1. *Reducing time spent at work*—This represents a marvelous way of motivating people to work—getting them off the job! We have reduced (formally and informally) the time spent on the job over the last 50 or 60 years until we are finally on the way to the "6½-day weekend." An interesting variant of this approach is the development of off-hour recreation programs. The philosophy here seems to be that those who play together, work together. The fact is that motivated people seek more hours of work, not fewer.

2. *Spiraling wages*—Have these motivated people? Yes, to seek the next wage increase. Some medievalists still can be heard to say that a good depression will get employees moving. They feel that if rising wages don't or won't do the job, perhaps reducing them will.

3. *Fringe benefits*—Industry has outdone the most welfare-minded of welfare states in dispensing cradle-to-the-grave succor. One company I know of had an informal "fringe benefit of the month club" going for a while. The cost of fringe benefits in this country has reached approximately 25% of the wage dollar, and we still cry for motivation.

People spend less time working for more money and more security than ever before, and the trend cannot be reversed. These benefits are no longer rewards; they are rights. A 6-day week is inhuman, a 10-hour day is exploitation, extended medical coverage is a basic decency, and stock options are the salvation of American initiative. Unless the ante is continuously raised, the psychological reaction of employees is that the company is turning back the clock.

When industry began to realize that both the economic nerve and the lazy nerve of their employees had insatiable appetites, it started to listen to the behavioral scientists who, more out of a humanist tradition than from scientific study, criticized management for not knowing how to deal with people. The next KITA easily followed.

4. *Human relations training*—Over 30 years of teaching and, in many instances, of practicing psychological approaches to handling people have resulted in costly human relations programs and, in the end, the same question: How do you motivate workers? Here, too, escalations have taken place. Thirty years ago it was necessary to request, "Please don't spit on the floor." Today the same admonition requires three "please"s before the employee feels that his superior has demonstrated the psychologically proper attitudes toward him.

The failure of human relations training to produce motivation led to the conclusion that the supervisor or manager himself was not psychologically true to himself in his practice of interpersonal decency. So an advanced form of human relations KITA, sensitivity training, was unfolded.

5. *Sensitivity training*—Do you really, really understand yourself? Do you really, really, really trust the other man? Do you really, really, really, really cooperate? The failure of sensitivity training is now being explained, by those who have become opportunistic exploiters of the technique, as a failure to really (five times) conduct proper sensitivity training courses.

With the realization that there are only temporary gains from comfort and economic and interpersonal KITA, personnel managers concluded that the fault lay not in what they were doing, but in the employee's failure to appreciate what they were doing. This opened up the field of communications, a whole new area of "scientifically" sanctioned KITA.

6. *Communications*—The professor of communications was invited to join the faculty of management training programs and help in making employees understand what management was doing for them. House organs, briefing sessions, supervisory instruction on the importance of communication, and all sorts of

propaganda have proliferated until today there is even an International Council of Industrial Editors. But no motivation resulted, and the obvious thought occurred that perhaps management was not hearing what the employees were saying. That led to the next KITA.

7. *Two-way communication*—Management ordered morale surveys, suggestion plans, and group participation programs. Then both employees and management were communicating and listening to each other more than ever, but without much improvement in motivation.

The behavioral scientists began to take another look at their conceptions and their data, and they took human relations one step further. A glimmer of truth was beginning to show through in the writings of the so-called higher-order-need psychologists. People, so they said, want to actualize themselves. Unfortunately, the "actualizing" psychologists got mixed up with the human relations psychologists, and a new KITA emerged.

8. *Job participation*—Though it may not have been the theoretical intention, job participation often became a "give them the big picture" approach. For example, if a man is tightening 10,000 nuts a day on an assembly line with a torque wrench, tell him he is building a Chevrolet. Another approach had the goal of giving the employee a *feeling* that he is determining, in some measure, what he does on his job. The goal was to provide a *sense* of achievement rather than a substantive achievement in his task. Real achievement, of course, requires a task that makes it possible.

But still there was no motivation. This led to the inevitable conclusion that the employees must be sick, and therefore to the next KITA.

9. *Employee counseling*—The initial use of this form of KITA in a systematic fashion can be credited to the Hawthorne experiment of the Western Electric Company during the early 1930's. At that time, it was found that the employees harbored irrational feelings that were interfering with the rational operation of the factory. Counseling in this instance was a means of letting the employees unburden themselves by talking to someone about their problems. Although the counseling techniques were primitive, the program was large indeed.

The counseling approach suffered as a result of experiences during World War II, when the programs themselves were found to be interfering with the operation of the organizations; the counselors had forgotten their role of benevolent listeners and were attempting to do something about the problems that they heard about. Psychological counseling, however, has managed to survive the negative impact of World War II experiences and today is beginning to flourish with renewed sophistication. But, alas, many of these programs, like all the others, do not seem to have lessened the pressure of demands to find out how to motivate workers.

Since KITA results only in short-term movement, it is safe to predict that the cost of these programs will increase steadily and new varieties will be developed as old positive KITAs reach their satiation points.

Hygiene vs. motivators

Let me rephrase the perennial question this way: How do you install a generator in an employee? A brief review of my motivation-hygiene theory of job attitudes is required before theoretical and practical suggestions can be offered. The theory was first drawn from an examination of events in the lives of engineers and accountants. At least 16 other investigations, using a wide variety of populations (including some in the Communist countries), have since been completed, making the original research one of the most replicated studies in the field of job attitudes.

The findings of these studies, along with corroboration from many other investigations using different procedures, suggest that the factors involved in producing job satisfaction (and motivation) are separate and distinct from the factors that lead to job dissatisfaction. Since separate factors need to be considered, depending on whether job satisfaction or job dissatisfaction is being examined, it follows that these two feelings are not opposites of each other. The opposite of job satisfaction is not job dissatisfaction but, rather, *no* job satisfaction; and, similarly, the opposite of job dissatisfaction is not job satisfaction, but *no* job dissatisfaction.

Stating the concept presents a problem in semantics, for we normally think of satisfaction and dissatisfaction as opposites—i.e., what is not satisfying must be dissatisfying, and vice versa. But when it comes to understanding the behavior of people in their jobs, more than a play on words is involved.

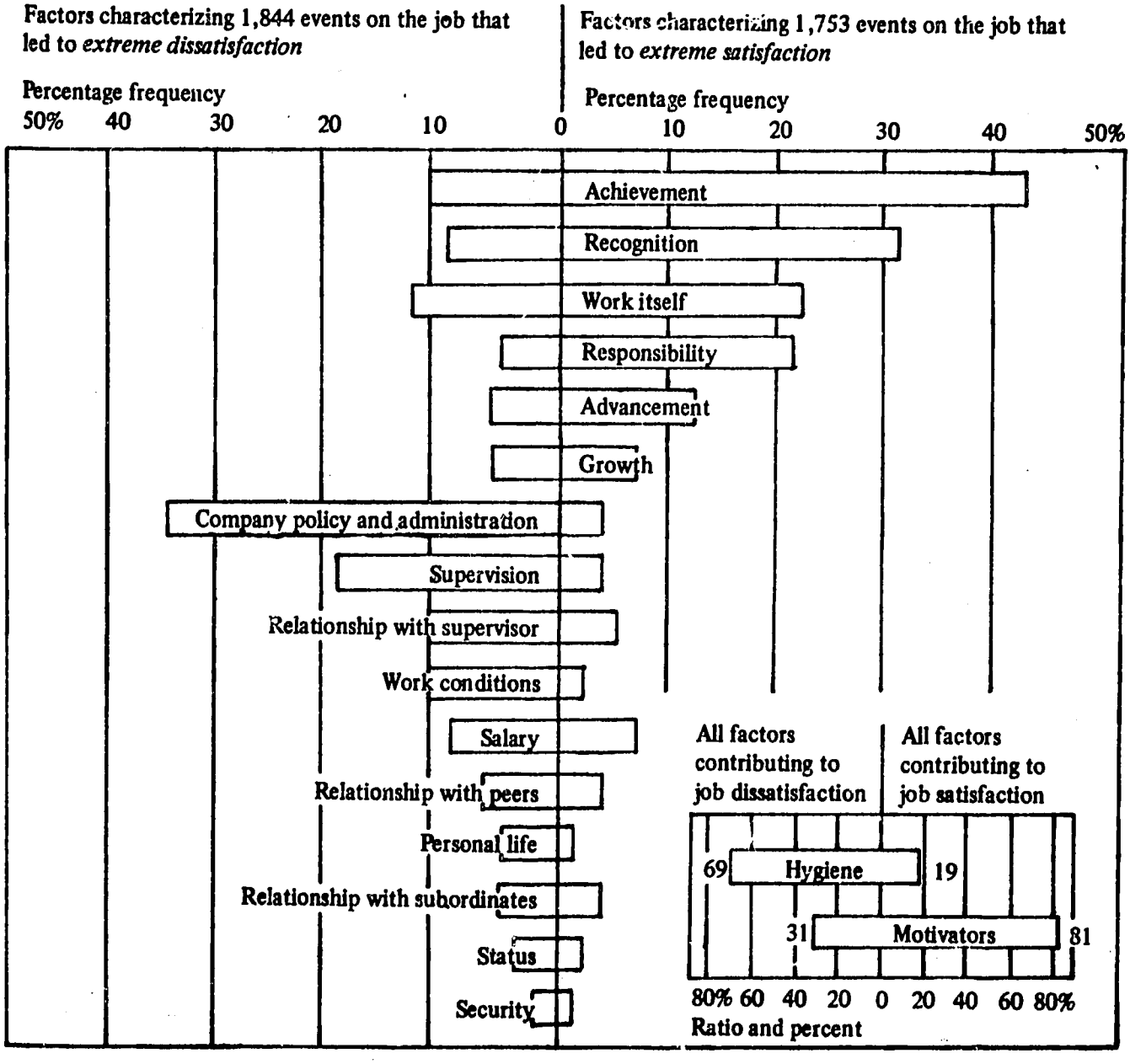
Two different needs of man are involved here. One set of needs can be thought of as stemming

from his animal nature—the built-in drive to avoid pain from the environment, plus all the learned drives which become conditioned to the basic biological needs. For example, hunger, a basic biological drive, makes it necessary to earn money, and then money becomes a specific drive. The other set of needs relates to that unique human characteristic, the ability to achieve and, through achievement, to experience psychological growth. The stimuli for the growth needs are tasks that induce growth; in the industrial setting, they are the *job content*. Contrariwise, the stimuli inducing pain-avoidance behavior are found in the *job environment*.

The growth or *motivator* factors that are intrinsic to the job are: achievement, recognition for achievement, the work itself, responsibility, and growth or advancement. The dissatisfaction-avoidance or *hygiene* (KITA) factors that are extrinsic to the job include: company policy and administration, supervision, interpersonal relationships, working conditions, salary, status, and security.

A composite of the factors that are involved in causing job satisfaction and job dissatisfaction, drawn from samples of 1,685 employees, is shown in *Exhibit I*. The results indicate that motivators were the primary cause of satisfaction, and hygiene factors the primary cause of unhappiness on the job. The employees, studied in 12 different investigations, included lower-level supervisors, professional women, agricultural administrators, men about to retire from management positions, hospital maintenance

Exhibit I. Factors affecting job attitudes, as reported in 12 investigations



personnel, manufacturing supervisors, nurses, food handlers, military officers, engineers, scientists, housekeepers, teachers, technicians, female assemblers, accountants, Finnish foremen, and Hungarian engineers.

They were asked what job events had occurred in their work that had led to extreme satisfaction or extreme dissatisfaction on their part. Their responses are broken down in the exhibit into percentages of total "positive" job events and of total "negative" job events. (The figures total more than 100% on both the "hygiene" and "motivators" sides because often at least two factors can be attributed to a single event; advancement, for instance, often accompanies assumption of responsibility.)

To illustrate, a typical response involving achievement that had a negative effect for the employee was, "I was unhappy because I didn't do the job successfully." A typical response in the small number of positive job events in the Company Policy and Administration grouping was, "I was happy because the company reorganized the section so that I didn't report any longer to the guy I didn't get along with."

As the lower right-hand part of the exhibit shows, of all the factors contributing to job satisfaction, 81% were motivators. And of all the factors contributing to the employees' dissatisfaction over their work, 69% involved hygiene elements.

Eternal triangle

There are three general philosophies of personnel management. The first is based on organizational theory, the second on industrial engineering, and the third on behavioral science.

The organizational theorist believes that human needs are either so irrational or so varied and adjustable to specific situations that the major function of personnel management is to be as pragmatic as the occasion demands. If jobs are organized in a proper manner, he reasons, the result will be the most efficient job structure, and the most favorable job attitudes will follow as a matter of course.

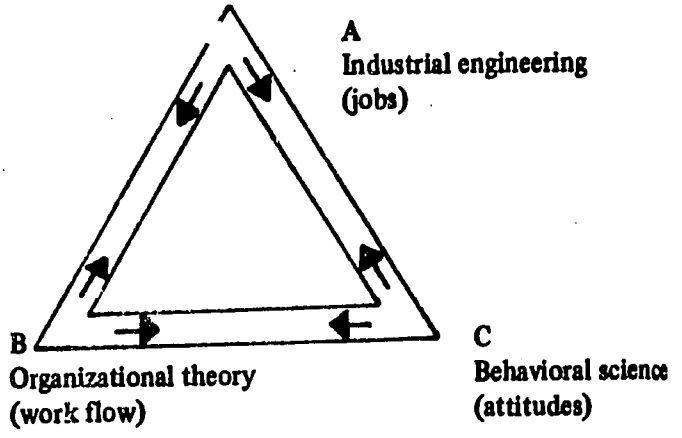
The industrial engineer holds that man is mechanistically oriented and economically motivated and his needs are best met by attuning the individual to the most efficient work process. The goal of personnel management therefore should be to concoct the most appropriate incentive system and to design the specific working conditions in a way that facilitates the most efficient use of the human machine. By structuring jobs in a manner that leads to the most efficient operation, the engineer believes that he can obtain the optimal organization of work and the proper work attitudes.

The behavioral scientist focuses on group sentiments, attitudes of individual employees, and the organization's social and psychological climate. According to his persuasion, he emphasizes one or more of the various hygiene and motivator needs. His approach to personnel management generally emphasizes some form of human relations education, in the hope of instilling healthy employee attitudes and an organizational climate which he considers to be felicitous to human values. He believes that proper attitudes will lead to efficient job and organizational structure.

There is always a lively debate as to the overall effectiveness of the approaches of the organizational theorist and the industrial engineer. Manifestly they have achieved much. But the nagging question for the behavioral scientist has been: What is the cost in human problems that eventually cause more expense to the organization—for instance, turnover, absenteeism, errors, violation of safety rules, strikes, restriction of output, higher wages, and greater fringe benefits? On the other hand, the behavioral scientist is hard put to document much manifest improvement in personnel management, using his approach.

The three philosophies can be depicted as a triangle, as is done in *Exhibit II*, with each persuasion claiming the apex angle. The motivation-hygiene theory claims the same angle as industrial engineering, but for opposite goals. Rather than rationalizing the work to increase efficiency, the theory suggests that work be en-

Exhibit II. 'Triangle' of philosophies of personnel management



riched to bring about effective utilization of personnel. Such a systematic attempt to motivate employees by manipulating the motivator factors is just beginning.

The term *job enrichment* describes this embryonic movement. An older term, job enlargement, should be avoided because it is associated with past failures stemming from a misunderstanding of the problem. Job enrichment provides the opportunity for the employee's psychological growth, while job enlargement merely makes a job structurally bigger. Since scientific job enrichment is very new, this article only suggests the principles and practical steps that have recently emerged from several successful experiments in industry.

Job loading

In attempting to enrich an employee's job, management often succeeds in reducing the man's personal contribution, rather than giving him an opportunity for growth in his accustomed job. Such an endeavor, which I shall call horizontal job loading (as opposed to vertical loading, or providing motivator factors), has been the problem of earlier job enlargement programs. This activity merely enlarges the meaninglessness of the job. Some examples of this approach, and their effect, are:

- Challenging the employee by increasing the amount of production expected of him. If he tightens 10,000 bolts a day, see if he can tighten 20,000 bolts a day. The arithmetic involved shows that multiplying zero by zero still equals zero.
- Adding another meaningless task to the existing one, usually some routine clerical activity. The arithmetic here is adding zero to zero.
- Rotating the assignments of a number of jobs that need to be enriched. This means washing dishes for a while, then washing silverware. The arithmetic is substituting one zero for another zero.
- Removing the most difficult parts of the assignment in order to free the worker to accomplish more of the less challenging assignments. This traditional industrial engineering approach amounts to subtraction in the hope of accomplishing addition.

These are common forms of horizontal loading that frequently come up in preliminary brainstorming sessions on job enrichment. The principles of vertical loading have not all been worked out as yet, and they remain rather general, but I have furnished seven useful starting points for consideration in *Exhibit III.*

A successful application

An example from a highly successful job enrichment experiment can illustrate the distinction between horizontal and vertical loading of a job. The subjects of this study were the stockholder correspondents employed by a very large corporation. Seemingly, the task required of these carefully selected and highly trained correspondents was quite complex and challenging. But almost all indexes of performance and job attitudes were low, and exit interviewing confirmed that the challenge of the job existed merely as words.

Exhibit III. Principles of vertical job loading

Principle	Motivators involved
A. Removing some controls while retaining accountability	Responsibility and personal achievement
B. Increasing the accountability of individuals for own work	Responsibility and recognition
C. Giving a person a complete natural unit of work (module, division, area, and so on)	Responsibility, achievement, and recognition
D. Granting additional authority to an employee in his activity; job freedom	Responsibility, achievement, and recognition
E. Making periodic reports directly available to the worker himself rather than to the supervisor	Internal recognition
F. Introducing new and more difficult tasks not previously handled	Growth and learning
G. Assigning individuals specific or specialized tasks, enabling them to become experts	Responsibility, growth, and advancement

A job enrichment project was initiated in the form of an experiment with one group, designated as an achieving unit, having its job enriched by the principles described in *Exhibit III.* A control group continued to do its job in the traditional way. (There were also two "uncommitted" groups of correspondents formed to measure the so-called Hawthorne Effect—that is, to gauge whether productivity and attitudes toward the job changed artificially merely because employees sensed that the company was paying more attention to them in doing some-

thing different or novel. The results for these groups were substantially the same as for the control group, and for the sake of simplicity I do not deal with them in this summary.) No changes in hygiene were introduced for either group other than those that would have been made anyway, such as normal pay increases.

The changes for the achieving unit were introduced in the first two months, averaging one per week of the seven motivators listed in *Exhibit III*. At the end of six months the members of the achieving unit were found to be outperforming their counterparts in the control group, and in addition indicated a marked increase in their liking for their jobs. Other results showed that the achieving group had lower absenteeism and, subsequently, a much higher rate of promotion.

Exhibit IV illustrates the changes in performance, measured in February and March, before the study period began, and at the end of each month of the study period. The shareholder service index represents quality of letters, including accuracy of information, and speed of response to stockholders' letters of inquiry. The

Exhibit IV. Shareholder service index in company experiment
[Three-month cumulative average]

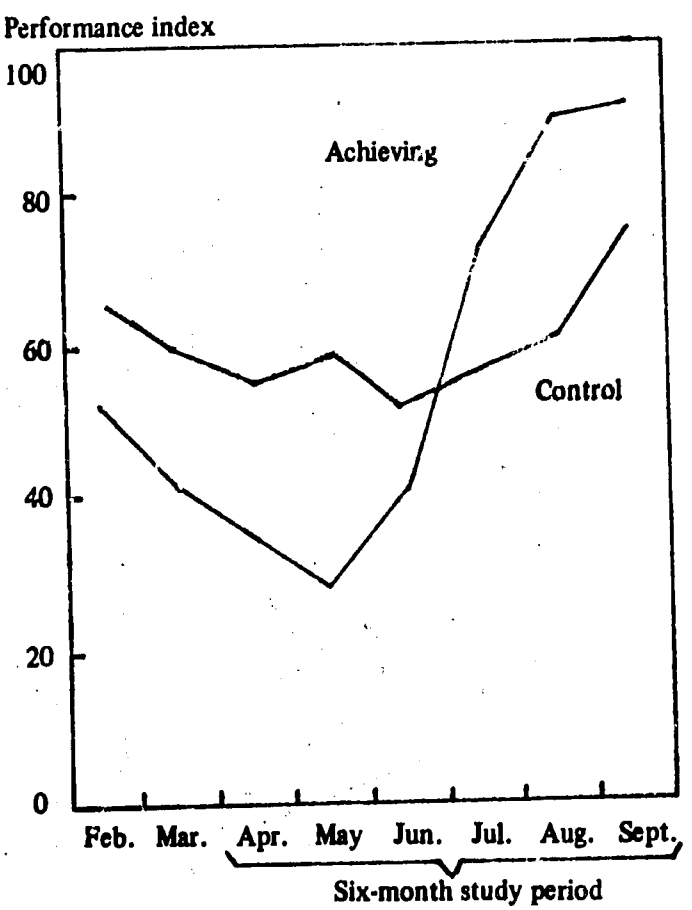
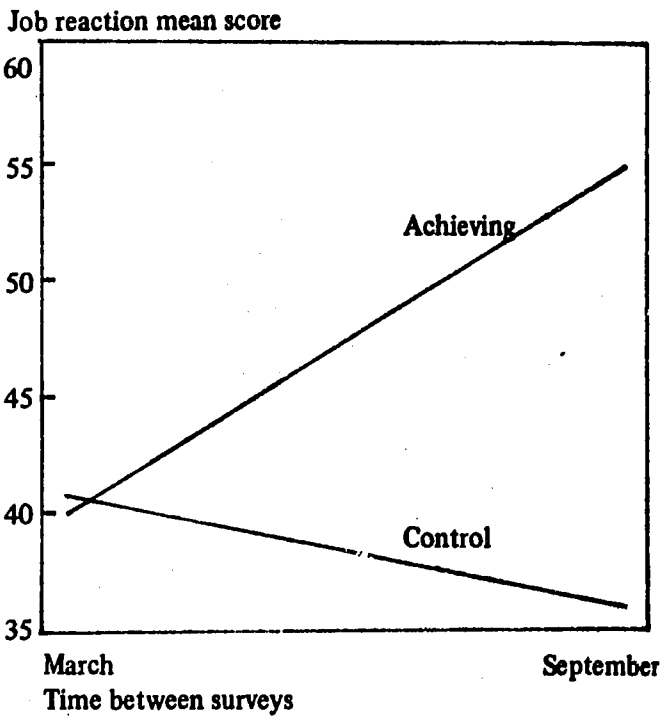


Exhibit V. Changes in attitudes toward tasks in company experiment
[Changes in mean scores over six-month period



index of a current month was averaged into the average of the two prior months, which means that improvement was harder to obtain if the indexes of the previous months were low. The "achievers" were performing less well before the six-month period started, and their performance service index continued to decline after the introduction of the motivators, evidently because of uncertainty over their newly granted responsibilities. In the third month, however, performance improved, and soon the members of this group had reached a high level of accomplishment.

Exhibit V shows the two groups' attitudes toward their job, measured at the end of March, just before the first motivator was introduced, and again at the end of September. The correspondents were asked 16 questions, all involving motivation. A typical one was, "As you see it, how many opportunities do you feel that you have in your job for making worthwhile contributions?" The answers were scaled from 1 to 5, with 80 as the maximum possible score. The achievers became much more positive about their job, while the attitude of the control unit remained about the same (the drop is not statistically significant).

How was the job of these correspondents restructured? *Exhibit VI* lists the suggestions made that were deemed to be horizontal loading, and the actual vertical loading changes that were in-

Exhibit VI. Enlargement vs. enrichment of correspondents' tasks in company experiment

Horizontal loading suggestions (rejected)	Vertical loading suggestions (adopted)	Principle
Firm quotas could be set for letters to be answered each day, using a rate which would be hard to reach.	Subject matter experts were appointed within each unit for other members of the unit to consult with before seeking supervisory help. (The supervisor had been answering all specialized and difficult questions.)	G
The women could type the letters themselves, as well as compose them, or take on any other clerical functions.	Correspondents signed their own names on letters. (The supervisor had been signing all letters.)	B
All difficult or complex inquiries could be channeled to a few women so that the remainde could achieve high rates of output. These jobs could be exchanged from time to time.	The work of the more experienced correspondents was proofread less frequently by supervisors and was done at the correspondents' desks, dropping verification from 100% to 10%. (Previously, all correspondents' letters had been checked by the supervisor.)	A
The women could be rotated through units handling different customers, and then sent back to their own units.	Production was discussed, but only in terms such as "a full day's work is expected." As time went on, this was no longer mentioned. (Before, the group had been constantly reminded of the number of letters that needed to be answered.)	D
	Outgoing mail went directly to the mailroom without going over supervisors' desks. (The letters had always been routed through the supervisors.)	A
	Correspondents were encouraged to answer letters in a more personalized way. (Reliance on the form-letter approach had been standard practice.)	C
	Each correspondent was held personally responsible for the quality and accuracy of letters. (This responsibility had been the province of the supervisor and the verifier.)	B, E

corporated in the job of the achieving unit. The capital letters under "Principle" after "Vertical loading" refer to the corresponding letters in *Exhibit III*. The reader will note that the rejected forms of horizontal loading correspond closely to the list of common manifestations of the phenomenon on page 59, left column.

Steps to job enrichment

Now that the motivator idea has been described in practice, here are the steps that managers should take in instituting the principle with their employees:

1. Select those jobs in which (a) the investment in industrial engineering does not make changes too costly, (b) attitudes are poor, (c) hygiene is becoming very costly, and (d) motivation will make a difference in performance.

2. Approach these jobs with the conviction that they can be changed. Years of tradition have led managers to believe that the content of the jobs is sacrosanct and the only scope of action that they have is in ways of stimulating people.

3. Brainstorm a list of changes that may enrich the jobs, without concern for their practicality.

4. Screen the list to eliminate suggestions that involve hygiene, rather than actual motivation.

5. Screen the list for generalities, such as "give them more responsibility," that are rarely followed in practice. This might seem obvious, but the motivator words have never left industry; the substance has just been rationalized and organized out. Words like "responsibility," "growth," "achievement," and "challenge," for example, have been elevated to the lyrics of the patriotic anthem for all organizations. It is the old problem typified by the pledge of allegiance to the flag being more important than contributions to the country—of following the form, rather than the substance.

6. Screen the list to eliminate any *horizontal* loading suggestions.

7. Avoid direct participation by the employees whose jobs are to be enriched. Ideas they have expressed previously certainly constitute a valuable source for recommended changes, but their direct involvement contaminates the process with human relations *hygiene* and, more specifically, gives them only a *sense* of making a contribution. The job is to be changed, and it

is the content that will produce the motivation, not attitudes about being involved or the challenge inherent in setting up a job. That process will be over shortly, and it is what the employees will be doing from then on that will determine their motivation. A sense of participation will result only in short-term movement.

8. In the initial attempts at job enrichment, set up a controlled experiment. At least two equivalent groups should be chosen, one an experimental unit in which the motivators are systematically introduced over a period of time, and the other one a control group in which no changes are made. For both groups, hygiene should be allowed to follow its natural course for the duration of the experiment. Pre- and post-installation tests of performance and job attitudes are necessary to evaluate the effectiveness of the job enrichment program. The attitude test must be limited to motivator items in order to divorce the employee's view of the job he is given from all the surrounding hygiene feelings that he might have.

9. Be prepared for a drop in performance in the experimental group the first few weeks. The changeover to a new job may lead to a temporary reduction in efficiency.

10. Expect your first-line supervisors to experience some anxiety and hostility over the changes you are making. The anxiety comes from their fear that the changes will result in poorer performance for their unit. Hostility will arise when the employees start assuming what the supervisors regard as their own responsibility for performance. The supervisor without checking duties to perform may then be left with little to do.

After a successful experiment, however, the supervisor usually discovers the supervisory and managerial functions he has neglected, or which were never his because all his time was given over to checking the work of his subordinates. For example, in the R&D division of one large chemical company I know of, the supervisors of the laboratory assistants were theoretically responsible for their training and evaluation. These functions, however, had come to be performed in a routine, unsubstantial fashion. After the job enrichment program, during which the supervisors were not merely passive observers of the assistants' performance, the supervisors actually were devoting their time to reviewing performance and administering thorough training.

What has been called an employee-centered style of supervision will come about not through education of supervisors, but by changing the jobs that they do.

Concluding note

Job enrichment will not be a one-time proposition, but a continuous management function. The initial changes, however, should last for a very long period of time. There are a number of reasons for this:

- ☐ The changes should bring the job up to the level of challenge commensurate with the skill that was hired.
- ☐ Those who have still more ability eventually will be able to demonstrate it better and win promotion to higher-level jobs.
- ☐ The very nature of motivators, as opposed to hygiene factors, is that they have a much longer-term effect on employees' attitudes. Perhaps the job will have to be enriched again, but this will not occur as frequently as the need for hygiene.

Not all jobs can be enriched, nor do all jobs need to be enriched. If only a small percentage of the time and money that is now devoted to hygiene, however, were given to job enrichment efforts, the return in human satisfaction and economic gain would be one of the largest dividends that industry and society have ever reaped through their efforts at better personnel management.

The argument for job enrichment can be summed up quite simply: If you have someone on a job, use him. If you can't use him on the job, get rid of him, either via automation or by selecting someone with lesser ability. If you can't use him and you can't get rid of him, you will have a motivation problem.

THEORETICAL AND EMPIRICAL CONSIDERATIONS OF THE TWO-FACTOR THEORY OF JOB SATISFACTION

G. V. SARVESWARA RAO

JOB satisfaction is one of the most significant areas in industrial psychology and one of the major perplexing problems that management is faced with in industrial organizations. Likert says that one can assess the human resources of an organization by means of attitude surveys and that factors such as job satisfaction will enable organizations to determine the influence of actions on all pertinent organizational resources. Recent literature tended to focus upon job satisfaction and its correlates rather than upon manipulation of people so much so a change in emphasis is shifted from "Personnel Management" to "Psychology of Men at Work" (Smith and Cranny, Hinrichs). As Lawler has pointed out, unlike many other areas in industrial psychology which have depended for their concepts on sister disciplines, job

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satisfaction is an area where industrial psychologists not only contributed much but an area which is almost considered as synonymous with industrial psychology. Many theories have been offered to explain the behaviour of men at work, such as Maslow's "need hierarchy theory", McGregor's "theory X and Y", Argyris's "maturity-immaturity theory", and Herzberg's "two-factor" theory, to mention only a few. Of the theoretical perspectives, none has given rise to such a proliferation of research articles and doctoral dissertations and none has at the same time given rise to such a heated and often belated controversy as the two-factor theory of job satisfaction proposed by Herzberg, Mausner, and Snyderman.

THEORETICAL FOUNDATIONS OF THE TWO-FACTOR THEORY

As contrasted with previous research on job satisfaction, the two-factor theory advocated by Herzberg *et al.* explored job satisfaction from a basically dynamic view and offered an approach to an understanding of motivation to work. Following Herzberg *et al.* study, Herzberg amplified his theory into a full-blown theory of motivation to work wherein the nature of man in the world of work was presented with a tenderminded idealistic philosophy. Herzberg was concerned to test the proposition that man had two kinds of needs: his need as an animal to avoid pain and his need as a rational animal to grow psychologically. A person's basic needs can be schematically represented as two parallel lines pointing in opposite directions.

Animal - Adam - Avoidance of pain from environment

Human - Abraham - Seeking growth from tasks

(Source: F. Herzberg, *Work and the Nature of Man)*

One line points man's animal Adam nature which is concerned with avoidance of pain arising from environment, and the other concerns with human Abraham nature dealing with possibilities of psychological growth and self-fulfilment. This is the philosophical approach for the two-factor theory.

The two-factor theory *per se* was hypothesized by Herzberg *et al.* by studying 200 engineers and accountants. This study was designed to specify attitudes, identify factors, and examine the effects of attitudes expressed by the respondents. A semi-structured interview, known as "critical incident technique", was employed to elicit the required information. The subjects were asked to think of a time, either recently or any other time, when

they felt exceptionally happy or unhappy and were required to tell various events which made them feel so. By means of content analysis, Herzberg and his associates noted an important distinction between two kinds of factors: one group of factors dealt with the nature of job and the other was related to the environment in which the job was done. One set of factors contributed to satisfaction. They are referred to as intrinsic, job content, motivators, or satisfiers—achievement, recognition, work itself, responsibility, advancement, and psychological growth. Another set of factors was instrumental in bringing about dissatisfaction. They are called as extrinsic, job context, hygienes, or dissatisfiers—working conditions, salary, relations with co-employees, relations with subordinates, relations with supervisor, technical supervision, company policies and practices, job security, status, and personal life. Motivators contributed to satisfied feelings, but were found to have little potency for dissatisfied feelings. Similarly, hygienes contributed more to dissatisfaction than they did to satisfaction. The prepotency and the unidirectionality of the factors in eliciting satisfied and dissatisfied feelings led Herzberg and his associates to postulate that satisfaction and dissatisfaction were two separate, distinct, and independent feelings. They are, in other words, *unipolar dimensions*. The opposite of satisfaction is *no* satisfaction, and the opposite of dissatisfaction is *no* dissatisfaction. The traditional view, on the other hand, conceives satisfaction and dissatisfaction as *bipolar dimension*. According to this view, the absence of the one *ipso facto* indicates the presence of the other. Schematically, the views may be represented as follows:

```
Dissatisfaction--------Traditional View--------Satisfaction

No satisfaction--------Two-factor theory Motivators-------->Satisfaction

Dissatisfaction<--------Hygienes---------No dissatisfaction
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(*Source*: D. A. Whitsett and E. K. Winslow, "An Analysis of Studies Critical of the Motivator-Hygiene Theory", *Personnel Psychology*, 1967, Vol. 20, pp. 391-415.)

The two-factor theory was not only applied to job satisfaction but was also extended to management development programmes, industrial relations, mental hygiene, and psychotherapy. As a prelude to his book, Herzberg offers a "new industrial psychology".

Herzberg further delineates the implications of his theory to

the day-to-day industrial relations practices of organizations. Although industrial relations personnel must give importance to both motivator and hygiene needs, they should clearly differentiate the respective roles these variables play in work life. Herzberg advocates *job enrichment* instead of *job enlargement* as a way of catering to a person's motivator needs. The "motivator seeker" and the "hygiene seeker", as Herzberg says, have various values, aspirations, needs, personality make-up, and these two "seekers" are distinctly different from each other. Another interesting feature in the Herzberg *et al.* theory is that motivators not only enable a person to feel satisfied but they induce him to produce and perform more in his job. Hygienes, on the other hand, do not have that potency to contribute to job behaviour. It must be noted. that Herzberg *et al.* did not clearly spell out in detail about the relation of satisfaction and productivity in the light of their theory. Moreover, the observation that respondents who were satisfied with motivators tended to perform better was based on *self-reported verbalized statements* of the subjects who thought they had performed better when felt satisfied. No *objective performance indices* were taken into account.

• • •

AN EVALUATION OF THE THEORY

Amidst the welter of findings, often inconclusive and conflicting, which Herzberg *et al.* had taken into account in their review, the two-factor theory proposed later by Herzberg *et al.* tried to offer an insightful and dynamic approach to the motivation to work. Dunnette and Kirchner hailed the theory as "... an important step forward in our efforts to understand human motivation...." Vroom observed that "Herzberg and his associates deserve credit for directing attention toward the psychological effects of job content, a problem of great importance in a world of rapidly changing technology". Despite their caustic criticism of the theory, Dunnette *et al.* remarked that Herzberg and his

associates "accomplished three important objectives ... first, they discovered those features of job situations *making the difference* between satisfaction and dissatisfaction. Second, they broke with the static tradition of most previous research by emphasizing those job features leading to *changes* in feelings toward the job. Third, and most important, by analysing the content of the stories, the investigators developed a taxonomy of job situations—consisting of satisfying features which employees presumably would seek to attain or prolong, and of dissatisfying features which employees presumably would seek to avoid or dispel."

In spite of these redeeming features, the theory has been subjected to several criticisms. Ewen criticized the theory on several grounds such as the narrow range of the jobs investigated, the use of only one measure of job attitudes, the absence of reliability and validity of critical incident methodology, and the lack of a measure of overall satisfaction. One of the most pertinent criticisms of the theory is that it is method bound. The theory suffers from the weaknesses inherent in the critical incident methodology. This point was voiced by Kahn, Brayfield, Vroom and Maier, Vroom, and Dunnette *et al.* The view is that persons when satisfied attribute the causes of their feelings to themselves. When they are dissatisfied they attributed their own failures to the causes outside themselves. Therefore, the ego defences are at work when people say they are satisfied or dissatisfied. Further, the categorization of factors into motivators and hygienes requires not only the respondent's accuracy and veracity of self-reports, but also the interpretation of the rater which vitiates the results. The two-factor theory was not based on current satisfaction with the present job situation and hence, as House and Wigdor pointed out, there was no control over the time factor. The subject is asked to think of a time, either recently or any other time, when he felt satisfied or dissatisfied, as the case may be, and then report his feelings. As Wernimont pointed out, a currently satisfied person who responds to his retrospective feelings may have a "satisfied respondent bias". Ewen further comments on the pitfalls of the theory saying that it is easier to recall incidents related to achievement or to a promotion than incidents which follow no achievement or no promotion. In other words, some motivators may have no easily worded negative obverse and some hygienes may have no positive obverse. Schwab and Heneman pointed out that the analytic procedure employed in the theory exaggerated the claims of the theory. Hinton remarked that once the method departed from the story-telling technique of the theory, the results varied from those pre-

dicted by the theory. The two-factor theory was limited by many situational, demographic, and moderator variables. This observation has been expressed in most of the investigations reviewed in this paper.

It must be said, in passing, that most investigators have not tested the theory with the theory's very rationale. They have tested the theory with some bipolar assumptions either in their scales or in the variables of their study or both. This procedure does not test the *rationale* of the two-factor theory. Most of the psychological constructs are generally considered as bipolar. But, as Thompson pointed out, there is a danger in converting what is essentially a unipolar construct into a bipolar one. He emphasized the need to differentiate between what was "convertible" or "tautologous" and "inconvertible" bipolarity. Herzberg is not wrong in his view to treat satisfaction and dissatisfaction as "inconvertible" polar concepts in which negation-involving opposites are separated by strong antithesis but do not completely define each other. The question is not whether Herzberg is right or not in conceiving the concepts of his study but whether he has succeeded in establishing them or not. When once we treat satisfaction and dissatisfaction dimensions *as if* they are separate and then ask the respondent to report his feeling under the respective dimensions, we not only introduce a "response set" in the subject but also commit the mistake of confusing the sequence with consequence as Sarveswara Rao has pointed out.

There is really a dilemma involved in trying to test the theory. On the one hand, we have to treat satisfaction and dissatisfaction separately if we are to test the hypotheses of the theory. On the other, by doing so, we introduce many limitations which, naturally, would prove premises from conclusions rather than the reverse as noted above. The fact that investigators, cited above under the heading "studies partially supportive of the theory", consistently proved the *dimensional independence* between satisfaction and dissatisfaction shows the limitations inherent in the conceptions of the two-factor theory. It goes without saying that in most of the studies, the *variable independence* advocated by the two-factor theory has been consistently disproved. The two-factor theory is not only *methodologically bound* but also *conceptually bound,* as observed by Sarveswara Rao. When a different methodology and rationale was used to test the theory, the results did not support it.

Behling *et al.* remarked that efforts must be made to the development of many measuring devices and techniques which will provide reliable and consistent data and "... any attempt to

produce a single measure of job satisfaction, whether it is based on a conventional uniscalar or a Herzberg duality analysis, is doomed to failure". They argued that there was a need for re-orientation in the treatment of intervening variables connecting the aspects of work and the work environment to employee behaviours.

The two-factor theory, as Vroom has noted, is causal and prescriptive. Herzberg assumes that the variations in motivator and hygiene factors will have their corresponding effects on job behaviour such as productivity, absenteeism, and turnover. Herzberg, as Vroom commented, "appears to be arguing that the satisfiers are also motivators, i.e., that those job content conditions which produce a high level of satisfaction also motivate the person to perform effectively on his job". But there has not been any clear-cut evidence established between satisfaction and productivity as may be seen in the reviews of Brayfield and Crockett and Vroom. It may be noted that in the Herzberg study, employees *reported* about their performance effects, and no attempt was made to collect *objective indices* of their productivity. But, as Friedlander commented, "according to the protestant ethic it is conceivable that self-reports of increased job performance may be nothing more than moral justification for increased job enjoyment". On the contrary, job satisfaction might be a *result* rather than the *cause* of effective job performance as the studies of Lawler and Porter and Heron go to show.

Cummings and Elsalmi reviewed various studies dealing with the two-factor and the Maslowian theories and concluded that as yet there did not exist a unified theory of motivation (managerial). They enumerated some of the reasons for such a conclusion. Wolf also noted the salient features of the Maslowian and the Herzbergian theories and proposed a "need gratification theory". These studies show not only the limitations of the two-factor theory but the possibility of the theory being considered from broad perspectives as well.

CONCLUSION

The present review shows that the two-factor theory has more limitations than it is willing to admit. It is true that Herzberg *et al.* made an attempt to systematize the findings which were otherwise conflicting. When Kurt Lewin was supposed to have said that "there is nothing so practical as a good theory", he probably had in mind the hypothetico-deductive method which was *sine qua non* of all sciences. A theory should generate hypotheses from which testable deductions can be made. When a theory falls short of its

explanatory power, it should be capable of being tested by alternative, and often competing, hypotheses from the perspective of "strong inference".

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A test of a good theory is that it should not only be capable of being verified but, what is more important, as Karl Popper remarked, it should be capable of being proved wrong. The two-factor theory does not admit of such a contention. An empirical proposition, as Lykken reiterated, besides having statistical significance, must possess substantive meaningfulness. Following Lykken's terminology, we may say that those who have "literally" replicated the theory mostly confirmed it; those who have "operationally" replicated have not fully supported the theory; and those who have "constructively" replicated have concluded that the theory is too simple to explain the dynamic nature of occupational life. Both the generality and the validity of the theory are questionable.

IMPLICATIONS FOR MANAGEMENT

Management would do well to note the clear import of the two-factor theory since it appears to have "seductive simplicity". Management must give equal importance to both motivator and hygiene needs. The fact that so much of attention is being given to lower-order or hygiene needs for the blue-collar workers by way of financial and non-wage incentives goes to show the increasing concern on the part of management to make employees feel more satisfied and motivated. The concern is not merely to make them feel neutral or having feeling of *no dissatisfaction* as Herzberg's theory would have us believe. For these employees so long as the basic needs are not satisfied the question of satisfaction with higher-order needs does not arise. Consequently, job enrichment programmes would not pay rich dividends for these employees. There is an element of truth when Herzberg says that for higher occupational employees jobs must be assigned in which they are able to accomplish something. They must be given recognition for the above-average performance. They should be given advancement, by assigning them more responsibility as quickly as their skills would permit and letting them know where they stand within the organization and where the possibility for their growth lies. Management must bridge organizational goals and individual needs not only because organizations would, as a consequence, be deemed as more healthy

but also due to the fact, as research evidence shows, that organizational factors such as structural and contextual factors have an influence on employee attitudes. Considerable attention must be paid by organizations in trying to match job attitudes and job behaviour. It must be recognized that a satisfier need not be a motivator. Employees' expectations, suitable rewards based on clear perception of increased effort and its relation to performance are some of the factors—moderator and contingency variables as they have come to be called—which must be taken note of by management.

Application to health, social welfare, and family planning

It requires only casual observation of the performance of white collar workers in most organizations to appreciate that worker-to-worker variation in productivity is tremendous, and that differences in motivation seem to underlie this variation. Despite the fact that wholly unmotivated workers are supposed to be discharged because of their low productivity, this variation persists even among the most senior employees of the organization. Some employees are "workaholics" and seem to be more devoted to hard work than to their homes. Others seem to have "retired on the job" and take advantage of the fact that they "have tenure" (have been on the job so long that they cannot morally be fired) to perform perfunctorily or barely adequately. This variation may be observed at all levels--among typists or secretaries, among nurses and social workers, among teachers or professors, and even among division heads and vice presidents. Thus, the problem of worker motivation is a major concern for all who manage white-collar workers.

It should be noted that Herzberg began to formulate his theory by observing white-collar workers (accountants and engineers) and gradually extended it to other occupations lower on the socioeconomic scale. Those who have responsibility for inspiring greater productivity and higher quality of performance among deficient white-collar members of their staff are as desperately in need of a theory or set of principles upon which to base their actions as is the manager of masses of factory workers. The KITA approaches described by Herzberg have even greater danger of being ineffective because the kickee is a person with above-average sophistication and more independent opinions of what constitutes justice on the job. The recommendations of Likert and Herzberg concerning the motivation of workers should be viewed as critically important ones for personnel management of white-collar workers, including health, welfare and family planning workers. The recommendations for management, presented in the last section of Rao's paper, are of tremendous practical applicability in the fields of H-SW-FP. Systematic and comprehensive research to test the Likert and Herzberg theories is urgently needed.

Questions for discussion and exercises

1. If H-SW-FP field workers are dissatisfied with their work, they may be expected to communicate this in their contacts with the public. According to the Likert thesis, which of the following management policies should provide greater job satisfaction (and quality of performance by implication)?
   (a) A pay increase or loose supervision?
   (b) Using employees' ideas and suggestions or holding frequent company picnics?

2. Compile a list for H-SW-FP workers of what would be called "hygiene variables" by the Herzberg theory. Compile another list for the "maintenance

variables." Do you agree or disagree that work satisfaction would be increased by maximizing the items in the first list, and that maximizing items in the second list would only remove dissatisfaction?

3. Study carefully the data-collecting process used by Herzberg. Then go to a nearby health or family planning clinic and interview five workers using his technique. Code the responses you get into the Herzberg categories. Can you divide the responses into motivation and maintenance variables? Which seem to be more closely related to job satisfaction and which to job dissatisfaction? Compare your list with Item 2 above.

4. Often H-SW-FP field workers are paid on a piece-rate basis (a payment for each client served or new adopter recruited). This is called an "incentive" system. Would Herzberg consider this to be "KITA" motivation? Is it possible to promote the generation of the Herzberg "motivation" factors while paying on the incentive system?

5. Assume that a H-SW-FP organization with which you are familiar has decided to try out the Herzberg theory in one district. What changes would it make in its present personnel management policies?

6. Compare "theory X *vs.* theory Y" as presented in Chapter 1 with the "hygiene *vs.* motivator variables" of the present chapter. In what respects are they alike and in what respects do they differ?

7. How would the structuralists, discussed in Chapter 2, view the hygiene and the motivator variables?

Chapter Four

PERSONNEL PLANNING

One of the long-range functions of personnel management is to prepare and annually revise a comprehensive five to ten-year plan for manpower. This calls for estimating the total number who will be employed in each future year and how these employees will be distributed among the various functions and occupations. It also requires an estimate of how many present employees will be lost through retirement or dismissed each year, how many will be promoted, and how many new employees of each category must be recruited. With such a plan in hand, the total personnel management task can be attacked more intelligently.

The two papers presented in this section develop the argument for manpower planning, outline the steps by which the plan is constructed, and provide useful hints for making practical use of the plan. The first article, by Bruce P. Coleman, provides a broad overview of manpower planning. Its central point is that effective and efficient attainment of the organization's objectives should be the central theme of manpower planning. The second article, by C. P. Johnson and M. A. Meredith, sets forth the specifications and lists the steps involved.

AN INTEGRATED SYSTEM FOR MANPOWER PLANNING

BRUCE P. COLEMAN

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The purpose here is to provide a conceptual but practical approach to manpower planning and programming. The approach is broad and comprehensive in order to present a total concept that serves the following purposes: to accommodate or expand upon divergent definitions as well as provide a set of suggested general definitions; to integrate the several functions of manpower planning into a system of planning and programming; to suggest the means for integrating manpower planning with other planning functions of the firm; and to provide the basis for the design of programs tailored to fit the specific needs of particular organizations.

Two key definitions are required before the manpower planning process can be examined. *Manpower planning is the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plans of the organization.* It includes determining types of skills and capabilities, numbers of people, and location and timing of manpower needs.

Given the manpower requirements and general policy direction, *manpower programming consists of structuring programs for providing the organization with the needed manpower.* It is the vital link between the definition of requirements and the placement and continual development of the individual on the job.

These are general definitions. As the discussion proceeds, it will become apparent how these can be made more specific with respect to particular activities involved in the process. In addition, these definitions can later acquire prefixes that will specify the type of manpower skill and the length of the planning period.

A FIVE-STAGE SYSTEM

Conceptually, the process of manpower planning can be viewed as a five-stage system (see the accompanying figure). The first stage is the determination of organizational objectives and plans for the planning period. In many instances, these may be taken as given for manpower planning, but, in other instances, they cannot. The second stage is the determination of gross manpower requirements for the planning period. These requirements constitute the total manpower needed for carrying out the integrated plans of the organization. Third, the manpower inventory, or current in-house capability, is determined. The fourth stage is the definition of net manpower requirements for the planning period. These requirements are obtained by deducting the manpower inventory from gross requirements. The fifth stage consists of programming to meet the net manpower requirements. The programs may require expansion, contraction, or internal adjustment of the present work force.

The remainder of this article develops and illustrates each of the stages in the process. The final section discusses integration of the stages and feed-back aspects of the total process.

Organizational Goals and Manpower

The formulation of organizational objectives and plans and manpower planning are interdependent at all organizational levels. This interdependence is particularly apparent for long-range planning. A look at the two-way relationships should identify and illustrate this interdependence. The fundamental

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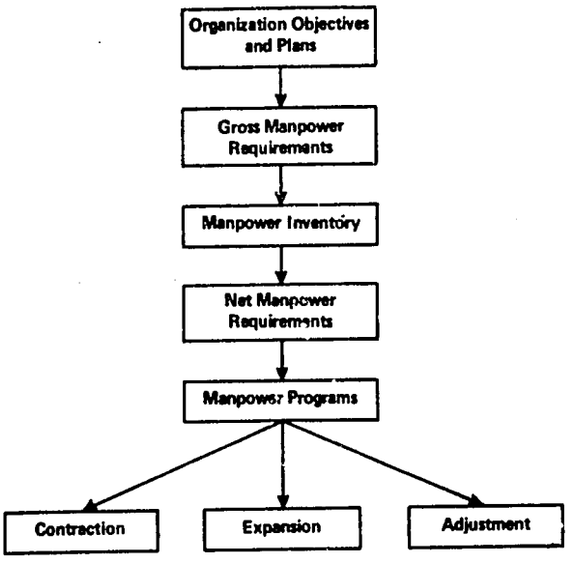
Manpower Planning and Programming Process



objective of manpower planning and programming is to provide the organization with the personnel to perform the activities that will achieve organizational goals. Consequently, objectives and plans at all levels of the organization provide the basis for defining manpower requirements.

Manpower data (availability of specific skills and numbers of people, for example) can be crucial inputs into the planning processes. The availability of the needed manpower may determine whether a specific project can be undertaken. In other instances, there are significant manpower implications for proposed programs such as mergers and divestitures.

In many instances, organizational objectives and plans may be taken as given for manpower planning purposes. Sales and production schedules may be the prime determinants of requirements for salesmen and production operative manpower. Unless significant exceptions to planned performance occur, little other than effective communication with manpower planners is necessary for the needed adjustments in those types of manpower skills.

But it may not be that simple. In an economic organization, manpower, like materials and facilities, should be considered as an investment alternative subject to similar cost, return, allocation, and control considerations given to other resources. Thus efficiency and effectiveness enter the picture in terms of minimum cost and effective utilization of manpower resources in order to obtain a respectable return on invested capital. Intimate knowledge of organizational plans and participation in the planning process can enhance efficiency and effectiveness. Close attention to the determination of manpower requirements and programming in terms of quality of skills, timing of their acquisition, utilization of skills, and their numbers and cost can yield significant returns in terms of investment and utilization of human resources.

Aside from the need to meet the firm's economic objectives, there are those programs that contribute less to the organization's profit picture, especially in the short run. These programs carry more social impact. At one extreme, a firm might be involved in attacking problems of transportation, housing, air and water pollution, or recreation. Clearly, participation in such programs diverts organizational resources from the primary economic mission.

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If manpower planning is not integrated with total organizational planning, these programs run the risk of being harmful to the individual, the organization, and the economy. The skills being developed must be useful, challenging, and not subject to rapid obsolescence or displacement. The investment in these programs is substantially higher than for other kinds of employee training; consequently, the skills trained should be carefully defined as being required over time by the organization or the local economy. Quotas should be realistic and based on need, both in terms of the quality and the quantity of skills. No one benefits if skills are developed that no one needs two to five years hence.

These illustrations establish the position that the manpower expertise is just as much an essential element of corporate planning as marketing, manufacturing, financial, legal, and research expertise. Little formal research has been conducted to determine the essential relationships among manpower information inputs and other kinds of information inputs

for total corporate planning. The research that has been done indicates that essential and identifiable relationships exist.[2]

Gross Requirements

Gross manpower requirements encompass a complete definition of types, numbers, location, and timing of the manpower skills needed throughout the organization for the planning period. Most often neglected in organizations is this crucial determination of manpower requirements on a logical decision basis. Too often the emphasis is on programming—*given* an estimate of requirements.

While much of the manpower planning literature discusses this topic, little in the way of comprehensive analysis and integration of approaches has taken place. Methods for determining gross manpower requirements can be classified into categories for identification purposes. A useful classification borrowed from the defense industry is as follows:

Expert estimate: Estimation is made by a combination of systems familiarity, experience, and intuition on the part of the expert.

Historical comparison: Estimation is made by breaking the new system into subsystems similar to those already in existence. Data on known systems are retrieved from information libraries and provide the basis for the manning estimate of the new system.

Task-analytic: Estimation is made by a detailed analysis of the system requirements, establishment of mission profiles and ground equipment functions, definition of specific tasks, and a clustering of tasks.

Sovereign factors: Estimation is based upon identification of one or several factors that correlate highly with the item being estimated. It avoids the task of complex manipulation of multiple variables.

Modeling: Estimation is made by the use of decision models such as PERT, linear and dynamic programming, and multiple regression expression. It is typified by its objective and explicit nature.[3]

It has become quite apparent that the same method for determining gross requirements is not appropriate for all types of manpower skills. Attempting to visualize the organization chart of the future, with all its shortcomings, may be a useful method for anticipating managerial manpower requirements. Such an approach may yield insight into the numbers of managers required and the particular range of responsibilities and knowledge needed by the individual managers. The real danger of such an approach is that the planners may believe in the organization chart as projected, and it may become a restriction to progress rather than a catalytic agent.

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Some types of manpower activities are more amenable to a method based on the function or mission of an organizational unit. For service functions such as a maintenance department, where heterogeneous groups of skills are utilized, manpower requirements can be based on work functions and work load factors. This method permits trade-offs among skill levels and types of skills.

None of these approaches is particularly satisfactory for determining requirements for technical and professional manpower. The more effective approach is a consultative method focused on qualitative requirements on a decentralized basis with managerial review at each level of operations. This is the basic approach taken by leading aerospace firms.

The point is this: no one method is appropriate for determining requirements for all types of manpower in an organization. Furthermore, the same method is not appropriate for determining requirements for a specific skill for all organizations. Each organization has its unique set of requirements, which is a function of its product, markets, facilities, operations, finances, and value systems. Consequently, the following general approach can serve as a guide:

Categorize types of manpower skills into homogeneous groups or functional units

Calculate requirements utilizing the most effective method for each category for the planning period

Integrate these requirements centrally on a cost and performance basis

Ensure a free flow of information throughout the process.

2. Bruce P. Coleman, *An Exploratory Study of Information for Manpower Planning* (Ann Arbor, Mich.: University Microfilms, Inc., 1967).

3. Donald B. Haines and Sidney Gael, *Estimating Manning Requirements for Advanced Systems: a Survey of the Defense Industry* (Report No. AMRL-TDR-63-110; Wright-Patterson AFB, Ohio; U.S. Air Force, Air Force Systems Command, November, 1963).

Manpower Inventory

Knowing with precision the existing manpower capability of the organization is the objective of the manpower inventory. The basic information needed is data relative to the knowledge and skills possessed by each individual in the organization. This includes not only his present duties, but all skills he possesses as indicated by past work experience and educational specialties. Other data, such as age, sex, and promotability, are desirable for planning purposes.

This information enables the firm to match the skills in the organization against gross manpower requirements. It is unlikely that it is economical to recruit, hire, and train additional people when the needed skills are already on hand somewhere within the organization. Often internal adjustments can be made satisfactorily at minimum cost. For example, a West Coast defense contractor reported hiring, at a high recruitment cost, an engineer with a specific type of knowledge and training. Later the company learned of two engineers and one technician, already on the payroll in the same division, who possessed—but were not utilizing in their present positions—that same specific background or some experience in the field. It was not until the organization developed the capability to know what skills and knowledge employees possessed and to retrieve that data that it could avoid such needless employment expense.

Having a manpower inventory is also essential to intelligent participation in total organizational planning. It provides the input for advice concerning the capability of the organization to undertake programs and for estimating the cost of acquiring additional manpower capabilities.

Firms that have failed to consider the manpower implications of acquisitions have learned an often expensive lesson. They found that they did not possess the managerial, technical, or operative manpower capability to exploit opportunities presented by the acquisition. They were unable to obtain the synergistic effects of the combined organizations because of the manpower drain on the parent organization and the time and cost involved in developing the needed manpower.

The inventory system need not be elaborate or expensive. Too much is made of the necessity for expensive computerized personnel data systems as necessary for skillful manpower planning. Many organizations cannot afford these systems nor do they need them; any system which provides the needed data will suffice. On the other hand, computerized personnel information retrieval systems tend to be underrated in terms of the cost/benefits accrued. These systems may well be the most significant development in personnel administration in decades. The potential applications are vast in terms of personnel research and manpower planning and control. Once the basic data bank is developed, its use for analysis and planning can be expanded as programs are developed. Thus the decision to computerize personnel data should be based on more than just information retrieval of basic employment data.

Net Manpower Requirements

The definition of net manpower requirements becomes the manpower objective for the planning period and is the basis for action programs designed to effect changes necessary in the capability of this area in the organization. Basically, net requirements are the difference between gross requirements and the manpower inventory, but arriving at the net requirements is not simply a matter of addition and subtraction. Other factors enter into the structure of net requirements and affect the design of specific programs for obtaining personnel. For example, the timing of manpower needs will vary. Age and experience variations may well be built into the net requirements to achieve balance in the work force. Other qualitative factors such as sex and race may be important criteria in the definition of net requirements.

The planning lead time may greatly influence net requirements. In the short run, if immediate adjustments are necessary (and, in fact, no planning has likely occurred), qualitative criteria may be immaterial. Short-range fluctuations in the production schedule, for example, may trigger layoffs or hires. This occurs at a probable high cost, however, in

terms of administrative and benefits costs caused by employment instability. When the lead time is lengthened through effective and intelligent planning, the definition of net manpower requirements serves as the basis for action programs, which can include qualitative manpower criteria as well as such criteria as minimum cost, effective manpower utilization, and efficient operation.

Action Programs

Manpower programming permits, on a totally integrated basis, the design and implementation of action programs to assure that the manpower needs of the firm are met over time. These programs entail all of the traditional personnel functions, but the emphasis here is on the acquisition and development of manpower skills. Thus, the functions of employment (recruitment, selection, and placement) and education and training receive prime consideration.

Changes in manpower programs will take the form of expansion, adjustment, contraction, or a combination of these. A complete description of action programs to meet manpower requirements would be unrealistic since the possibilities are almost innumerable. Several examples and comments should suffice to illustrate possibilities and guidelines.[4]

An obvious starting place in programming is an analysis of present manpower capability. It is quite possible that some needs can be met through internal adjustment, such as transfers from skills in surplus to positions in shortage. Special skills and knowledge—in scientific and engineering manpower, for example—may reside in the organization at present. A transfer may permit complete internal adjustment or the hiring of a less expensive skill.

Action for periods of contraction is the most difficult for the individual. Allowing turnover and attrition to absorb cutbacks is desirable, and temporary layoffs are preferable to permanent layoffs and later rehiring. Economy and fairness should be primary criteria. Perhaps the most sensible action for alleviating difficult adjustments during times of contraction is effective long-range manpower planning itself. Surplus manpower is less likely to exist in the organization, and contraction can be better anticipated.

Education, development, and training constitute major action programs for meeting the skill requirements of the organization. The role of development for managerial skills and training for sales and production workers are firmly established in business. Other skills may be better and less expensively trained within the firm. Sometimes in-house training may be the only reasonable source of skills needed, but, again, these programs require advance thought and development.

The strength of taking a longer-range approach on a total organization basis is that needs, particularly changes in requirements, are anticipated in advance, and they can be met at minimum or optimum costs to the organization and of maximum benefit to the individual. In general, the longer the lead time, the greater the likelihood that programming will satisfy all the pertinent quantitative and qualitative criteria. However, the gestation period as well as acquisition and development costs vary for different types of manpower skills. Thus, the lead time will be substantial for managerial and highly skilled operatives and less for office and unskilled people. Programs must be designed specifically for different types of skills, and usually the programs will be highly dissimilar.

INTEGRATION AND CONTROL

Several key points essential to the design and operation of the system, but not identified as stages in it, must be pointed out. These relate to integration and feedback and control. This process has been described as a set of stages or steps; in reality, it does not operate that way. It operates as an integrated system. For example, organizational objectives and plans determine and are determined by manpower data. Action programs are inseparable from net requirements and affect the manpower inventory, objectives, and requirements. The

4. For more illustrations see Eric W. Vetter, *Manpower Planning for High Talent Personnel* (Ann Arbor, Mich.: Bureau of Industrial Relations, The University of Michigan, 1967), Chapter 3.

control process just described may affect any stage of the process.

For this process to operate effectively, there must be feedback and control. There must be continuous evaluation to assure that programs are being achieved, that programs are providing for requirements, and that they, in turn, are proper for providing personnel to meet organizational objectives and plans. Procedures must be designed to assure the flow of feedback information and its appraisal.

The position taken here is that manpower planning and programming must be upgraded significantly—both conceptually and operationally—if organizations are to meet the challenges of the future and if the nation is to utilize its manpower resource effectively. The approach has been to present a flexible, comprehensive concept of manpower planning which can serve as a basis for the design of specific corporate planning systems.

In addition, it has been the intent to stir the thoughts of executives to the development of an attitude toward manpower planning. Such an attitude would encompass an appreciation for the importance of developing the capability to plan, at the corporate level, the acquisition, development, and utilization of a critical and expensive resource—manpower.

Manpower Planning--Strategy and Implications

C. P. Johnston H. A. Meridith

Manpower planning has been carried out intuitively for years by many progressive companies as an ongoing but unnamed process. With rare exceptions, a systematic approach has been developed only in the past decade. Because of the rapidity with which change is occurring the only effective control left to management is the planning process.

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While companies may spend substantial amounts of time and money in production, research and development, marketing and facilities planning, very little is yet being done in the crucial area of manpower. Management has apparently assumed that skilled manpower will always be available, or that people will be sufficiently — and infinitely — flexible to adapt immediately to new situations and requirements. This attitude, perhaps at one time valid, is no longer so. Today the methods and tools for anticipating and planning for change are available to companies who do not wish to rely solely on tenuous reflex action to survive and prosper.

This article is intended primarily as an exposition of the state of the art of manpower planning in its broadest sense.

Manpower Planning has two major elements. First, there is the identification of the strengths and weaknesses in the human resources of the organization, both quantitatively and qualitatively, in relation to forecasted manpower requirements and changing internal and external conditions. Second, from this analysis the necessary plans and action programs must be formulated to ensure that projected requirements are met.

SOME PRACTICAL QUESTIONS

Who Should Be Included in the Manpower Plan?

Manpower planning tends to start with management — down to first level supervision. More elaborate and advanced plans may involve the entire work force, particularly in organizations such as railroads with strong unions, substantial skill and experience requirements at all levels, and labor redundancy problems.

Some companies use an "A B C" system of selective inventory control. Senior management, scientific and "key" people are placed in the "A" category, lower management, technicians and staff in the "B" category and all others in the "C" category. The kind and extent of information for each of these categories differs, as does the way in which the information is used and evaluated.

What Period Should the Plan Cover?

Plans are dependent on objectives and forecasts. These must be continually updated; consequently, the manpower plan must be continually examined in the light of changing needs and circumstances. Some aspects may not change; for example, the numbers of people who will be forced to leave through retirement. Turnover, for other reasons, however, can fluctuate widely. Technological innovations or economic conditions can radically alter needs.

The purpose of the plan, nevertheless, is to anticipate these needs and meet them before they produce undesirable repercussions. The value of the plan will be determined not only by how accurately it projects, but by how flexible it is in meeting changing manpower requirements. In initiating formal manpower planning, it is probably wisest to aim at three

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to five years, with the greatest emphasis being put on the initial one year period. The real time determinant will be the level of overall planning existing within the organization.

Who Should Devise and Implement the Plan?

Manpower planning (as it is here understood) should be coordinated and implemented by a corporate staff responding directly to top management. There is as yet no established pattern as to what organizational unit the Manpower Planner should belong. In some instances he may be part of Personnel; in others, Corporate Planning, and in still others the function has been combined with Organizational Planning.

The actual planning must be done throughout the company; the Manpower Planner will determine the kinds of information required, act as a catalyst in obtaining this information, collate, analyse and summarize it in total corporation terms, work with line management and the Personnel Department in developing action programs, and then monitor these programs to ensure that objectives are met.

THE NEED FOR MANPOWER PLANNING

Planning is a means of preparing for future contingencies, estimating the likelihood of their occurrence and determining what should and can be done, when, if, and as they arise. It is, in effect, a means of controlling and manipulating the future through minimizing uncertainty. Planning requires foresight, determination and an awareness of what is happening and is likely to happen which will affect the life of the enterprise. This is a difficult task because of the nature of our changing circumstances — a reading is no sooner taken than another is required. These changing conditions have, and will continue to have, an extraordinary effect not only on the corporate balance sheet but in our daily lives. Much has been written on this subject and a general understanding of the major dimensions of change is probably a prerequisite to carrying out manpower planning.

FINANCIAL CONSIDERATIONS

Little is known of the costs involved in the manpower resourcing or the direct and indirect tangible benefits to the earned or saved through effective selection, utilization and development of human resources. Yet, all agree that such resources are a company's most valuable asset. In some service industries as much as 70-75% of total operating costs are directly related to the selecton, training and remuneration of personnel.

Each time a company issues a pay check to an employee it is implicitly saying: "We have made a decision, we are going to retain your services as this is the best use of our resources in keeping with our management philosophy". When considered in this light, the most effective (profitable) use of personnel is a resource allocation problem. Continuity of employment is merely the result of allocating resources in a certain manner.

An executive earning an average salary of $15,000 over a lifetime constitutes a total salary expense of $600,000. If roughly 25 per cent is added to this amount to cover fringe benefits, etc., the figure rises to over $750,000. But what is his asset value? How can his replacement cost be estimated?

While turnover is a problem which has been inadequately researched, some estimate of direct costs can be made within broad limits. But, the indirect costs of turnover are particularly difficult to assess. Excessive or unusual turnover has a profond effect on the morale and expectations of those remaining. It creates dissonance in the work force and reappraisals of implicit decisions to remain. It can adversely affect productivity and efficiency, and is often harmful to the company's ability to attract suitable replacements from the market place. While such effects are largely intangible and difficult to evaluate in terms of dollars and cents, new methods and techniques are being developed that will soon become commonplace in the hands of the sophisticated manpower planner. Indications of these have appeared in some recent publications.[1,3,6,11]

The direct costs of turnover are perhaps easiest to calculate provided enough information is available. Such costs may be thought of in terms of "replacement" or "displacement" costs.

In the following table, replacement costs include recruiting, induction and training costs. Displacement costs are those related to promoting, transferring and shifting employees to fill the gaps left by those who leave. Depending on the position and its level in the

organization, as many as five or six employees may be directly affected by an incident of turnover. For purposes of presentation, arbitrary costs have been set at $1,500 per person for replacement and $500 for displacement. These figures are probably highly conservative; some well researched studies have estimated direct replacement costs at over $10 00 for mid-management personnel in certain industries. The costs are assumed to be in arithmetical progression — that is the costs per unit remain constant regardless of the level of turnover.

Relating these "direct" costs to a company of 2,000 people in a non growth situation (i.e. the only new employees are replacements for those who leave) over a five year period, the following costs may be calculated according to different turnover rates.

ESTIMATED COST OF TURNOVER

Turnover rate	5%	10%	15%	20%	25%
Total turnover (5 yrs.)	500	1,000	1,500	2,000	2,500
Estimated Replacement costs	[illegible],000	1,500,000	2,250,000	3,000,000	3,750,000
Estimated Displacement costs	[illegible],000	500,000	750,000	1,000,000	2,250,000
Total turnover costs	1,000,000	2,000,000	3,000,000	4,000,000	5,000,000

In any organization there is probably an optimum level of turnover which should occur over any given period of time depending on whether the company is in a period of growth or expansion, stability or stagnation, constriction or disintegration. High turnover in certain situations may, in effect, be less costly than no turnover at all. Practically, the problem is again one of evaluating alternatives and of controlling excess or undesirable turnover and its related costs — financial and otherwise.

Most of the activities of the personnel manager are therapeutic and remedial in nature. Personnel budgets are usually set by precedent and not in the light of well-planned objectives. Without such objectives and an estimate of the cost involved these questions cannot be answered. How much could legitimately be spent in turnover research in the attempt to reduce turnover? What would be the payoff in actual dollars and cents? How much should be spent in training and development to ensure manpower needs are met at some given time? Investment in job training and executive development is skyrocketing yearly. In the United States annual investment for the male work force alone is over one half of total expenditures for all primary, secondary and university education. Yet by far the vast majority of firms have no means of evaluating the results of their expenditures and few make any systematic attempts to do so. What monies should be allocated towards measuring attitude and morale and what efforts should be made to alleviate problems before they arise?

Such questions must be answered in order to bring manpower resourcing into its own. "No organization which handles its employees as expense items can make as wise plans or as rational allocation decisions as the one which recognizes explicitly the asset characteristics of its human resources".[1]

THE FRAMEWORK FOR MANPOWER PLANNING

Manpower Planning is concerned with:

- Translating present and future corporate objectives into manpower requirements;
- Identifying current and projected manpower strengths and weaknesses;
- Ensuring both the development of manpower policies and plans necessary to meet projected requirements, and their integration with operating personnel programs.

THE PROCESS OF MANPOWER PLANNING

As represented in Exhibit 2 there are a number of steps which must be logically undertaken in order to design specific action programs. These include:

- Defining the personnel requirements of the organization for the period of the plan.
- Cataloguing the present human resources of the organization — an inventory.
- Calculating the expected attrition to the manpower inventory.

- Developing a manpower forecast, from the three previous sources of information (assuming no changes in personnel policies).
- Analyzing the ability of the labor market to meet the forecast.
- Developing an integrated plan of action to meet the personnel requirements of the organization.

These are discussed separately in brief outline.

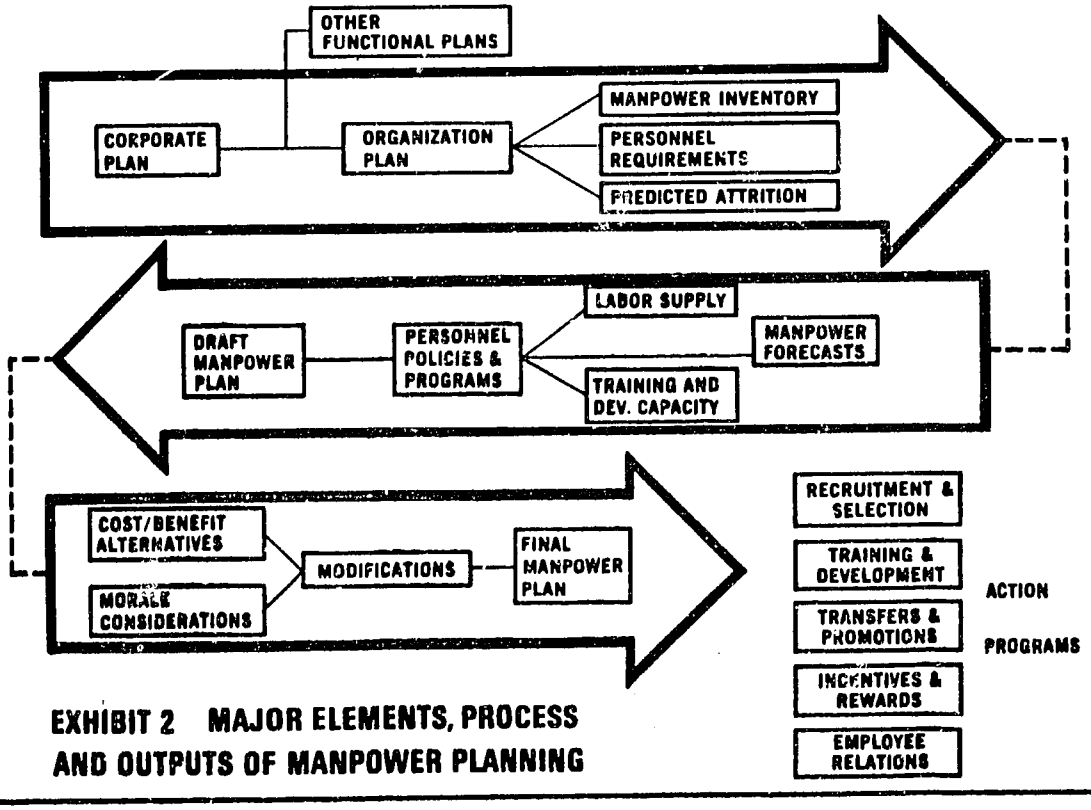


EXHIBIT 2 MAJOR ELEMENTS, PROCESS AND OUTPUTS OF MANPOWER PLANNING

The Organization Requirements

The personnel requirements of the organization must be developed by the manpower planner in detail for the period of the plan. The obvious first step is to define the present structure of jobs in the organization. This definition should include the skills, education and experience required for each job, and special factors such as language. Then, based on the corporate plan for, say, a five year period and on the organization plan for the same period, the manpower planner should develop detailed plans showing exactly what positions will be added and at what dates. Here again, manpower specifications must be outlined for each position.

The Manpower Inventory

The manpower planner must then tabulate and classify the current human resources of the organization. What is the age mix of the present personnel? What qualifications do they have? What experience do they have? What potential for advancement? To what jobs? Insofar as possible, the classifications used for developing this information should parallel the classifications used in defining the requirements of the organization. This manpower inventory becomes a basic tool in planning to meet future requirements.

Predicting Attrition

While the inventory is the basic tool to work with, it is clear that the current inventory will be substantially reduced by the end of the period of the plan, through turnover, retirements, death and dismissals. Based on factual data and on historical trends, a projection can be made of what the attrition is likely to be.

The Manpower Forecast

Following this step, the inventory can be matched against the planned personnel requirements of the organization after deducting the projected attrition. The numbers who will have to be recruited into the

organization can easily be represented in graphic form (Exhibit 3). In a growing organization, this forecast will inevitably indicate major areas where current manpower resources will be insufficient to meet the demands. At this point, no assumptions should be made with respect to changes in the current personnel policies to meet the forecast — other factors need to be considered first.

The Labor Market

The forecast will reveal shortages and suggest the need for upgrading the current inventory through training and development and through recruiting substantial numbers from outside the organization. A study of the labor market may reveal that efforts to recruit substantially greater numbers from traditional recruiting sources are impractical. For example, an organization which has depended heavily upon high school graduates may find, in projecting for a five year period, that it would be unrealistic to rely on this source of supply in view of the trends towards higher education. Or, a company relying heavily on recruiting outside its ranks in the 35-44 year age group, would have to consider seriously altering this policy over the next five years in view of the known decreasing numbers in this group.

Developing the Plan

Once all the "inputs" have been assembled, the organization will know its requirements, have a good understanding of what is likely to be available from within to meet those requirements, and some understanding of the labor market. Specific plans can now be drawn up to meet the demands. For example, in order to supply 30 computer specialists over five years, a decision may be taken to recruit five computer systems specialists per year and to train three internally (on the assumption that ten will leave); a decision may be taken to recruit substantially increased numbers of MBA graduates for the period of the plan; it may be decided to identify outstanding potential within the organization and to undertake rapid development programs, including job rotation and accelerated promotion.

Provided the information gathering and analytical processes have been well carried out, the manpower plans can be worked out in remarkable detail and specific programs can be established. Subsidiary plans can be developed towards special programs to reduce turnover, to revise the salary administration program, to encourage outside recruiting or to revise training and development programs to meet overall company objectives.

Technical Considerations

Various skills will be required to devise and implement a reliable and valid plan. It is unlikely that one man will possess them all. The systems analyst, the operations researcher, the behavioural scientist among others can provide valuable input into the plan as well as those who are daily involved in the personnel function.

Knowledge in information-assembly is mandatory. The completion of a manpower or skills inventory, for example, for an organization of over 1,000 persons makes indispensable the utilization of a computer or some readily accessible, simple to operate, manual system such as the Jonkers Termatrex, or the Royal McBee Kardex.

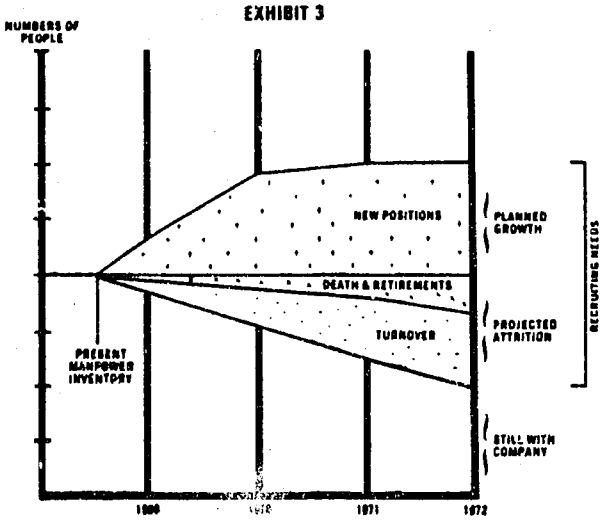
Because of the large number of variables and calculations involved in developing a comprehensive manpower plan some of the techniques of the operations researcher may be particularly effective. Through the development of appropriate mathematical and heuristic models based on well founded sets of assumptions and pertinent personnel data, decisions may be tested before actual commitments to action are made. Such applications are still in the development stage, not because of the lack of mathematical tools, but because of the lack of fundamental data and appropriate working assumptions. However, even with limited information, mathematical formulae can be constructed to assist in determining tenure on the job, recruitment quotas and the like. One such technique would be the application of multi-variable regression analysis to determine manpower requirements in relation to changes in sets of operating or end product variables, for example, dollar sales, customer miles, units produced.

The person knowledgeable in the theory and practice of what is euphemistically known as "the behavioural sciences" may also prove to be a valuable resource. He can help to evaluate the internal climate of the organization, isolate and identify problems which may be contributing to turnover or employee dissatisfaction and recommend appropriate remedial action. He can also assist in identifying and developing potential, and provide counsel on problems of development, motivation and organizational

change.[5 8 9 13]

The foregoing examples represent only some of the skills which can — and should — be brought to bear from other professional disciplines.

ANTICIPATED CORPORATE RECRUITMENT NEEDS
EXHIBIT 3



IN CALCULATING RECRUITING NEEDS FOR INDIVIDUAL DIVISIONS OR DEPARTMENTS TRANSFERS "IN AND OUT" MUST BE TAKEN INTO CONSIDERATION. "TRANSFERS OUT" ARE ADDED TO ATTRITION AND "TRANSFERS IN" ARE SUBTRACTED FROM TOTAL RECRUITING NEEDS.

HENCE:
RECRUITING NEEDS ATTRITION • TRANSFERS OUT • GROWTH – TRANSFERS IN

SUMMARY

Manpower planning is a comparatively new addition to the planning process. It flows from, and is logically a part of, both corporate and organization planning and of the personnel function. In essence, it involves the forecasting of manpower requirements and the design and implementation of programs necessary to meet these requirements over a given span of time. It has many constituent elements and much remains to be learned of the techniques — essentially multi-disciplinary — and the processes involved.

The number of variables to be taken into consideration in developing a comprehensive manpower plan (many of which are unpredictable — such as changing socio-economic and technological conditions) make it doubtful that a manpower plan can be completely accurate beyond a year or two. Short-range planning can be demonstrated easily to more than pay its way, and longer range planning, while inevitably making assumptions on as yet indiscernible trends, is nonetheless an indispensable tool in today's business environment.

The essential element in the planning process is that it be carried out continuously and that the assumptions made for the long-range plan are challenged as concrete evidence becomes available. Competent performance of the manpower planning function will enable top management to make optimum use of its human resources and to evaluate its manpower policies and decisions in hard economic terms.

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Application to health, social welfare, and family planning

Salaries comprise a very large share of most H-SW-FP budgets. This is because they are "labor intensive" industries; manpower inputs are the principle ingredient in recruiting and serving H-SW-FP clients. It follows that manpower planning, as described above, is a highly essential activity. A great deal of money can be wasted by employing more workers than are needed, or by employing too many in one category and too few in another. Not until the manpower plan is completed can the personnel office organize itself for recruitment, hiring, placement of new workers, and the offering of promotions within the organization.

Another reason for detailed manpower planning is the reduction of the very high rate of turnover which afflicts most H-SW-FP programs. The materials presented above show in detail how costly such turnover can be, and how economical policies which reduce such turnover are. (A later chapter in this book describes in more detail techniques for reducing turnover. In this chapter only the economics of turnover and the need to plan for its reduction are considered.)

Intelligent manpower planning requires preliminary tabulations of organization records, because for H-SW-FP many of the facts needed to make the manpower plan are unknown. At least one very intensive study must be done early in the process; a rough manpower plan may be worked up as a stopgap while this research is proceeding. Among the data that must be generated are the following:

A. What are the projected service objectives (new clients, new services to clients) of the program? This is the "company objective" mentioned in the above readings.

B. What is the relationship between patient or client load at the clinics or office, the input of personal contact by field workers and the use of mass media? At least half of all clients arriving at health or family planning clinics claim that they came because of the influence of friends, spouse, or neighbors. However, this may be only the last stimulus in a long chain involving both personal contact and mass media. It is possible to measure the direct effect of personal contact by means of appointment cards distributed by home visitors and returned to the clinic when the client comes for service. Coupon systems have also provided a great deal of data on this score. Mass media can be evaluated indirectly by noting the amount of additional clinic attendance when mass media campaigns are launched, while maintaining field work constant.

C. What is the proper ratio of clients to clinic personnel? How many clients should a doctor see in an average hour? How many clients can one social worker or counselor handle properly in one afternoon? How much manpower is required to fill out forms, file client records, fill prescriptions? How can several such activities be assigned to one person in small clinics?

Family planning

D. How and by whom is family planning service to be provided? What "mix" of family planning methods will be used? How much of it will be oral pills or condoms dispensed at the client's home without medical examination? How much will be performed by mobile clinics? How much will be performed in fixed clinics integrated with other medical activities, such as the postpartum wards of hospitals? How much will be delivered by separate specialized family planning clinics? What will be the load of abortion? Vasectomy? Female sterilization? A carefully computed set of family planning targets is required for a comprehensive manpower plan.

E. What is the composition of, and what promotion potential exists in the stock of employees already employed? What is the rate of turnover in each category? How is turnover affected by rates of pay, promotion, and job satisfaction?

Questions for discussion and exercises

1. It has often been claimed that H-SW-FP programs have an unnecessarily large staff in central headquarters and that some clinics are overstaffed while others are understaffed. Using the principles of manpower planning, how could a personnel officer help determine the proper staffing for:

(a) The immediate staff of the executive director
(b) The field work department for a province
(c) A large urban clinic or welfare office serving 100–150 patients per day
(d) Outlying clinics or offices serving 10–15 clients per session
(e) The training staff for training new employees

2. Make a list of the items of information that should be considered in taking an inventory of family planning manpower in order to make a manpower plan. How would you use each of these items of information in devising such a plan?

3. How "promotable" are the various categories of H-SW-FP manpower? For example, what positions can family planning field workers or case workers be trained to fill (with supplementary training)? What higher positions can a nurse assigned to assist the doctors at a clinic learn to fill? To what higher positions might a social worker in charge of a group of home visitors be promoted?

4. Go to a local H-SW-FP office and compile a complete roster of the present personnel, and the personnel as of a year ago. Compute a rate of turnover for each category of worker.

5. Suppose that a family planning organization wants to increase its number of new adopters by 1,000,000 during the next year. Suppose further that research shows that for each $1,000 of mass media diffusion there will be 200

new adopters, and that for each $1,000 of personal contact there will be 100 new adopters. Each field worker costs $4.00 per day, including transportation. The organization wishes to maintain a balance of fifty percent of its Information-Education-Communication budget in field work and fifty percent in mass media. How many new field workers must be hired (disregard training costs) and what will be the total cost of recruiting the new adopters?

6. Suppose a personnel manager wished to substitute actual statistics of productivity for the hypothetical statistics given in the above example. What research would be required to get these data? How useful would this information be?

Chapter Five

JOB INFORMATION, DESCRIPTION, SPECIFICATION, AND EVALUATION

An invaluable preliminary to the selection and hiring of employees—and an essential guide in evaluating their performance and determining what salary they should be paid—is the job description, or job specification. This is a carefully written statement of the duties to be performed by the employee and the qualifications required. It may consist of three parts: the first is a general statement of work assignment, including a statement of the range of responsibility and the relationship of the job to the total organization. The second part is a detailed listing of specific duties and responsibilities which must be performed in carrying out the assignment. If there are several duties or functions, it is desirable to state approximately what percentage of time should be spent on each task. The third part is an enumeration of the essential and desirable qualifications which the applicant must possess in order to perform the duties properly. These qualifications may be enumerated under three headings:

(a) *Knowledge*—what level of education, what professional or technical training, does the job require?

(b) *Skills*—what skills in handling equipment, performing technical or professional procedures, working with people, or working with data must the applicant possess? These skills can be acquired by experience as well as by training.

(c) *Attitudes and personality traits*—what are the key attitudes and personality traits that are required if the work is to be performed correctly? This is a nebulous part of the job specification procedure; it is important to identify the essential traits, rather than making a long list of desirable traits.

Job descriptions cannot be written abstractly. Usually they are based upon a very detailed and probing collection of information about the work performed by incumbents in the job already at work. This provides "raw data" for writing the job description or job specification.

Writing job specifications serves several useful functions:

(a) It forces the manager to consider carefully and lucidly how the work actually is and can better be divided among the employees. It helps him determine the amount of work each employee should do and the number of employees he needs. It helps him to visualize how the work of each employee fits into the total organization.

(b) It provides guidelines for recruiting, hiring, and training employees and for determining what salary they should be paid. It is also a basis for determining whether present employees are eligible for promotion.

(c) It provides a guide for the employee himself concerning the duties he should perform and his relationship to his colleagues.

(d) It provides a basis for evaluating the performance of individual employees. Proficiency in the conduct of specific tasks can be rated, and an overall composite rating can be made. It points out to an employee his shortcomings and inadequacies, and helps him to concentrate on acquiring the knowledge, skills, and attitudes most essential for success.

The first article provides a general overview of the job description process. It states the objectives, outlines the procedures for collecting information about jobs, and identifies the content of the material to be assembled. The second article is a very detailed and practical discussion of how to go about obtaining the information and then using it to write up job specifications. It was selected for inclusion in this volume because of its full and explicit discussion of procedures, despite the fact that it is written in terms of factory jobs. The reader will have little difficulty in translating it into suggestions for preparing descriptions of white-collar positions.

The final article in the chapter may puzzle the reader. It describes a system for evaluating performance of workers in jobs where there is no tangible product—as is often the case for white-collar workers engaged in providing some kind of service or supervision. It attempts to reduce all aspects of these jobs to four categories, each identified by a letter of the alphabet. It illustrates the need to try to reduce a great mass of specific detail about job characteristics and job requirements to a common denominator, so that a consistent and objective procedure can be found not only for determining pay rates but also for standardizing salary policy for the entire organization, for providing raises in salary, for selection of employees for promotion, for identifying employees who need additional training, and for reorganization of work assignments in order to improve the efficiency and effectiveness with which they are performed. Such systems must rely for their operation upon valid information about the jobs themselves and the qualifications needed for their efficient performance.

COLLECTING JOB INFORMATION

Louis J. Rose, Employment Manager and
Donald J. Bogue, Professor of Sociology
University of Chicago

The preparation of job descriptions requires information about the jobs to be described; job analysis and job evaluation must be based on "raw data" about the work itself. Most treatises on job analysis pay insufficient attention to one very important question, "How does one go about assembling valid and reliable information about jobs?" A comprehensive project to assemble accurate facts about each job—and to record that information in a form that makes it usable—must precede all other aspects of job analysis.

Objectives. The objectives of this phase of job analysis is to collect information about the following topics:

(a) The duties a particular worker performs
(b) The knowledge he must possess in order to do his job properly
(c) The skills he must develop to operate equipment or accomplish other technical tasks involved in performing his duties
(d) The responsibility or accountability for equipment, materials, safety, work of other persons, etc., that the position carries
(e) The amount and type of physical and mental effort required
(f) The environmental context in which the duties are performed.

If a complete and accurate inventory of this information is obtained, the job analyst has at his disposal all the raw material he needs to write job descriptions and job specifications, which in turn furnish the basis for job placement and job evaluation.

Data collection procedures. A clear distinction must be made between job information collected for personnel management purposes and time-and-motion studies conducted for engineering purposes. Whereas time-and-motion studies are concerned principally with classifying overt behavior, measuring the time spent in doing each and gauging the efficiency and effectiveness of

these behaviors, the personnel manager is more concerned with obtaining facts about the content of the job and what is involved in getting it done.

Three procedures are used for obtaining information about jobs within an organization:

(a) The questionnaire method—circulating a questionnaire to each employee which he is requested to fill out and return
(b) Interviewing—a job analyst interviews each employee (or a sample of employees in each type of job)
(c) Observation and interviews with supervisors

(a) *Employee Questionnaire*—Used alone, this method gives poor results. Many employees tend to fill it out hastily, superficially, uncomprehendingly, or defensively. Many who are highly skilled at performing a task are unable to reduce to writing their duties, the knowledge and skills they must possess, the effort required, and the responsibilities they have. Others may be afraid to report the truth about their work for fear it will provoke retribution from supervisors. Not being occupational analysts, the employees may be unaware of the problem situations that need most to be defined and described. Employees sometimes misunderstand the purpose of the questionnaire and regard it as a threat to their status. It is extremely difficult to design a standard questionnaire that will effectively provide a vehicle for describing all jobs in a single organization. Taken together, these deficiencies tend to yield a body of data which is incomplete, biased, and lacking in depth. If used alone, it could lead to misleading information.

(b) *Interview*—By this approach, a trained job analyst interviews workers on the job, the supervisors, and others who are familiar with the tasks being performed. He may use a fixed-question questionnaire as the basis for his questioning, but in the face-to-face interview situation he stimulates the respondents to amplify their statements more fully, probes particular points that he diagnoses to be important, and capitalizes on insights that arise in the interview situation. Interviews often begin with the department heads or top supervisors, then with foremen or section supervisors, and finally with individual employees. The usual assurances of confidentiality concerning details of interpersonal relations need to be given. A skilled job analyst—armed with a carefully prepared interview which he administers with flexibility and sensitivity to extract the maximum of information about each situation he explores—can emerge with a highly accurate picture of the work performed in a given department.

(c) *Observation*—Observation of a worker at his job is another way of developing job descriptions. The job analyst selects particular workers or particular processes and observes them being performed. He gains an appreciation of what work is done, the skills that are involved in performing it, how the work fits into the total work scheme, and the environmental factors which

affect the worker's performance. Because the worker knows he is being observed, the performance will not be wholly normal and hence the observation can seldom be used to judge the quality of performance. When work goes in cycles which take many weeks to complete, it may be necessary to observe several different workers, each at a different stage of the cycle, in order to gain an appreciation of the total job. Observers must be as unobtrusive as possible and seek to avoid distracting or interfering with the work routine. On the other hand, when he observes operations which he does not understand, which appear to be needless or performed inefficiently, the analyst must ask questions in order to get the clarification he needs. Some analysts write up the notes they have taken by observation and show them to the observed worker, requesting that they be corrected or amplified, or asking the worker to add comments that he thinks important.

These three methods of collecting information about jobs may be used in any combination. The most usual one is a combination of employee interview and observation.

Content of the job information collection effort. The specific items of information collected about jobs will vary from organization to organization and will depend upon how the information is to be used. The following is a listing of items, taken from standard job interview and job observation forms, which may be considered by job analysts preparing to assemble information about jobs.

(a) Description of physical actions performed and the purpose for which they are performed. This should include a list of equipment used or other technical operations performed.
(b) Enumeration of knowledge required, special skills used, experience with equipment, judgments that must be made
(c) Description of job conditions—the environment in which the work is performed
(d) Enumeration of specific operations, methods, and processes employed in performing the task
(e) Materials used or consumed
(f) Judgment and initiative required
(g) Physical skills and abilities required
(h) Supervision involved—by whom, how close
(i) Responsibilities—for work of others, for equipment and material, for safety of self and others
(j) Schooling, training, or experience required
(k) Details of the physical effort required—visual effort, standing, walking, lifting, stooping, climbing, hearing, writing, etc.
(l) Hazards, safety problems
(m) Monotony
(n) Discomforts, environmental conditions (temperature, humidity, odors, comfort, pleasantness)

Because it is a time-consuming and hence comparatively expensive operation to collect this information, it should be systematically recorded on appropriate forms and filed carefully for long-term future use. This "raw data file" should be accessible for use by a variety of administrative persons. Hence, the data must be reported in a form that makes it easily accessible and clearly interpretable.

The most important use of this information, of course, is to develop a succinct job description and job specification report as a basis for recruiting new employees or evaluating the performance of present employees.

JOB DESCRIPTIONS

Jay L. Otis and Richard H. Leukart

THE purpose of writing job descriptions and job specifications is to record the information obtained on each job in a standard fashion preparatory to rating or evaluation. In preparing these end products of the job analysis for the evaluation, the analyst organizes the job facts obtained and analyzed in the process of job analysis.

The analyst at this point also does some appraising and evaluating of these facts, particularly in preparing the statements on the various attributes to be evaluated in the job specification. In preparing the job description and the job specification, then, the writer takes the facts on each job from the report of the job analysis, presents this information in a precise description of the jobs, and sorts out and records on the job specification the facts bearing on each of the attributes to be evaluated. In this process he accomplishes two things: (1) He presents all information in the most accurate, meaningful, and readable fashion. (2) He standardizes the organization of information on every job so that all the information is comparable. The descriptions and specifications on all jobs constitute the basic data of the job evaluation, and also of the salary and wage administration based on the evaluation. Therefore, this information should be set up in finished form, and should be as accurate and as complete as is necessary to evaluate the jobs and carry out the operation of salary and wage administration.

To meet these two needs—job evaluation and pay administration—the record of the job information must (1) identify the job by defining it and by standardizing the job "tags" such as title, de-

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partment, code number, and the like; (2) establish the content and the scope of the job by describing it; and (3) establish the level of difficulty of the job by specifying the job requirements and the worker qualifications under each of the attributes to be rated.

The definition and the description are customarily contained in the job description portion of the job write-up. The specifications of the job are usually recorded in a job specification section of the job information. If the description and specification are two separate sheets, the job "tags" will be included on both in order to identify the material.

Job Titles

A well-considered plan for titling jobs in a company can be of great assistance in systematizing all job nomenclature and can aid in the classification of jobs for various purposes. Therefore at this point the standard title to be used for each job is ordinarily established.

In those companies which have not given particular attention to setting up an organized method for titling jobs, the job titles usually are inaccurate and misleading, are not descriptive, do not indicate uniformly the skills of jobs, and are not used uniformly. Thus, at one time the very general title of Clerk may be applied to a group of jobs while at another time a more specific title is used. This reflects the fact that jobs have not been differentiated clearly in the company; at one time a group of positions may be considered as a job while at another time these same positions may be grouped into five smaller groups of positions, each of which constitutes a job.

It is important that job nomenclature be standardized and that each job have one title and only one title, because this job title or "tag" is the basic unit with which the personnel department and to some extent the payroll and accounting departments deal constantly. For example, if a worker hired at one time is given the title of Helper, while a worker hired at another time to perform identical duties is given the title of Operator, it is quite possible that they will be assigned to two different rate ranges, and thus will be paid at different rates for performing identical duties. This is most likely to happen where the two workers are employed in different departments under different supervisors. It could not happen, of course, where such titles are accompanied by precise definitions, since the definition rather than the title would be referred to in distinguishing the two jobs.

Thus the standardization of titles goes right along with the precise definition of jobs in the company. It is logical, therefore, that the first step in this sequence should be to establish the scope and content of the job, the second, to define the job within its established limits, and the third step, to select an appropriate title to be used in conversation and records regarding the job. The job descriptions, then, become the company dictionary of job terminology, just as the *Dictionary of Occupational Titles* of the United States Employment Service is the dictionary of occupational terminology for most public agencies dealing with jobs.

While a standard titling system in a company, if used properly, can speed up and make more accurate all matters regarding jobs, it is important to recognize that the job title itself does not define the job. For example, the title of Tool and Die Crib Man may be applied to the workers in the tool cribs in a great many departments in a company, but this does not mean that all of these jobs are identical with respect to duties, responsibilities, and skills. More frequently, in fact, each of these jobs will be different in some respects; in some cases the level of skill and difficulty from one job to another may vary greatly. It is all too easy, however, to consider all of these jobs as one group merely because they bear the same title.

The important factor is that the jobs are what they are. Titles are attached to them only to serve as convenient tags, and this process must never be reversed. While this difficulty will arise largely in a titling system where the job titles are not defined, it is also possible that defined titles may be misused in this way. In order to avoid difficulties of this sort, it would seem to be necessary to (1) standardize the job terminology, (2) define the standardized titles, and (3) see that all references to jobs by title follow this standardized, defined terminology.

Requirements of a Standard Title

In establishing standard titles for a company in connection with the definition and description of these titles, there are a number of principles which have been found to be helpful. A few of these are as follows:

1. The standard title should be similar or identical to one of the titles which has been applied to the job in the past so that it will not be necessary for workers and supervisors to learn an entirely new vocabulary.

2. Titles should be set up in a natural form rather than in an inverted form; for example, Assembler-Bench, is not nearly as good as Bench Assembler.

3. They should be as brief as possible while conforming to the other characteristics listed.

4. Within the limits of brevity, they should be as descriptive of all phases of the job as possible.

5. If they are brief, descriptive, and in natural form, they will tend to be conversational, so that it will be easy to use the job title in conversation about the job; this is particularly important if workers and supervisors are expected to use these titles rather than abbreviations or nicknames of the titles.

6. The title should indicate wherever possible the skill level and the supervisory level of the job.

7. Standard terms indicating skill level, supervisory level, content, or other common characteristics of jobs must be used consistently in assigning titles.

In establishing its standard titles, The National Screw and Manufacturing Company has used the following outline as a guide in assigning consistent titles to jobs according to their common characteristics:

> 1. Setup Man—a part of the title of all jobs in which the worker spends the major part of his time setting up machines to be turned over to another worker to actually operate in producing the work.
>
> 2. Setup Operator—a part of the title of all jobs in which the worker sets up the machine for operation and operates the machine by loading it with material, removing the finished product, checking the product, and adjusting the machine in operation when necessary.
>
> 3. Operator—applied to all jobs in which the worker is assigned to a machine already set up, to load material and check work and to make minor adjustments; or who feeds a non-automatic machine piece by piece and operates the machine each time a piece is inserted, such as Punch Press Operator.
>
> 4. Feeder—a part of the title of all jobs involving loading of machines with material and removing the finished product without checking it (primarily hopper-fed machines).
>
> 5. Hand Feeder—applied to those jobs which involve feeding an automatic machine, piece by piece, by hand.[1]

Examples of the uses of these titles are as follows: Countersink Setup Man, Automatic Screw Machine Setup Man, Boltmaker

[1] Courtesy of The National Screw and Manufacturing Company, Cleveland, Ohio.

Setup Operator, Turret Lathe Setup Operator, Countersink Operator, Automatic Tapper Operator, Waterbury Slotter Feeder (hopper-fed), Automatic Spoke Machine Feeder, Roll Thread Hand Feeder, Drum Slotter Hand Feeder.

Some consideration should be given also to the titles of those jobs which are definitely established as learning classifications so that these titles clearly distinguish such jobs from all others. One convenient way to do this is to insert the word "Junior" in the title of the learning job: for example, Punch Press Junior Setup Man is the learning classification for Punch Press Setup Man. In some cases, more than one learning classification may be necessary where the objective job requires a rather long learning time, as for example, Boltmaker Learner and Boltmaker Junior Setup Operator. If the term "Helper" is used as a part of the title of some jobs similar in skill level and general content, the use of this term should be confined to these jobs and should not be applied to any jobs that are primarily learning classifications. Thus, the Boltmaker Helper involves only unskilled duties performed in assisting in the operation of the machines and does not include any training in the setup and operation of these machines. For those jobs in which the learning time is relatively short, it will not be necessary to establish these learning classifications, as for example in the job of Punch Press Operator. In other cases, learning classifications may be provided in a series of progressively more difficult jobs, each of which has a well defined scope of duties and responsibilities. An example of this type of job progression is found in the series Automatic Screw Machine Helper, Automatic Screw Machine Operator, Automatic Screw Machine Setup Operator, and Automatic Screw Machine Setup Man.

In many cases, these learning classifications may have to be added to the job structure after the jobs are rated. The reason for this is that the classification levels of the jobs in a series may show wide gaps which would not provide for a steady and even progression in terms of wage rate from the lowest classification in the series to the highest. For example, the job of Toolmaker may fall in Class 8 in a classification structure of eight grades or groups of jobs whereas the jobs of simple machine tool operators in the Tool Room may fall in Class 3 or Class 4. In order to provide for training and promotion within the Tool Room, it would be necessary to establish learning jobs in at least some of the classification levels between Class 4 and Class 8 so that an individual could progress from one

Class to the next higher Class over a period of time while learning the duties and skills of a Toolmaker. If such provision for the training and promotion of workers within the company is not a part of company policy these arrangements for training jobs would not be necessary, of course. Also, these intermediate classifications do not have to be established until they are actually needed for classification of employees in training.

Finally, in some job series it may be necessary to distinguish between the more difficult jobs and the less difficult jobs of similar content by indicating the classification in the title. This is usually done by using the same base title for the jobs but adding to the title such designations as First Class and Second Class; or 1, 2, and 3; or A, B, and C. For example, Packer A would be assigned the most difficult and complicated orders to pack for shipment while Packer B might be assigned only less difficult products to pack. The important point here is to distinguish very clearly and specifically between these various levels of jobs having quite similar content so that the differences in skills and responsibilities may be evaluated accurately; then the workers may be placed accurately on these jobs according to the skills and qualifications required by the work assigned to them.

Preparing Job Descriptions

The purpose of the job description in the evaluation of jobs is to identify, define, and describe clearly the job to be rated and thus to give a fairly detailed picture of the duties and responsibilities of the job. The job description is of assistance in providing a full understanding of the statements regarding each of the factors to be evaluated, as detailed in the job specification. In the rating of jobs, the rater will study carefully, first the identification information on the job, and then the job description, before attempting to interpret the job specification statements on each of the items that will be rated. In order to fulfill these functions, therefore, the job description must be accurate, concise, and sufficiently complete in detail to describe all of the duties which involve any phases of the factors on which the job will be evaluated.

Sources of Job Description Data

The information on the basis of which the job description is written will come from the job analysis report in whatever form it may have been prepared. If the Job Analysis Data Sheet

has been used in analyzing jobs, the writing of the job description will be a process of putting into final form the information from this record. If the data sheet has been used merely for notes about the job, then the analyst, in writing the job description, must phrase all of this information which is in note form and incorporate it into the Job Summary, or statement of the job, and the Work Performed or duties of the job.

The identifying information and the statements under the SKILL INVOLVED—PHYSICAL DEMANDS section of the data sheet also will be helpful in writing the job description. On the other hand, if the Job Analysis Data Sheet has been prepared carefully and completely, writing the job description will be primarily a matter of copying the necessary identifying information, improving and rephrasing the Job Summary, and editing in final form the Work Performed section.

Regardless of the character of the job analysis report from which the job description is written it may be necessary, and in many cases advisable, for the analyst, while writing the description, to check and verify those items of the job that may not be entirely clear. He should do this by discussing them again with the supervisors and by comparing the job he is writing about to other jobs in the department or to similar jobs in the company.

Extent of Job Descriptions

In preparing to write job descriptions for its jobs, each company must decide how much detail is going to be included in the job description itself. Generally speaking, there are three levels of detail which conceivably might be used in the job descriptions for job evaluation. These are:

1. Job Identification: All information necessary to identify the job without describing the duties in any detail

2. Job Identification plus Job Summary: Detailed identification plus a definition of the job describing the scope, purpose, and content very briefly

3. Job Identification plus Job Summary plus Work Performed: The same as 2 with the addition of a detailed description of the Work Performed covering the WHAT-HOW-WHY of the job.

Each of these types of job descriptions would of course necessarily have to be supplemented by the job specification, the primary source of direct information leading to the rating of the job. The Job Identification alone is not adequate for any purpose. The

identifying factors such as job title, code, and so on must be defined in some manner; the best method of defining them is by reducing the definitions to writing rather than depending on general practice or memory. It appears, therefore, that level 2 gives the minimum amount of information which would serve the purposes of job evaluation. Provided the job summaries are adequately written, it is possible that this amount of detail would serve as a minimum for job evaluation purposes.

If the time spent in analyzing jobs for the purposes of preparing specifications and adequate job summaries is not to be lost, however, it is essential that a description of the Work Performed as well as Job Identification and Job Summary be a part of the job description. While the Work Performed may not be vital to the job evaluation, it certainly contributes considerably to an understanding of the job by the rater as he begins to evaluate the job. Also, it will undoubtedly facilitate the wage and salary administration system based on job evaluation. These considerations alone justify inclusion of the Work Performed; but in addition, one may take into consideration the many valuable by-products and additional uses which the company may profit from if the job analysis information is organized into complete job descriptions. In this way, the company may make full use of the time spent and of the information collected in the process of job analysis. It should be noted that the amount of detail which may be included in the Work Performed may also be varied considerably. It seems advisable to limit or expand the amount of detail included in the Work Performed in relation to the anticipated uses (in addition to job evaluation) to be made of this material.

Outline and Content of Job Descriptions

The outline of the job description is comprised of three principal parts: (1) Job Identification, (2) Job Summary, and (3) Work Performed. The Job Identification information will include the various identifying facts which are considered necessary for this purpose. The Job Summary will state briefly all of the significant facts regarding the duties of the job. The Work Performed section will describe in necessary detail the WHAT, HOW, and WHY of the job.

Identifying Facts

The minimum identifying facts necessary on the job description sheet are the job title, the department, and the last date on

which the information contained in the description was verified as correct. This date may be the date of the analysis of the job, or it may be the date of the writing of the job description if the facts were reverified at that time. In addition to the job title there may be in the identification one or more codes that have been established to assist in identifying jobs or to be used in other ways, e.g., in classifying or sorting jobs. Such code numbers should also appear in the identifying information in the heading of the job specification.

In addition to the name of the department, its number or other code identification might well be included. If there are any other subdivisions of the department, provision should be made to include this information also.

Other data which may be included in the heading to serve some useful purpose are the number of employees on the job, the number of employees in the department, and the corresponding title and code from the *Dictionary of Occupational Titles*.[2] Depending on the individual circumstances, it may be helpful to include in the heading the name of the department head, the name of the immediate supervisor, the former title or alternate titles for the job, and possibly even the name of the analyst. It is not necessary in most cases to include any lengthy descriptive material in the heading for identification purposes, since the Job Summary and Work Performed also assist in identifying the job. Also, the standardized title itself should be much more helpful in this respect than the previous title terminology used in the company.

Job Summary

If the Job Summary is prepared skillfully, it can serve many useful purposes. "Its function is to give the reader an over-all concept of the purpose, nature, and extent of the tasks performed and how the job differs generally from other jobs."[3] Thus the Job Summary can be used as a definition of the job for quick reference when something more than the identification is required and when it is not necessary to have all of the detailed information included in the Work Performed. This definition of the job not only may be useful in rapidly referring to the job description volume but it may

[2] United States Employment Service, *Dictionary of Occupational Titles. Part I—Definitions of Titles, Part II—Titles and Codes.* Washington: United States Government Printing Office, 1939.

[3] War Manpower Commission, Division of Occupational Analysis, *Training and Reference Manual for Job Analysis*, page 13. Washington: United States Government Printing Office, 1944.

be typed or printed separately in booklets or manuals for other uses where less complete or more complete information is not desired.

The Job Summary performs a very important function in connection with an understanding of the job description as a whole. As indicated above, the identifying information in the heading identifies the job and orients the reader to some extent with respect to the information which follows. The Job Summary carries this orientation one step further by giving a brief of the entire job—supplying information as to the scope and purpose of the job as well as an over-all statement of the duties. This method of organizing job descriptions—from identification to definition to detailed description—has been found to be very convenient in use. It is very effective in putting across to a reader unfamiliar with the job a great deal of pertinent information about that job very quickly and very effectively.

If the Job Summary is to perform adequately the functions given above, it is clear that it must be written very carefully according to specified standards. The following points will assist in the writing of effective Job Summaries:

1. The statement should be as brief as possible and still accomplish its purpose.
2. Words should be selected carefully to carry the maximum amount of specific meaning.
3. General or vague terms should be avoided except where they are absolutely essential as a substitute for a long, detailed explanation.
4. The statement should differentiate the job from all other jobs accurately enough to be used in classifying workers on the job.
5. The purpose of the job must be clearly stated.
6. The most important features of the job should be brought out with only enough detail to make them clear.
7. The Job Summary must conform to the WHAT-HOW-WHY job analysis formula.

One of the most difficult features of the writing of the Job Summary is to avoid using generalized terms such as "responsible for," "handles," and the like. In many cases it will be found that in order to avoid using rather general terms a long string of more specific verbs may be necessary as a substitute. For example, the assistant editor of a monthly company publication "assembles copy." The general task of "assembling copy" involves a great many detailed operations too numerous to include in the Job Sum-

mary, yet the use of this term "assembles" actually carries very little meaning. In cases of this kind, where it may be necessary to use such general terms, they may be repeated in the Work Performed in such a way that the additional detail adequately explains and describes the operations covered by this general verb. While the use of such terms does impair somewhat the ability of the Job Summary to carry a maximum amount of specific meaning, these terms do not generally detract from the function of the Job Summary in identifying and differentiating the job from other jobs.

Many examples of job summaries of the type which serve quite well in the job description for job evaluation purposes may be found in the job description volumes for various industries published by the United States Department of Labor—*Job Machine Shops*,[4] for instance. The *Dictionary of Occupational Titles*[5] also can be helpful in establishing a pattern for job summaries, since the definitions of titles found in this volume correspond generally to the standards for the Job Summary given above.

There is one important difference however, between the job summaries used in general occupation descriptions and those which are used in specific job descriptions as discussed here. A Job Summary for a specific job in a specific company can be written in much more direct and precise fashion than a job summary written as an industry-wide description of a given occupation. Also, it is important to bear in mind that the readers and users of the job descriptions prepared as a part of a job evaluation program usually are familiar in a general way with the jobs being described. They are also familiar with the terminology of their company and of industry in general which can be used in describing these specific jobs.

It may be advisable to write the Job Summary after all other parts of the job description are completed. In this way the Job Summary can be written as an abstract of the Work Performed after all aspects of the job have been described in detail and their relative importance in the job as a whole has been studied and taken into account. On the other hand, if the principal points to be covered are outlined in the Job Summary as the first step in recording information on the job, this outline can be used as a guide in organizing

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[4] United States Employment Service, *Job Descriptions for Job Machine Shops*. Washington: United States Gove nment Printing Office, April, 1938. For a comprehensive listing of these publications see Shartle, Carroll L., *Occupational Information*, Chapter III, Selected List of Occupational Information Publications. New York: Prentice-Hall, Inc., 1946.

[5] Op. cit., *Part I—Definitions of Titles*.

the remainder of the job information. The *Handbook of Job Evaluation for Factory Jobs* of the American Institute of Bolt, Nut and Rivet Manufacturers[6] has the following to say on this subject:

> The first thing the analyst should do in obtaining information from either a worker or a supervisor is to secure a statement of the job which is in concise form and gives an over-all identification in as few words as possible . . . The statement of the job, or job definition, serves as a useful tool in getting the interviewee to think of the scope of his job, and also to think of its purpose, nature, tasks performed, and how his job differs from other jobs. . . . The analyst should be able to use the recorded statement of the job as the outline for the recording of job duties.

In addition to the Job Summary covering the WHAT, HOW, and WHY of the job, it may also be advisable to include a reference to the supervision given and received by the workers on this job. This is usually particularly important in office jobs although it is sometimes helpful in many factory or other operative jobs as well. Thus the Job Summary for Senior Cost Accountant may start with

> Under the direction of the Chief Cost Accountant, develops and carries out cost control procedures, . . .

In some cases it may be helpful to standardize the designations of types of supervision given and received. An example of this is given by Scott, Clothier, Mathewson, and Spriegel as follows:[7]

> *Immediate Supervision*—The degree of supervision that an apprentice, a clerk learning office routine, or a copyist draftsman receives. It is not expected that the employee will use much initiative, and this faculty is watched until the supervisor is sure it is being used in the right direction. Immediate supervision involves close watch over all the specific details in the work—what duties are performed, how they are performed, step by step.
>
> *Supervision*—The degree of supervision that a new clerk would receive after the first uncertainty is over, and the supervisor feels that the clerk is "catching on." Supervision does not involve so close a watch over specific details, but general phases of the work are controlled by constant reference to the supervisor for advice and decision.

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[6] Personnel Research Institute of Western Reserve University, *Handbook of Job Evaluation for Factory Jobs*, American Institute of Bolt, Nut and Rivet Manufacturers, Cleveland, 1946, page 11.

[7] Scott, Walter Dill, Clothier, Robert C., Mathewson, Stanley B., and Spriegel, William R., *Personnel Management*, Third Edition, page 128. New York: McGraw-Hill Book Company, Inc., 1941.

General Supervision—The degree of supervision flowing from foreman to journeyman. The worker here begins to assume his share of responsibility. He is supposed to know the mechanics of his job and exercise that knowledge without advice or spur. The means of performing a given task is usually left entirely to the worker.

Direction—The degree of supervision exercised over a trained worker by his administrative chief or section head. A definite objective is set, and the worker is left to go ahead, in conformity with policies with which he has no recommendatory connection. It is expected that there will be need for frequent conference both as to the general phases of the work and specific details.

General Direction—The degree of supervision exercised over a section head by his administrative chief. The latter expects a finished product without appreciable reference even as to general plans of the work and with practically no reference as to the specific details of how the work is to be accomplished.

General Administrative Direction—The degree of supervision exercised over a trained technical man by his administrative head. General administrative direction lays emphasis on the fact that the technical features of the work are practically all in the hands of the worker. It is illustrated by the direction the president of a manufacturing corporation might exercise over the chief engineer.

Work Performed or Duties of the Job

In writing the Work Performed portion of the job description the most important feature is the organization of all the facts about the job for an orderly presentation of this information in the description of the duties. This organization or outline of the facts to be presented is important in two respects: (1) if the facts are organized before the Work Performed section is written, it is much easier to write the detail and compose this description of the duties of the job; (2) a well organized description of the Work Performed on the job will be much easier to read, more meaningful, and more precise than a haphazard detailing of duties.

The balance of the Work Performed should expand upon the introduction and explain the important details of the job so logically, concisely, and specifically that a totally uninformed reader can visualize the tasks and understand the job with a minimum of reorganization of the data. It must, therefore, consist of an orderly presentation of the tasks of the job. . . . It is here that the organizational ability of the analyst is called into full play

for he must organize his material so that the clearest job picture is presented.[3]

The first step in the organization of the Work Performed section is to determine what are the major tasks, steps, or parts of the job. This requires a thorough study of all the available information about the job. An analysis of this information to group the facts which have been obtained into some logical organization generally will result in three to eight tasks or sections to be described. Generally speaking, each job described will require a somewhat different organization of the information. The tasks or sections of one job may be of an entirely different nature from the tasks of another job. It is for this reason that a task can be defined only as one of the sections used in describing the job. For example, one job of machine operator may involve the following tasks: (1) Set up the machine, (2) Operate the machine, (3) Gauge the work, and (4) Periodically oil and adjust the machine.

A setup man on this same type of machine may perform only the one task of setting up the machine, so that for purposes of description the job of setup man might be broken down into the following tasks: (1) Prepares to set up machine, (2) Inserts dies, (3) Adjusts cams and feed mechanisms, (4) Tries out operation of machine, (5) Turns machine over to OPERATOR. In addition to such regular tasks, another section may be added to describe those duties which are performed only occasionally or which may be performed only by some of the workers on the job.

Because jobs vary considerably in the way they are constructed, the organization of the description of the Work Performed will vary considerably from one job to another. In general, however, the breakdown of the Work Performed into sections for purposes of description will be organized chronologically or in some other logical fashion. For example, the section describing the setting up of the machine generally will come before the section describing the operation of the machine. Likewise, the duties performed regularly and by all workers on the job will comprise the principal sections of the Work Performed; those sections that describe duties performed only occasionally or by only some of the workers on the job will appear in one or two sections at the end of the Work Performed.

[3] War Manpower Commission, Division of Occupational Analysis, *Training and Reference Manual for Job Analysis*, page 14. Washington: United States Government Printing Office, 1944.

In any event, all the information about one phase of the job will appear in one section.

The organization of office jobs or administrative jobs, which are not primarily cyclical in nature, usually will be different and somewhat more difficult than that of simpler types of jobs. In such cases the steps or sections under which the job is described will not necessarily have any chronological organization. Office jobs may be organized in many other types of logical outline—on the basis of subject matter, level of difficulty, administrative versus operative work, etc.

The development of this organized presentation of information is one of the key skills of the job analyst. It will be developed successfully only after considerable experience with various types of jobs accompanied by criticism and suggestions from those readers who use the job descriptions. Here again it should be emphasized that the reason for the importance of the organization of this material is that it should be presented by the writer so that the reader will not be required to reorganize the material as he reads in order to understand the job clearly.

As pointed out above, the general practice in describing Work Performed is to break down the job into approximately three to eight sections for purposes of describing it. Experience has shown that most jobs can be organized clearly and successfully by such a breakdown. If more than eight separate sections are included the presentation tends to become quite confusing. As a matter of fact, factory jobs or other less complicated jobs usually can be described successfully in not more than five sections. Only a few of the more complicated administrative, executive, technical, and professional jobs will require a breakdown into more than five sections. Following are some examples of the lead statements from the Work Performed sections of several job descriptions of the Division of Occupational Analysis published in pamphlet form for the use of the local offices of the United States Employment Service:[9]

Job Description for PLATER I

1. Prepares articles for electroplating:
2. Plates articles:
3. Washes plating solution from articles and dries them:

Job Description for OFFICE MACHINE SERVICE MAN

1. Prepares to service machine:

[9] War Manpower Commission, Division of Occupational Analysis. Washington: United States Government Printing Office, 1944.

2. Makes minor machine repairs on premises:
3. Makes major machine repairs in shop:
4. May assemble and test new machines before delivery to buyers:
5. May perform related work:

Job Description for PRECISION-LENS GRINDER

1. Prepares to grind and polish glass stock into prisms and lenses:
2. Rough-grinds prisms to approximate shape and dimensions:
3. Blocks (mounts) several prisms together preparatory to fine grinding and polishing:
4. Fine-grinds and polishes blocked prisms:
5. Grinds and polishes lenses:
6. Centers and edges lenses:
7. May form and inspect lens and prism optical systems:

Job Description for AUTOMOBILE MECHANIC

1. Keeps automobile in good running order by making periodic inspections and adjustments of parts:
2. Restores mechanically defective vehicles to service by overhauling faulty parts:
   (a) Overhauls major operating units such as motor, transmission, and differential:
   (b) Repairs automobile electrical systems:
   (c) Performs other repair work:

Job Description for ASBESTOS WORKER, GENERAL

1. Prepares to cover objects with insulating material:
2. Applies insulating material to surfaces by one of the following methods:
   (a) Applies plastic insulating material such as asbestos, cement to such equipment as boilers, ducts, pipe lines, and tanks:
   (b) Applies magnesia, cork, or asbestos blocks and sections to heating and air-conditioning equipment, pipe lines, tanks, and stills:
   (c) Applies felt insulation to brine, ammonia, and ice water piping:
   (d) Secures prefabricated sections of mineral wool insulating material (hollow cylinders split longitudinally) to heating pipes:
   (e) May blow adhesive sound-absorbing material upon ceilings or other surfaces:

The descriptions for ASBESTOS WORKER, GENERAL, and AUTOMOBILE MECHANIC illustrate another type of organization which is sometimes very useful. The organization into two or three major

sections, with subheadings under one or more, often clarifies the description of the Work Performed.

With respect to the discussion regarding the number of tasks or sections into which the Work Performed might be divided, it should be noted that the Work Performed section on PRECISION-LENS GRINDER given above is prefaced by the following:

> Note—The all-around PRECISION-LENS GRINDER is comparatively rare. Precision optical grinding is usually performed by workers who specialize in such phases of the work as rough-grinding, fine-grinding, polishing and edging.

This further emphasizes the point that only in very rare cases is a large number of sections necessary or advisable in organizing and constructing the Work Performed; in this case the work described usually is performed by more than one worker and only rarely does a single worker perform all of the seven tasks described. The *Training and Reference Manual for Job Analysis* re-emphasizes this point: "The primary consideration is to organize the statements so that the uninformed reader can obtain a clear concept of the work performed on the job."[10]

Style

Just as a standard organization of information in the job descriptions will make for uniformity, so will the adoption of some standard rules for writing style. A few standards for style will improve greatly the usefulness of the job description, and will make it easier to read and easier to write. Careful attention to style points also will increase the accuracy of the description and will tend to make it more precise. It should be understood clearly that the adoption of a standard style or technique is not based on any desire to improve the literary excellence of the job description. It is solely for the purpose of improving the description as an instrument for recording and conveying accurately and completely the necessary job facts.

In the above examples of section headings from job descriptions of the United States Employment Service, we find one element of style which has been followed uniformly in the writing of these descriptions. Each of the section headings listed in these examples is

[10] War Manpower Commission, Division of Occupational Analysis, *Training and Reference Manual for Job Analysis*, page 15. Washington: United States Government Printing Office, 1944.

a lead or "flag" statement introducing the detailed description of the WHAT, HOW, and WHY of that phase of the job. This flag statement technique clarifies the organization of the job description and summarizes very briefly the major tasks or sections in the job. Thus the job description can be read by looking first at the Job Summary and then skimming through the flag statements on each of the tasks in the Work Performed. Also, in a detailed reading of the job description itself, the flag statement serves to introduce each of the tasks and to orient the reader with respect to the detail which follows in the description of each task. Examples of these job descriptions[11] are shown in Figures 51 and 52.

Another item which should receive careful attention in the writing of job descriptions has been referred to above in the discussion of the Job Summary. It is essential that the verbs particularly be selected with great care. They should convey the maximum amount of specific meaning. They must not be of such a general nature that they fail to convey any particular meaning or that they carry several possible connotations. The verbs used in the job description should be of an "operational" nature, referring to a specific action, so that there is no doubt as to what is taking place in the job when the particular verb is used.

The following standards have been used as a guide in writing job descriptions:

1. The style generally should be terse and direct, with a minimum of complicated sentence structure.

2. All words and phrases or other embellishments which do not include necessary information should be omitted.

3. Each sentence should begin with a functional verb, the worker on the job being the implied subject. Passive verbs should be avoided.

4. The present tense should be used throughout the description.

5. Description of duties should be specific with emphasis on the skills and purposes involved, and should not be allowed to develop into a detailed motion study.

6. The term "may" should be used to introduce descriptions of tasks which only some of the workers on a job perform. For purposes of consistency, this term should never be used in any other connection.

7. The term "occasionally" should be used to introduce state-

[11] Courtesy of The National Screw and Manufacturing Company, Cleveland.

FIGURE 51. JOB DESCRIPTION—TABULAR TYPIST-CLERK

THE NATIONAL SCREW & MFG CO
JOB EVALUATION OF SALARY EMPLOYEES
JOB DESCRIPTION

JOB TITLE TABULAR TYPIST-CLERK

DEPARTMENT Cost Accounting NO. OF EMPLOYEES 34

NO OF EMPLOYEES ON JOB 1 DATE June 15, 1946

STATEMENT OF THE JOB

Types and does simple computation on various cost accounting reports and records from data supplied in organized form. Performs other general clerical duties, including miscellaneous typing and duplicating.

DUTIES OF THE JOB

1. Maintains a complete set of records for all machinery and equipment, furniture, and fixtures land and buildings: obtains from INTERMEDIATE COST ACCOUNTANT, all necessary information for posting records such as annual depreciation, transfers, disposals, labor and material cost of repairs and maintenance, amortization of Defense Facilities, and necessary information on new purchases; keeps cost ledger cards, repair cost file cards, and ledger cards on fully depreciated equipment in proper file or book, computes book balances by adding and subtracting, and posts above information by hand or typewriter; makes up new ledger cards as necessary.

2. Prepares and duplicates Weekly Production and Hour Reports, Weekly Machine Hour Reports, and Weekly Operating Statements: computes simple percentages on comptometer or calculating machine, and adds the current week's figures to the duplicating master using the hectowriter (electric typewriter) from data supplied in organized form. Operates fluid process duplicating machine to duplicate these weekly reports.

3. Does other miscellaneous typing and clerical work, primarily with figures, as assigned.

FIGURE 52. JOB DESCRIPTION—WASHER ASSEMBLY STOCKMAN

THE NATIONAL SCREW & MFG. CO.
JOB EVALUATION OF HOURLY PAID EMPLOYEES
JOB DESCRIPTION

JOB TITLE WASHER ASSEMBLY STOCKMAN EXAMPLE

DEPARTMENT Lock Washer and Nut Assembly JOB CODE NO. 89-262

NO. OF EMPLOYEES ON JOB 1 SEX - M ☐ F ☐ DATE 6-10-47

STATEMENT OF THE JOB

Under the direction of the WASHER ASSEMBLY SETUP MAN, receives and breaks down mill box loads of incoming stock, sorting according to classification of product, in preparation for distribution in department; services WASHER HAND ASSEMBLERS by lifting mill boxes of work on to assembly tables, weighs completed work on floor scale to measure production, and delivers to Department 96 on hand truck to be packed.

DUTIES OF THE JOB

1. Receives, sorts, and delivers stock; carries mill boxes of washers and bolts from stock to selected locations on floor according to size and type of plating, as directed by WASHER ASSEMBLY SETUP MAN; selects proper boxes by reading travel ticket and lifts onto work tables to be assembled by WASHER HAND ASSEMBLERS or places on hand truck, pulls loaded truck to Washer Assembly machines, and selects proper boxes to place at each machine, as directed, according to type of stock.

2. Weighs completed work in mill boxes; hauls completed work to scales on lift truck to weigh by placing boxes on scale in groups according to shift and work group as shown on production ticket; records weight on production ticket to show amount produced by shift and work group.

3. Delivers all mill boxes of completed work to Department 96 by hand truck to be packed.

4. Does errand work for the department such as hauling mill box loads of work by lift truck from the Plating Department and to the Heat Treat Department.

ments describing tasks performed once in a while and tasks not customarily performed by any particular workers on the job. The term "may" should not be used to refer to these "occasional" duties.

8. All important tools and equipment used by the worker should be mentioned specifically and should be identified by number or trade name wherever necessary for purposes of clarity.

9. All references to other jobs, individuals, departments, sections, machines and the like should be very specific and definite.

10. All references to other jobs should be by full title written in full caps. Full caps should be used for all job titles throughout.

11. All names of departments and specific machines should be written with initial caps.

12. Any qualifying or incidental explanatory information should be written in parentheses to show that it is in the nature of an aside and is not an integral part of the description of the task.

13. Where job titles are being changed considerably in the process of writing job descriptions, the code numbers should be used throughout, at least in the first draft, to avoid any confusion or misunderstanding in reference to other jobs.

It is possible to follow these standards for style, or modifications of them adopted by a particular company, and still introduce a more personal type of writing. In such cases the sentence may not always begin with a functional verb; articles, pronouns, and subjects may be used more freely. While such a personal style will tend to lengthen the job description, it may have the advantage of being more acceptable to the employees who are to use this material.

Uses of Job Descriptions

While the job description has important uses in the rating of the jobs, it is also to be used continually in the maintenance of the job evaluation system. Frequently, a job changes enough so that it is judged to be different from what it was before, perhaps sufficiently different to place it in another wage bracket. It is essential to know not only the details of the job as it is at present but, equally important, what the details of the job were before it changed. A comparison and analysis of the change then may be made. Also, where there is some question as to whether the job actually has changed, it is essential that the job description be complete enough to serve as a measuring stick for such a determination. This is a vital feature of the entire wage and salary administration based on the job evaluation, for it is a well-known fact that jobs do change to a

greater or lesser degree over a period of time. What is more important and more difficult to handle, they tend to change gradually, by small degrees. The difficult point, then, is to decide when the job has changed sufficiently in content, skill, and responsibility to justify a revision of the job description and a re-evaluation of the job.

Another factor of primary importance in this respect is the use of the job description in defining the job title and describing the job as a basis for classification of workers on jobs, that is, the identification of workers by job title. Since the job title assigned to the worker will determine his pay rate or rate range, this identification of workers by job titles is a key feature of the wage and salary administration.

The third primary use of the job description has to do with operations other than pay administration. The uses of job analysis information in employee training and in employment procedures are particularly important. There are many other uses of accurate, complete job information, because the defined job title is the basic operating unit of the personnel department. The job description as a detailed identification and explanation of the job title has many uses in labor relations, safety, placement, personnel statistics, and other personnel operations of the foremen and supervisors, as well as of the personnel department. Since job titles are used in connection with many other company operations, including those of accounting and payroll, the importance of job descriptions as a company "dictionary of job titles" cannot be overemphasized.

It is important to note that job descriptions and specifications have other uses in wage and salary administration than just the evaluation of the jobs. Such uses of the job evaluation materials must be taken into account in determining their form and content. This is illustrated by the following excerpt from a statement of the Research Institute of America under the heading "Job Descriptions Cut Labor Costs":

> You can keep a better grip on wage costs, if you have your foremen and supervisors use job descriptions. To prevent increases in labor costs resulting from the unauthorized development of new jobs or substantial changes in existing ones, foremen should be required to abide by job descriptions in assigning work. Establishing new jobs is purely a management decision, to be reached after investigation, and upon consultation with department heads and foremen. Haphazard development of jobs in the

shop can throw wage rate relationships out of line; cause wastage of skills; result in duplication of work; give rise to grievances and pay inequalities; and raise accident rates through inexperienced workers doing jobs requiring greater skill.

Job descriptions help the foreman to remain within his manpower budget. When he makes it a practice to keep workers' duties in line with their classifications, he has a basis for estimating how many employees he needs. He has a perpetual inventory of manpower. He can make quicker adjustments to work-load peaks because he knows exactly who can fit where. There is also less variance in workers' output and the foreman can more easily plan to meet the production quotas set for him.

When it is necessary to cut down direct labor costs, accurate job descriptions provide a basis for determining which jobs can be eliminated and what operations combined.

High labor costs due to turnover, absenteeism, diminished output—all reflecting employee discontent—can be kept down if the foreman uses job descriptions in day-to-day management. By keeping workers' duties in line with wages, numerous grievances are eliminated. Otherwise a worker either "grows" into work of a higher skill or is casually assigned to it by a busy foreman, thus acquiring valuable experience without receiving the appropriate pay and frequently lacking the seniority justifying upgrading.

When he recognizes that he should be receiving a higher wage, he becomes resentful. At the same time, other qualified employees with greater seniority rights for upgrading have reason for grievance, too. In some instances, inadvertent breach of union contract seniority provisions may result, with consequent labor difficulties.

In the case of those borderline workers who are so often the subject of conflicting claims by rival unions, job descriptions make useful testimony. In one such case before NLRB, the description of the fringe employees' duties played a large part in the Board's decision that the claimant union did not have the right to represent them. . . .

Here are the factors in the job description which the Board took into account: site of work, actual job duties, tools used, amount of supervision, wage scale, training necessary and line of promotion.[12]

If job descriptions are to be useful in the situations suggested above, it is obvious that they must contain considerable pertinent detail in order to be conclusive.

In deciding how much detail is going to be included in the job

[12] *Labor Report of Executive Membership*, October 10, 1945, Vol. 2, No. 21. Reprinted by permission of the Research Institute of America, Inc., 292 Madison Avenue, New York.

information collected by job analysis and how comprehensive the record of this job analysis will be, it is necessary to weigh the cost, the time, and the technical difficulties involved in accumulating complete job analysis information against the long term advantages of having this information at hand for use in meeting the many problems of management where these facts will be of assistance. The National Industrial Conference Board has the following to say in regard to the uses of job information: "There is often a tendency to forget many of the important uses of job descriptions because of the emphasis placed on the function they serve in connection with wage and salary administration. Many of the important uses of a detailed system of job descriptions are given in the following summary:

1. JOB EVALUATION. Establishes a foundation upon which to build a formal job evaluation plan in which basic wage and salary differentials are based upon a sound conception of relative differences in job requirements.

2. PLACEMENT. Provides an effective and objective guide for intelligent interviewing and placement in a modern hiring program. Appropriate trade tests may be developed on the basis of major job tasks on which job applicants claim specific experience.

3. COUNSELING. Gives the vocational counselor accurate job information upon which to base his advice to inexperienced and physically handicapped workers.

4. TRAINING. Gives the training director the type of information he needs in planning a training curriculum that will utilize the maximum potential skills and abilities of all employees, and stimulates employee self-advancement. It should aid in getting the maximum amount of effective training for every dollar spent on the training program.

5. SAFETY. Aids the safety director in reducing number of accidents by giving him a manual of job characteristics that can be used in a program of detailed analysis of possible job hazards and dangerous working conditions.

6. EMPLOYEE EVALUATION. Assists in defining the dividing line between job requirements and actual employee performance on the job, an effective aid in performance or merit rating.

7. WOMEN IN INDUSTRY. In applying the "equal-pay-for-equal-work" principle, particularly in cases where women are wholly or partially performing jobs that are normally considered men's jobs, the existence of detailed job descriptions makes possible an objective determination of correct rate of pay for the job.

8. LABOR RELATIONS. By providing a means of common understanding between management and employees on the duties of each job one source of employee grievance is likely to be elimi-

nated and basic pay differentials based on job definitions are likely to eliminate suspicion of favoritism.

9. WAGE AND SALARY SURVEY. Provides a method of comparing rates of pay on key jobs in other companies in the community with confidence that the jobs under survey are actually comparable jobs. This aids the company in meeting its obligation of paying rates on a par with those paid by other companies on comparable jobs.

10. METHODS IMPROVEMENT. Discloses possible changes in manufacturing methods as a result of the detailed job analysis involved in the program. The purchase of automatic machinery may be based upon a study of skill requirements in view of the fact that large potential reductions in manufacturing costs lie in the jobs requiring a high degree of skill. Job analysis provides a basis for re-engineering of jobs.

11. MORALE. The procedure of writing job descriptions, particularly where employees are interviewed for job data, serves effectively in demonstrating that the employer is interested in knowing exactly what each employee is doing and in this way is a morale booster.[13]

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[13] Horning, E. S., "Job Descriptions," *Management Record*, October, 1945, Vol. VII, No. 10, page 275.

Job Evaluation for Nonproduction Employees

HERBERT V. W. SCOTT*

JOB EVALUATION as a tool of management for the administration of wages and salaries was developed several years ago. The earlier methods of evaluation were initially applied to production or direct labor jobs and were designed for this purpose. With no other method available than that designed for production jobs, management started to use this method for the evaluation of indirect labor jobs and then for clerical jobs and later for technical and supervisory positions. No one method is adequate to evaluate jobs in all levels of production, staff, and executive management. Needless to say, positions at the level of corporate administrative management must be given additional consideration with relation to other forms of compensation, such as profit sharing.

Statistical job analysis, combined with psychological analysis of the incumbent in the respective job, shows that the most effective job and salary evaluation plan is one of relatively few job factors. This applies not only to hourly rate production jobs but to salaried staff jobs as well. Our salary job evaluation technique as applied to clerical, technical, and supervisory positions makes use of only four factors.

Job Evaluation Factors

Training. The first factor we consider is called the T factor, which symbolizes training. It was discovered that what industry pays in added salary for the added ability that can be developed by 1 year of training is a percentage figure that varies by remarkably small amounts from one company to another regardless of industry or city and type of training. For example, this percentage is the same for a shop apprentice just out of high school as for a graduate engineer. Astonishingly, it is the same rate by which doctors, dentists, and lawyers increase their earnings during their first year of private practice. Similarly, an analysis of what is paid for these jobs of varying skill in each successive year indicated a uniform percentage of increased value in each type of position. Therefore, we were able to develop a law which could be interpreted mathematically in terms of percentages or ratios for each year of preparation.

As a result of this analysis, a few simple rules became apparent:

1. For any individual it takes more time to get more ability.
2. More time does not always result in more ability.
3. Equal amounts of training time produce unequal (diminishing) increments of ability.
4. For any one individual, there is a ceiling beyond which he cannot develop any increase in ability from a specified course of training no matter how long it is extended. (He may acquire more ability if the training conditions are changed.)

Rule 4 has great significance in job evaluation because, in many cases, the only form of training that is available is practice doing the work on the job.

Our system of job evaluation seeks to measure the "ceiling" of increased ability which can be attained by continued work on a specified job. If the time to reach that ceiling is short, there is little increase in ability, and hence there should be correspondingly little increase in salary for those who remain on the job—no salary increase after the ceiling has been reached (except where the company has a policy of paying for length of service without relation to any increase in ability).

On the other hand, if the time to reach the ceiling is long (on some higher jobs, it may be so long that few reach it before retirement age), then there should be a job maximum salary sufficiently above the minimum so that the man on the job may receive many salary increases as his ability increases year after year.

Aptitude. [An additional rule substantiated by the studies is:] When several persons receive the same course of training (attend the same classes, or work on the same job), some will develop more ability than others in the same length of time.

Since the training opportunity is the same, the difference must be caused by differences in the individuals themselves. This difference in persons which causes one to get more benefit than another from identical training opportunity we call aptitude.

Once the value of T was found, it was not difficult to isolate the percentage which employers pay extra to get more than average of the two aptitude factors, D and P. Therefore, we were able to adopt the rule that the increases in salaries that result from a specified amount of extra aptitude are not an added amount in dollars but rather are a fixed percentage. This means that the job value is obtained by multiplying the factor value instead of adding points as other systems do.

The second factor we consider is the D aptitude

*Senior Partner, Stevenson, Jordan & Harrison, Inc., New York City.

Reprinted by permission from *Monthly Labor Review*, Vol. 81 (April, 1958), 369–72.

factor. This is symbolic of decisions. Both our statistical and psychological analyses of people and job data indicate that all people are alike in the kinds of abilities they possess. They differ only in the amounts and the proportion of these identical abilities. All people have some D aptitude; hence they can make wise decisions within the scope of their experience.

The D aptitude produces the ability to perceive cause and effect relationships. As the number of alternatives increases and the variety of possible results increases and the certainty of any one result becomes less, there is need for higher D aptitude to reach the best decision. While at this point, we are speaking in general terms regarding the D factor, we have developed many subsidiary definitions that are used in the evaluation process. For instance, the evaluator must determine to what extent this job requires the ability to think analytically, to make sound judgments, and to work creatively.

The need for D aptitude is evident when it is seen that the process of management is made up of deciding what should be done and seeing that others do what they are expected to do. Therefore, the first function of management depends almost wholly on D aptitude properly developed by training time, T.

The next factor is the P aptitude factor. This might be symbolic of people. It covers the function of control, getting people to do what it was planned that they should do. It has been found helpful to divide the P factor into two separate aptitudes. P–1 supplies consideration for the feelings of others, tact, ability to win friends, salesmanship that persuades people to buy, conciliation that soothes antagonism. P–2 supplies the "drive," the motive power to get things done in spite of opposition, the determination to succeed. The first subfactor is "soft" without the supplement of P–2. The second may be ruthless without P–1. The combination of the two produces high value throughout many jobs.

The last factor is the S aptitude which is symbolic of special requirements for the job. This is seldom needed, but in some rare cases it explains salary differentials not explainable by the other three factors. A special aptitude is not a different kind of ability but rather an unusual amount of ability that all persons have to some degree. For example, all people can learn to sing but only a few can become successful concert soloists. It is required in jobs which call for artistic ability or certain other highly developed skills in a narrow class of work such as the glassblower who makes complicated laboratory equipment, the jet airplane test pilot who must possess certain aptitudes beyond those of the ordinary pilot.

On all of these factors, we are not evaluating the person. We are evaluating the attributes required to perform the job.

A Job Evaluation System

I shall not attempt to describe the complete statistical process by which the grades of each factor were defined and numerical values determined for each grade representing salary differentials. These values were determined as the result of analyzing thousands of jobs in many industries and determining what differentials were being paid. When these grades and factor values are properly applied, we develop what becomes known as the J value, the minimum value or job ratio for the job or position under consideration. For instance, if the factor values resulted in T=1.40, D=1.21, P=1.15, S=1.13, the J value, by multiplying these together would be 2.20. As stated previously, these J values are now applied to the base salary, the minimum hiring rate of the company, to obtain the minimum salary of each job.

It has become almost general practice today for a company to have established its policy for the minimum hiring rate. This rate is often that of the file clerk, which is the equivalent of a base wage in clerical work. When installing a formal plan of job evaluation such as I have described, it is desirable to reconfirm this policy through the use of an area survey and to make whatever adjustment seems necessary. The area survey is also helpful in establishing some benchmark jobs to assist the evaluator as he approaches various points throughout the evaluation scale. I recommend caution in the use of area surveys and the interpretation of the job content from the job titles that are published. The wage and job data should be carefully investigated before making them a part of the base structure of a new evaluation plan.

In the case of the J value of 2.20 mentioned before, if the base salary of the company is $45 per week, then the salary is $45 times 2.20, or $99 per week.

Since these J values can result in a infinite number of values, there is no lumping of job salaries into job levels as is the case in many other systems. Thus the exact value of the job is established and the equity for which job evaluation was designed has been preserved.

With the establishment of a base rate policy and equitable J ratios, the plan becomes operative and yet flexible should the job requirements change or our economy necessitate a change in the base rate.

Next we must consider the spread from mini-

mum to maximum salary for a single job. This is intended to provide salary increases commensurate with growing ability resulting from experience on the job. Job evaluation research has resulted in the establishment of two rules affecting the maximum salary:

1. On the lower grade jobs, there is small opportunity for growth. The work is largely routine and is usually learned in a few weeks. Nothing more can be learned except perhaps how to handle unusual cases that occur only at infrequent intervals. Consequently, there should be few salary increases on the job. Offsetting this is the fact that opportunity for promotion is frequent at this level.

2. On the higher grade jobs, increased experience brings additional ability for many months, even years. It takes a long time to learn all that is to be learned on the job. On the other hand, the opportunity for promotion is not frequent. Consequently, there should be a provision for several salary increases on the job which means a reasonably wide spread between the minimum and the maximum. Our formula, developed through statistical research, provides just this pattern, with a 25-percent spread at the bottom and with an increasing amount at the top of the scale.

Since all job grades are in ratios to base, a change in salary scale does not require any recomputation of job evaluations. Also, the same evaluation J values hold true in several plants located in different cities; hence the benefit of comparing the values of similar jobs in a multiplant company.

Our technique in arriving at our evaluations is to work directly with the next higher level of management than the position being evaluated. Salary evaluation is essentially building a structure of job requirements which everyone in the company management can agree is an equitable and fair statement of what pay differentials should be. It is a judgment of job requirements by individual supervisors whose judgments are reviewed by their supervisor, etc. In this manner, individual differences which may make one person's judgments distorted in some way tend to get balanced out. The more people entering into the evaluation of any one job, because of familiarity with its requirements, the more reliable and valid the final evaluation of the job will be. In fact, before accepting the final evaluation, there is a review of all jobs ranked within the department from the highest to the lowest by each individual factor and by total job value. Further reviews are made by comparing jobs of different departments or major divisions of the company.

Application to health, social welfare, and family planning

A major fault of personnel administration of white-collar workers often is a failure to apply rigorously the principles outlined in the above readings. Very strict job descriptions may be written for production jobs in the factory or warehouse, but when it comes to the office and the technical positions the entire process of defining positions, defining duties, and establishing pay rates often becomes lax and poorly organized. Much discontent, turnover, and low employee morale can and does result from this deficiency. A rigorous follow-through in the procedures described here will pay rich dividends. This is as true for health, social welfare and family planning positions as for other white-collar jobs.

The smooth and frictionless operation of a clinic or welfare office requires that the employees function as a team. When the duties and responsibilities of each are spelled out in detail—together with the essential skills, aptitudes, and personality traits—the first step in achieving this teamwork is accomplished. Where clinics or offices are small, each employee may have a variety of duties to perform. Reducing these duties to writing avoids confusion and eliminates disputes over jurisdiction, work assignments, and the handling of clients.

This is equally true for field workers assigned to do home visiting, conduct group discussions, organize and hold public meetings, or work with the personnel of other organizations. Determining which workers are to perform each task, how often, and under whose supervision is an essential step in getting the entire field department functioning as a team. The Communication and Public Relations Department, the Research and Evaluation Department, and the Training Department are similarly in need of having each job fully specified in terms of the guidelines provided in the introduction to this chapter and in the articles.

What constitutes adequate pay for the various categories and grades of health, social welfare and family planning workers is a perennial problem. Instituting a system of the type proposed here, based upon carefully delineated job specifications, can go far toward resolving this problem as well as establishing guidelines for salary increases and promotions.

Questions for discussion and exercises

1. Go to a health or family planning clinic or welfare office and observe each worker on duty. Observe each person for at least fifteen minutes; then prepare a job description for each position. Return to the clinic and ask each worker to read and correct his job description. Show these revised job descriptions to the clinic supervisor. Ask to compare your job descriptions with the "official" ones on file in the personnel office, and determine in what respects your job descriptions are superior and in what respects they are inferior to official ones. Study the system of job titles in use at the clinic—does it conform to the principles stated in the readings, or is it in need of revision?

2. Repeat the above procedure for a set of employees in
   (a) The field/community organization department
   (b) The communication/public relations department
   (c) The training department
   (d) The research/evaluation department

3. On the basis of your observations and conversations draw up a standard form for collecting information about the jobs in the units studied. Orient this form to the needs of this particular organization. Using this form, interview two persons in each of the major jobs using a different clinic and office.

4. When the form is completed, go to still a different clinic or office of the same organization and ask the employees to fill it out as a questionnaire. Compare the quality and validity of the results you obtain by the questionnaire method in comparison with the interview and observation method.

5. Visit the personnel manager of an organization which employs a great many white-collar employees. Find out what job descriptions and specifications he has on file for each of five different grades or levels of workers (occupations). Find out what procedures were used in collecting the data for these positions: whether it was done on the basis of questionnaires filled out by the employees, by interviewing the employees, or by observing them at work. Discuss with the manager the advantages and shortcomings of each of these three methods of data collection, in the context of his particular organization and these particular categories of workers. On the basis of this procedure, write up a draft of a proposal for collecting job description data for white-collar workers in that particular organization. Show it to the personnel manager and ask for his criticisms.

6. When a person is to be hired, in most organizations, it is necessary to prepare a written requisition or description of duties to be performed. From a personnel officer prepare a sample of ten such requisitions that he has received within the recent past. Submit these requisitions to a careful and critical review in the light of the principles set forth in the article by Otis and Leukart. Write a brief set of instructions which the personnel manager might issue to guide department heads and supervisors in the future in preparing their requisitions for new employees, in order that the position might be filled more appropriately. Show it to the personnel manager and ask for his criticisms.

Chapter Six

EMPLOYMENT INTERVIEWING AND USE OF TESTS IN SCREENING APPLICANTS FOR EMPLOYMENT

No employee is hired for a job without an interview with a representative of his future employer. Research has shown that these interviews tend to be far less reliable and error-free than desired. Repeatedly it has been shown that employment interviewers fail to choose the best candidates, fail to match the job specifications with the qualifications of the applicants, fail to ask important questions and leave many newly-hired employees with wholly unrealistic expectations which will only create future difficulties. It is important, therefore, that the quality of the employment interview be improved.

Good interviewing is a skill that can be learned. Persons who do employment interviewing should study carefully and diligently one of the good works on this subject, such as Richard A. Fear's *The Evaluation Interview* (McGraw-Hill, 1973).

Because of the pressure of time and specific tasks to be accomplished, employment interviews are guided interviews, in which the initiative is taken by the interviewer. In order to guide the interview successfully, the interviewer must have prepared beforehand a careful outline of the information he wishes to obtain. A written outline of the points to be covered is a very desirable part of this preparation. Each organization should prepare its own interviewing guide. Following are some topics that often are included in such guides:

A. *Work history of the applicant*

Duties on last or recent jobs
Likes and dislikes of last (recent) jobs
Reasons for leaving last job
Number of previous jobs
Earnings on previous jobs

Promotions, accomplishments on previous jobs
Aspects of work situation most important to the applicant
Experience at carrying responsibility, exercising leadership
Work preferences of applicant

B. *Training and education*
Amount of formal schooling--institutions, degrees, major subjects
Academic performance–grades, best and worst subjects
Extracurricular activities–number, type, positions held
Special interests, achievements in school

C. *Character, personality*
General psychological and social adjustment
Initiative, ambition, drive
Honesty, sincerity
How hard or conscientiously work is performed
Leadership potential
Interpersonal relations with co-workers–tact, flexibility

D. *Social background*
Marital status, number of dependents
Health status
Hobbies, interests
Reaction of wife, other dependents to job change
Occupation, education of parents

E. *Suitability for employment*
Special assets or liabilities for the particular position
Specific traits which especially recommend employment of this person
Specific problems or traits which caution against employment of this person

With an outline such as this to guide the interview, the danger that important questions will not be asked or fully answered is lessened.

The interviewer should encourage the applicant to speak freely and spontaneously. Every effort should be made to build rapport, and to be supportive in order to encourage full and frank exchange of information. If the applicant begins to provide too much detail, this can be indicated by gently guiding the conversation to a new topic. The interviewer should avoid sarcasm, display of temper, rudeness, or authority. The responses of the applicant should be listened to attentively, and the questions asked should reveal comprehension and appreciation of the information received.

One weakness of inexperienced interviewers is a tendency to arrive at a decision concerning the applicant very early in the interview. Much of the most important information begins to emerge only toward the end of the interview,

when rapport has been established and the applicant is making his most earnest efforts at self-presentation.

An absolutely essential aspect of good personnel interviewing is recording the information obtained. Only if it is written or recorded can it be kept for future use, or for study at a later time before making a final employment decision. If the applicant is requested to provide further documents, take tests, or return for another interview, this also should be noted so that the record will not be considered complete without this information.

Even with carefully written job descriptions and detailed information about the training and work experience of applicants, mistakes are frequently made, and employment is not offered to the best potential applicants. This, of course, can be very costly to the employer, and it is a misfortune to the rejected applicant. In an effort to improve their record of success, personnel managers use tests developed by psychologists to screen the applicants. Tests which objectively measure essential knowledge or skills (typing, arithmetic, spelling, manual dexterity, etc.) have proved very useful in screening out workers who lack the requisite work qualifications. However, personality tests designed to measure general attitude, aptitude, and motivation have had disappointingly little success in predicting whether candidates would perform well. Most success has been achieved in the development of tests that relate most directly to the task to be performed and which have been validated within the organization itself.

The readings of this chapter have been selected to cover the entire process of recruiting, screening, and selecting new employees. The first two readings deal with the employment interview; they give useful suggestions for making it a more valid and reliable procedure for selecting new employees. The third reading is a hard-hitting warning that standardized personality tests frequently have very low predictive value in identifying superior candidates for employment. Nevertheless, a majority of companies use them. The final article contains practical suggestions for using such tests in ways which will heighten their utility.

Strategies of Effective Interviewing

By Samuel G. Trull

The executive engaged in the normal conduct of business devotes much of his time to interviewing. However, there is an appalling lack of effort given to systematic attempts at building improvements into this age-old process. Interviewing remains one of those activities which we *think* we know all about merely because we have been doing it so long; we have been lulled by habit. It seems apparent that a modest effort aimed at an analysis of our interviewing techniques would yield generous returns.

In the broad sense, interviewing is the process whereby individuals (usually two) exchange information. The individuals may be concerned with a job opening, a promotion, a special assignment, a product sale, information for intelligence purposes, a proposed merger, or other questions. The information exchanged need not be limited to facts. In business, particularly, such products of an interview as meaning and understanding are oftentimes more significant than objective factual statements.

Interviewing in the contemporary business setting invariably takes place in an atmosphere filled with a sense of urgency. The time allocated to the interview is necessarily limited. Consequently, a nondirective approach finds little application; it is necessary to use the guided interview in the vast majority of situations. This inherent time constraint sometimes brings about dysfunctional consequences: the interviewer is so preoccupied with budgeting his time that the content and the purpose of the interview are vitiated. Hence, we must define what we mean by an effective interview. For the purposes of this article, an effective interview is one that optimizes the perceived communication objectives of the individuals involved, with time as the principal constraint. We shall focus on research findings concerning:

- The proper kind of preparation for the interview.
- Value of such procedures as having an outline of points to be covered and taking notes.
- Use (and misuse) of questions and questioning techniques.
- The kind and amount of control that the interviewer should exercise over the discussion.
- Analysis and evaluation of information obtained.

Planning & Preparation

The lack of adequate planning for an interview is the greatest single fault found in my studies of the interviewing process.[1] All too often, the inexperienced interviewer launches into a discussion only to find midway through that his preparation is incomplete. A moderate amount of preplanning can easily obviate such unfortunate occurrences.

When the objective of the interview is well-known in advance, it is usually a good practice to allow the individual concerned ample time to prepare for the talk before the actual involve-

[1] See, for example, my report, *An Analysis of Precision Learning, Evaluation of Information and Decision-Reaching, in Two Groups, Using Closed Circuit Television* (Los Angeles, Western Management Science Foundation, 1962).

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ment. By indicating, ahead of time and in writing, the points to be covered, the interviewer gives the interviewee an added advantage and reinforces the specific purpose of the session. Too often the expectations of the interviewee may be far different from those of the interviewer. This misunderstanding, if not corrected, can be disastrous.

On the other hand, too much preplanning and detailing for an interview can be equally harmful. The interviewee may then develop conventionally correct answers or platitudes which, of course, reduce the informational content of the interview to virtually zero. In short, he needs a guide, a "steer" — but no more than that.

A written outline of important points to be covered is not necessarily an indication of rigidity; rather, it reflects consideration for all parties concerned. When explained, it generates a feeling of confidence as well as fairness — particularly if two or more people are to be ranked in an evaluation. The outline may even include typical questions in order to solicit comparable responses. Again, however, a warning against excess is needed: too much reliance on a programed questioning approach is often disconcerting to the interviewee and may lead to stereotyped answers. Ideally, of course, each question should be designed for the situation and the respondent.

In presenting information, a speaker allocates blocks of time to various items on his agenda. If no time limit is established, the presentation can continue indefinitely. Even worse, the truly important information may never be told. This process takes place by dint of the normal human trait of retaining the most significant bits of information for the end. Psychiatrists recognize this and are particularly attentive in the last ten minutes of the therapy session. Borrowing from this insight, the interviewer, although not able to set an hourly cycle as does the psychiatrist, should try discreetly to indicate a time scale. This allows the interviewee to plan and to include relevant information which otherwise might be withheld. If the interview is terminated too abruptly, the probability of losing valuable information is very high.

A time limit can be suggested by citing the next appointment or by noting, perhaps, a previously scheduled conference. Actions such as tapping — consciously or not — on one's watch to indicate time are out of order, of course; so is sitting precipitously on the edge of the chair. Sometimes it may be in the best interest of both parties to set another date for an extended session or to plan on completing only one or two stages of progress at a time.

Building Rapport

Certainly the general tone of the interview should be one of helpfulness and friendliness so as to minimize the immediate barriers to forthright communication. In this connection it should be mentioned that privacy is a first prerequisite to good interviewing. An important component of this is freedom from distracting interruptions. (The telephone many times is such a distraction.)

In order to establish the critically important element of rapport with the interviewee, a genuine attempt should be made to put the interviewee at ease — especially in job application, promotion, or other interviews where significant differences in status exist. Unfortunately, sometimes this rapport is attempted by such gaucheries as, "Now, don't be nervous!" or, "Relax!"

Normally, at the beginning of an interview an allowance should be made for the interviewee to adjust to the interview environment. The situation is new for the interviewee; it may be his or her first experience of this kind. Unless there is a specified adaptation period, the interviewee may be unable to reduce his or her level of anxiety, with the resulting loss of the entire session. Part of this adaptive process is familiarization with the surroundings. It is an often overlooked truism that whenever an individual is placed in a strange situation, he becomes apprehensive.

Overcoming this fear is often a most difficult procedure. By explaining, for example, the need for commonplace objects such as pencil and note paper that are anxiety-provoking, the level of tension may be reduced. Also, it is well to remember that the manner and simple courtesies extended by the interviewer are greatly magnified in the eyes of the interviewee. Thus, a limited amount of pleasantries may be condoned if they fulfill this useful purpose.

By jotting down significant bits of information, the interviewer can readily reconstruct what actually took place. The record assists with details which would be hard to remember if not recorded. The time that would be

needed to fix them in mind without benefit of notes can be used to greater advantage listening and thinking. Then, too, writing down items compliments the interviewee; it means that his responses are considered important enough to be recorded. It is a convenient reinforcing mechanism; it may even be used to guide the path of the interview.

Information of a picayune variety should naturally be avoided. Similarly, allowing the interviewee to relate too much information can be dangerous. Any inadvertently revealed facts or incidents may bring about severe anxiety feelings when he or she reflects on them later. Temptations to divulge information too freely should be sidestepped as lightly as possible so that continued rapport may be maintained. In addition, circumspection should be exercised at all times lest the interviewer become too emotionally involved in the exchange. Disagreements tend to provoke planning for verbal counterattacks with the result that the informational content is lost.

Guiding the Conversation

The interviewee is overly sensitive to all reactions by the interviewer. Taking advantage of this, the interviewer may easily steer the conversation along the most productive channels. Small inflections in the voice give encouragement. By repeating phrases already expressed, one finds the respondent expanding with details on a relevant issue. Sometimes, merely restating the reply allows a time for reflection and quite natural expansion or clarification of a point perhaps lost in the first verbalization. Phrasing a question by rewording it into a rhetorical one gives the interviewee a period to think through a definite response (although caution should be observed that the "right" words are not put into the mind of the interviewee).

Support given by nodding is most effective. Other nonverbal means of rendering assistance are equally significant. The use of semiverbal expressions of a meaningless nature — for instance, "Umm . . ." — can prove most useful. Because such utterances provide no direct interpretation, they are received as the interviewee wants to receive them. He then emphasizes or magnifies the point as he sees fit.

A succinct summary of information from time to time not only allows for clarity in the communication process but also gives the informant a mirror of just what has occurred. Alterations can be made easily by the interviewee once he hears what he has said. In the final stage, a precise statement of what was agreed on or of the general conclusions reached often allows for a reduction of confusion.

When details or figures have been discussed, the summary can often be in the form of a written memorandum. If the interviewer wants to be sure of what the interviewee communicated or to check on whether the interviewee really understood the data discussed, he can ask him to write the memorandum.

Developing Information

The tools of the interviewer are his questions. They should be used with dispatch and yet with the utmost care. Sarcasm or obscure humor should be avoided unless the interviewer is positive that the interviewee perceives them as such. Usually, the latter's interpretation of such activity is entirely serious; he or she may respond at the time with a semblance of perceived humor, but the real reaction is often deep concern and suspicion.

Through the judicious use of questions, the skilled interviewer not only obtains information but also guides the talk along productive lines. Leading questions or questions designed with built-in responses are usually not very effective. Similarly, the double negative type of interrogation is to be shunned as it tends to evoke anxiety. To avoid slipping into such traps, even the best interviewer should review his questioning techniques from time to time. Thus, self-analyzing by tape recording or by having a third person observe an interview for diagnostic purposes can prevent poor techniques from developing into set procedures. This process may be extended to the use of video tape recordings with proportionately more significant results.

In a research project that concentrated on questioning techniques, I analyzed the recordings of about 100 interviews held for the purpose of selecting job applicants, appraising executive performance, or counseling employees in their careers. One of the conclusions from this study is this: successful interviewers (as evaluated by information obtained) utilize at the outset of the interview a pattern of broad, general questions. Apparently this allows the respondent to answer with information which he feels is important, as well as providing him

the opportunity to expand into areas that he deems to be of vital concern. Once this information is released, the interviewer can sharpen the focus with specific questions eliciting short answers. For example, the "yes or no" kind of question should be reserved for the final exploration of a subject, while queries such as "How do you feel about working with Joe Smith's group?" might well obtain results most useful at the beginning of a particular subject.

Fear of Silence

It seems that silence in our society is to be avoided at virtually all times and all places. Unfortunately, this feeling affects the interview. Usually fear of silence is felt most by the inexperienced interviewer. All too often he tends to put forth another question while the respondent is meekly attempting to formulate his own thoughts into a logical reply — all just to keep the air filled with words.

The tendency to hurry questions and answers is compounded by the distorted sense of time that people get during an interview. To understand the amount of distortion, one research group carried out such simple tests as stopping a conversation for a short period. Interviewers' estimates of the period of silence magnified it by a factor of from 10 to 100![2] On the other hand, I find, when asking participants in an interview to estimate the time elapsed, invariably the interviewee *under*estimates the period. Consequently, the interviewer in particular should be cautious of pushing forward too quickly. In many instances, if he will permit another few seconds to elapse, he will obtain vital bits of information that would otherwise be lost or allowed to remain in a half-expressed state in the interviewee's thought processes.

During these periods of silence, the interviewer may profitably spend his time pondering the question: "What is he really trying to tell me?" Often the content of the interview makes an incomplete story when analyzed later on. Not only may the words fall far short of the desired goal, but also they may convey misunderstandings. Allowances for the ever-present failures in semantics must constantly be made, and further interrogation conducted, in order that a clear approximation of the true meaning be obtained.

Art of Listening

The often posed maxim to the effect that we hear what we wish to hear does not appear at first glance to be a profound statement. Yet it summarizes the mechanics that lie behind poor listening techniques. Individual biases and attitudes as well as role perceptions and stereotyping all contribute to the phenomenon of selective perception. Thus, in order to obtain the best possible information, it is necessary that one be aware of his own particular filters that tend to impede if not prevent clear and relatively undistorted reception of information.

It is possible to hear at the rate of from 110 to 140 words per minute over sustained periods.[3] The thinking or thought projection rate is approximately seven times this figure. The result is a surplus of thinking time over listening time. The manner in which this surplus time is utilized varies, of course, with the individual. However, it is at this point that the interviewer tends to project his ideas into the interview process, thereby filtering out the interviewee's responses.

One result is that he makes assumptions about the respondent and his information that are compatible not so much with the interviewee as with what the interviewer has already concluded about the interviewee. Suffice it to say that it is altogether more rewarding to spend this extra time in formulating hypotheses, which later can be confirmed or denied as more information is revealed, or in constructing a frame of reference for the on-going interview, which allows acquired information to be categorized easily as it is given.

Analyzing Data

The information that is gathered should be approached and analyzed from two points of reference: the objective and the subjective.

Objective View. The objective category can be broken down into content and form:

1. *Content* — This term refers, of course, to the factual presentation — what is actually being said and whether or not it is reliable. The overview of the interview or the pattern of the total situation must be firmly grasped and then noted. In addition, it would seem that the following items are valuable in evaluating information —

[2] C. H. Best and N. B. Taylor, *The Physiological Basis of Medical Practise* (London, Baillier, Tindall and Cox, Ltd., 1950).

[3] B. A. Houssay, *Human Physiology* (New York, McGraw-Hill Book Company, Inc., 1951).

• A response that is overwhelmingly conventional is likely to be suspect, owing to the great possibility of its being less than valid. For instance, in an employment interview, the response, "My boss didn't like me," is suspect as a cliché. Similarly, the response, "I quit that job because the pay was too low," could be merely a platitude to satisfy the interviewer.

• If the respondent is impervious to interruption during the interview, then a measure of doubt is cast as to the kind of information the interviewee is relating. Such behavior generally indicates a need to cover all points in a predetermined pattern with such compulsion that, if the interviewee were interrupted, he would never be able to reassemble all the parts. Weaknesses in the "pseudo armor" should be investigated.

• A constant shifting of the subject or an extremely short attention span often denotes a degree of suspicion.

• Should gaps or illogical sequences be prevalent, care should be exercised to augment or to complete the lapses. The voids should be completed by direct interrogation, preferably later in the interview, to check continuity and to arouse a minimum of suspicion by the informant. Later validation by telephone may help with these questions.

• Conflicting times or facts as well as gaps or illogical sequences may indicate areas for careful attention or further penetration.

• Useful visual barometers of an unduly high anxiety level are such things as —

a. color of face
b. erratic body movements
c. varying eye contact
d. dryness of the mouth
e. pitch of the voice
f. excessive perspiration

2. *Form* — By form I mean the "how, when, and why" of the information. Words take on different meanings when differentiated along these lines. Form can be subdivided into verbal (what is heard) and into nonverbal (what is observed) content. Nonverbal expressions are perhaps the purest kind of information transmitted, since they are the most difficult to mask or disguise. By developing an awareness of and a sensitivity to such signals as *when* a certain fact was mentioned, *what* prompted the mention, *how* it was presented, and so forth, the skilled interviewer takes a most useful if not an essential step. Indeed, this awareness might well be extended to include the nonverbal transmissions of the interviewer himself.

Subjective View. In evaluating information from a subjective point of view, the interviewer is attempting primarily to assess feelings and attitudes. It is often argued that these intangibles have no obvious place in an interview that takes place in a business environment. Yet, even though it is impossible to determine exactly how feelings and attitudes do influence the information transmitted, it is nonetheless crucially necessary that one be fully aware of the fact that these intangibles are powerful, active agents in creating opinions.

Concluding the Meeting

The final 10% of the interview is perhaps the most important, since the greatest amount of information per unit of time is generally exchanged during this time interval. In a series of taped interviews involving appliance sales and sales in which travel arrangements were a factor, it was found that the sales person often did not hear vital information offered toward the end of the interview or after the sale. This overlooked information brought about frequent misinterpretations, which, in turn, accounted for many later cancellations and unsettled complaints. All of this could have been avoided if a moderate amount of attention had been exercised so as to prevent a premature termination of the interview.

Part of the conclusion usually consists of a plan of action — something to be done or achieved by either or both parties. A clear, concise summary of this plan, as mentioned earlier, is a most useful technique for achieving good results. The summary is helpful to both parties because it enables them to realize exactly what has been accomplished as well as to focus on a final concordance.

Follow-Up

I have observed in my studies that a general failing of interviewers is their inability to document just what occurred in a talk. In their usual — often premeditated — hurry to get to the next interview, they neglect valuable notes. This impatience in many cases is merely behavior resulting from a self-satisfying need to prove to themselves that they *are* busy.

Adequate notation of significant events, impressions, and agreed-on information are of great value in reconstructing the interview at a later date and in providing a framework for planning the next session. By documenting a series of events, one is able to see things which, if merely left to the fragile human memory, may fuse into meaningless, disconnected scenes

in a panorama of many human happenings. To be sure, too much recorded information may well lead to a surfeit of data, a situation I have also observed in several interviewing offices, but this extreme is easily prevented if good judgment is exercised.

Another benefit of effective documentation is that it offers the opportunity to reflect on a previous event. By reviewing and considering this information, one can oftentimes discover errors and flaws in technique and improve his approach. Without such specific means for learning, the same mistakes tend to become routinized until the point is reached where they become, unintentionally, an integral part of the interviewer's technique.

But of all types of learning, self-learning is the most valuable. Without a doubt the most important key to effective interviewing is recognizing how one's own attitudes and biases affect the information he acquires. There is a moral in the story of the professor who lost his key by the front door, but was discovered on all fours under the lamppost. He rationalized to the police officer as follows:

> "Sir, it is probably true that I lost the key by the front door, but — after all — there is no light there. Here, there is light. And, besides, while I've been looking, I've found a 50-cent piece already."

So often the interviewer is content to come up with "50-cent pieces" of helpful information about techniques, personality, and so forth. Actually, however, the *real* key to effective interviewing lies closer to his own front door. Once discovered, it can help him attain truly effective results of a professional nature.

Decision Making in the Employment Interview

EDWARD C. WEBSTER

MUCH criticism has been directed at the traditional employment interview. The current concern with the interview in "how-to-do-it" books, manuals and articles indicates that many are questioning this most popular of appraisal methods.

Exectly what happens in the employment appraisal setting? Why are some applicants taken on the payroll and others left off? What is the role of the interviewer and of the interview in the whole process of building and maintaining a working force? Practically nothing in the technical literature throws light on these problems, although manuals do codify the lore of the past and include much that may be "common sense" in dealing with pratical day-to-day problems of the modern employment office.

In a preliminary effort to determine what happens in an employment interview, we selected a student who appeared, in many respects, a good candidate for training as an army personnel officer (although certain things in his background were undoubtedly unfavourable). The necessary pre-enlistment documents were prepared for this young man and he passed through the normal army selection procedure—normal, that is, except that he was interviewed by six personnel selection officers rather than by only one. The usual documents were completed by each and no officer was aware of the fact that others were also involved. Each gave a short over-all appraisal and these read as follows:

Interviewing Officer	Over-all Appraisal
A	"I do not believe he is a suitable candidate for training as a personnel officer."
B	"He will do well."
C	"Good prospect for working as a personnel officer."
D	"Suitable."
E	"Suitable prospect on academic grounds for personnel selection

* The research summarized in this article has been supported by grants-in-aid from the Defence Research Board, Department of National Defence, Ottawa.

Edward C. Webster received his Ph.D. at McGill University in 1936 and since then has been actively engaged in personnel evaluation work for Canadian companies. After the war he joined the staff in the Department of Psychology at McGill University on a part time basis. In 1953 he was appointed Professor and Director of the Applied Psychology Centre and for the past year has been Chairman of the Department of Psychology.

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work with militia unit. Doubtful risk as officer material."

F "Not recommended."

Why these differences among experienced interviewers interviewing the same man for the same job? Examination of the detailed records of the interviews indicate that different examiners asked different questions and were interested in different aspects of the individual. They did not all "pay attention" to the same information. When they did, there was agreement in interpretation on certain points. Thus, all agreed he was intelligent because of his education and test scores.

Disagreement was in respect to such personality characteristics as emotional stability and maturity and here specific bits of information were given different interpretation and emphasis.

Perhaps additional training would bring about greater similarity of decision among these six interviewers. But what kind of training is called for? They already had had far more than have most industrial interviewers. Something new is needed. It is suggested here that further improvement in employment interviewing may have to await research on the problem of decision making in this type of situation. We need to know much more about how the interviewer really arrives at his decisions. Only when this process is understood can we proceed to improve the accuracy of prediction through validity studies. Today we don't know enough about the variables that affect decisions to make effective generalizations from correlation coefficients or other statistics which indicate the relationship between a decision and the later success or failure of the candidate. Validity studies may be crucial, but they should come later.

We have been working on this problem of decision making for the past six years. Two Ph.D. theses and a number of unpublished studies have been produced while three Ph.D. investigations are currently under way. We have entered many blind alleys but some of our findings have been positive and we do appear to be understanding better what happens in the employment interview. This constitutes an interim report on the work completed so far.

American friends have informally but spontaneously rejected much of the work reported in this paper because, they claim, the decision making process in the Army recruiting situation is considerably less rigorous than in industry, and most of our work is within the Army setting. We know nothing of the situation in the United States but, in Canada, the Army is a small professional body of, it is hoped, career men. When we asked the Army for a criterion of successful recruitment, we were told the only meaningful measure is whether or not a man is invited to reenlist at the end of his initial three years of service. Army personnel officers work against this criterion. We have close relations with personnel people in a large proportion of the larger Canadian firms and firmly believe that the Canadian Army selection procedures are just as rigorous as those in any company. Furthermore, very few companies have engineered into their appraisal procedures methods of checking interviewer reports and of referring back to the appropriate interviewer mistakes in judgment which only appear after the man is on the job. These are standard steps in Canadian Army selection.

Time to Reach a Decision

Many manuals on interviewing emphasize that a good interviewer holds

himself apart from the interview, collects all relevant information, weighs this carefully and reaches a decision. Probably most interviewers consider this desirable.

A simple "experiment" which can be carried out in any employment office suggests that this seldom happens when plant or clerical help is being selected. Springbett (4) had interviewers draw a line across the centre of a sheet of paper and this line represented a completely neutral attitude. They were asked to examine a completed application form for a particular job and to place an "X" on the left hand side at some point above (favourable) or below (unfavourable) the neutral line. This X and the line provide anchor points. The applicant then entered the room and the interviewer started a hidden stop watch. Once the applicant was seated, and preliminary pleasantries were over, another "X" was placed on the chart in relation to the first to indicate the impression created up to that point. The interview proceeded until the interviewer thought he knew what his decision would be. He then placed a third "X" on the sheet and stopped the hidden watch. The interview continued until its normal ending when the final decision to hire or reject was recorded with a fourth "X".

With the cooperation of eight senior interviewers in six firms Springbett received reports on twenty interviews. Three unexpected findings emerged:

(a) Nearly identical ratings at all stages of the interview were given in the case of 16 of the 20 applicants. Of four reversals in rating, three were from accept to reject, one from reject to accept.

(b) The average "decision time" was under 4 minutes while the average interview time was 15 minutes. By the end of 4 minutes interviewers felt they had the information needed for a decision.

(c) There was complete agreement in 19 of the 20 cases between the rating at the decision time and the final rating.

Springbett concluded that, in a large majority of interviews, ratings on an application form, appearance and a very short talk would produce results comparable to those obtained in a 15 minute session. This is disconcerting even though the experimental design has some obvious shortcomings and may not be conclusive.

Order of Input of Information

Various kinds of information are available to the interviewer—completed application form, auditory and visual cues from talking to and seeing the applicant, the interview content itself, a medical report, test scores, reports on references, etc. Springbett's major work (4) was a detailed experimental study of the effect upon the interviewer of receiving information in various orders of input. He concentrated upon three types of information: (a) the application form; (b) first impressions including visual and auditory cues; and (c) the content of the interview proper.

There is no need to describe his findings in detail as these have already been published (5). However, he had two sets of experiments: one involved 48 interviews for genuine jobs and were conducted by 12 industrial interviewers from 4 companies; the other was a laboratory study in which 18 experienced army personnel officers cooperated. While the industrial investigation was realistic in many respects the military laboratory study

provided much better control of experimental variables.

The order of input of information to the interviewer was varied systematically in both experiments so that decisions were reached in some cases when the application form was studied before other information was available, in other instances the applicant was seen before the application forms were made available.

Results of the two studies were consistent and there were no serious discrepancies. Springbett (5) reports:

"(a) Where the interviewer first studies the application form and then 'has a look at' the applicant the final outcome of the interview can be predicted from this information alone in 85% of cases.

"(b) If either the application form or the first visual impression creates a negative reaction, there will be rejection of the applicant in 88% of cases.

"(c) Where both the application form and the appearance are rated favourably, the chances of final acceptance are greater if the interviewer first studied the application form."

These findings can be explained on the basis of mental set and the rewards and punishments affecting the interviewer. He operates in a social system where he is subject to criticism if he accepts an applicant who proves unsatisfactory, but a good prospect rejected remains unknown to others. Therefore, for his own protection he is likely to "play it safe" and turn down the doubtful case. Within this system of reward and punishment the interviewer develops a mental set or attitude as soon as he receives any information about the candidate. Initially, this set may be weak or strong but, once it becomes strong, the interviewer actively seeks supporting evidence and is more often swayed by negative than by positive information. A strong initial set is developed early in the appraisal situation if information is uncovered in which he has a high level of confidence (e.g., some of the data on the application form).

What the Interviewer Looks For

Springbett's research can be interpreted to suggest that the interviewer is assessing an applicant against a mental picture or a stereotype. There is support for this.

In one minor unpublished study 12 experienced interviewers from as many companies spent two hours discussing a job description in an attempt to have each obtain the same mental picture of the human requirements for a particular position in a hypothetical company. Each then interviewed several applicants for the position. Post-interview verbal reports indicated that, almost without exception, interviewers were unable to divorce their evaluations from mental sets used on a day-to-day basis in their own companies. Apparently well established habits of the interviewer cannot be changed in a two-hour discussion.

The same thing was found in another minor experiment where typescript of an interview was rated. Post-experiment reports again indicated that the typescript had to be evaluated against conditions in the rater's place of work.

These studies are very inconclusive, but Sydiaha (6) obtained clear evidence of the existence of stereotypes in a major investigation of 257 interviews by 8 experienced Army personnel selection officers. Space does not permit a description of the rather complex research design but Sydiaha concludes:

"The most important facts emerging from this investigation are that the deci-

sions of personnel interviewers are highly correlated with fairly simple descriptive statements of applicant characteristics, and that these characteristics are equally correlated with the decisions of all interviewers. The results are consistent with the view that personnel interviewers tend to attach the same importance to systematic information such as biographical and test data and that the they tend to support their decisions by referring to the same hypothetical attributes. Using the word stereotype in a nonevaluative sense it would appear that there is a stereotype of a good soldier which accounts for a great deal of decision making. This stereotype is common to all interviewers (cooperating in this study) and serves as a standard against which applicants are matched for suitability to army service."

Contribution of the Interview Itself to Decision Making

Springbett's work could be interpreted to mean that the interview contributes little to the inerviewer's decision to hire or to reject and there are, of course, a number of other studies which support this view.

Sydiaha (6), however, has demonstrated rather conclusively that impressions formed during the interview itself do contribute quite definitely to the final decision to hire or to reject and much of the negative evidence may well be a result of the research design utilized.

The influence of the interview itself proved a most difficult area to explore. We have made attempts at content analysis but these did not pay off. In one study the content of 25 recorded interviews by one interviewer were examined against a criterion of accept-reject and 11 items were significantly related to decisions. However, only 3 of these remained significant when checked against another sample of 25 interviews by the same man (22 of the 50 interviews by this officer were rejects). The procedure was repeated with 20 interviews by a second interviewer and no items proved significant when checked againnst a holdout sample of 20 interviews (19 of the 40 interviews were rejects). These negative findings may result from the method of content analysis but they discouraged further work in this direction.

Bales (1) has developed a method of interaction process analysis. He has shown that groups of people engaged in problem solving activity show certain selected regularities in the types of interaction between separate individuals and that these regularities yield generalizations about the social structure of the group. Sydiaha, in an unpublished study, applied Bales' technique to 114 recorded employment interviews by 9 interviewers of whom six were Army and three industrial.

Results suggest that both applicants and interviewers react positively to supportive acts by the other. Interviews where the applicant is accepted are characterized by interaction showing agreement, satisfaction and solidarity between the interviewer and the candidate whereas rejection is accompanied by interaction showing disagreement, tension and antagonism. It is interesting to note that there is a tendency to reject the applicant who asks for clarification of something asked by the interviewer. It may be that an inability to understand questions asked by the interviewer is interpreted as clear evidence of lack of ability.

A McGill study by Malmo, Boag and Smith (3) relates closely to these findings although their work is not part of our series of studies. They

obtained physiological recordings of muscle potentials from the neck and speech muscles, and a continuous recording of heart rate for 19 psychoneurotic females. Each patient told a story from a T A T card to a psychologist who either praised or criticized her story, asked her to reply to his comments, then reassured her and informed her that Dr. N. would see her shortly. Dr. N. conducted an interview in which he first questioned the patient about her test, asked her other questions and finally reassured her. The physiological recordings secured for the patients were also obtained both for the psychologist examiner and for Dr. N.

Malmo summarizes their findings as follows:

"The results revealed differential physiological reactions to supportive vs. threatening situations not only in the patients but also in the examiner. In brief rest intervals following praise, the speech muscle tension fell rapidly, in contrast to the nonfalling tension following criticism. This phenomenon of differential reaction was noted in the examiner as well as in the patients. That is, after he had been critical his tension remained high in contrast to the falling tension after he had praised. Related findings were obtained from the second part of the experiment (during the interview).

"The examiner's diary notes over a three month period were used in studying the interaction of the examiner's feeling state with the patient's physiological reactions during the T A T. On the examiner's 'bad' days the patient's mean heart rate rose significantly more than on the examiner's 'good' days."

These findings clearly support the interaction process analysis.

Sydiaha, basing himself on the interaction process analysis, is inclined to believe that one of the factors contributing to the interviewer's decision is his perception of the social role performance displayed by the applicant. This would imply the presence of a characteristic sequence of acts or of appropriate responses to the stimulus of prior acts. 88 recorded interviews were analyzed to check this. The total number of acts occurring after a particular type of prior act was computed in each case for men accepted and for those rejected. Results were entirely negative and this line of attack was dropped although, for a time, a still more complex analysis was contemplated.

Flanagan (2) developed the critical incident method of studying situations and Sydiaha applied this in another unpublished study to the content of interviews. He interviewed interviewers immediately following interviews and found very few "critical incidents" as such; more commonly there were "critical impressions" which the interviewer associated with particular things done or said. The 114 interviews used in the interaction process analysis produced 157 critical incidents or impressions. A correlation of .39 between number of incidents reported and length of the interview suggests these bear some relation to decision making; in any event they are not mere rationalizations made up by the interviewer on the spot to support a judgment that is wholly intuitive. Furthermore, in keeping with Springbett's findings, the critical incidents or impressions tended to occur in the early part of the interview. The mean length of time of the interviews was 19.3 minutes as contrasted with 8.3 minutes as the mean for the critical impressions.

These critical impressions were arranged as a 120 item Applicant De-

scriptive Check List which formed the basis for a study of the consistency of interviewer responses. Sydiaha had 8 army personnel officers complete this form following each of 257 interviews in which 173 men were accepted for service. Sydiaha developed two quantitative scores to predict acceptance-rejection of each individual in one half of his sample and applied his regression equations to the hold out half of the group. One score was based on 13 biographical and test data items, the other upon responses to 64 significant items on his check list. A comparison of the resulting data led him to conclude (6) "there is reason to believe that clinical-descriptive operations (impressions reported on the Applicant Descriptive Check List) involve the use of more information than is contained in systematically obtained biographical and test data." In other words, the interview, and the impressions derived from it, contribute to the decision to accept or reject a candidate.

Is this impression related to the phenomenon of empathy? When each of the 257 applicants had been interviewed, the candidate completed several documents for us. One of these was a personality questionnaire. The interviewer, following the interview, also completed this on the basis of "how he thought the applicant would reply." He also completed it as he saw himself. Crowell spent considerable time analyzing this material but results were almost entirely negative. There seemed to be no difference in ability to predict responses of those accepted and of those rejected. However, in keeping with interview 'lore,' those applicants 'seen' as more similar to the interviewer tended to be accepted. These were the only findings. The whole problem is in process of being reexamined using different data.

Independent of this study Lambert and his students at McGill set out to determine the significance spoken language has for listeners by analyzing their evaluational reactions to French and English. They had French speaking and English speaking Canadians listen to four tape recordings of a passage read in the two languages by bilingual subjects. Listeners did not know that each subject read the passage in both languages at the time they were asked to evaluate 14 aspects of the "personality" of the speakers. Both French and English listeners rated the English voices more favourably than the French voices on most traits commonly considered necessary for social and economic success. This work will be reported in the *Journal of Social and Abnormal Psychology* under the title "Evaluational reactions to sponken langauges" and we need only concern ourselves with its implications for the interview. It seems probable that, when the interview commences, certain attitudes that may be highly significant to the decision to accept or reject are "triggered" by the voice of the applicant and arm chair reasoning will not tell us accurately whether favourable or unfavourable mental sets will be established.

A number of other investigations into the factors affecting decision making are currently underway but results are not sufficiently definite to warrant description as yet.

Practical Implications

We are of the opinion that the work summarized has certain practical implications that could be acted upon to provide the interviewer with greater

control over his initial bias to accept or reject a candidate. This would not necessarily lead to more valid selection but it is a necessary forerunner of any improvement. The practical implications and advice we are ready to offer now may be stated quite briefly:

1. Control the order of input of information to the interviewer. If the interviewer will conduct his interview without advance study of application forms, test scores, letters of reference or any other such aid in which he has confidence, he will try to base more of his judgment on the interview.

2. Develop an accurate picture of the kind of person desired in a particular job and train the interviewer to accept this stereotype. Such training may have to be prolonged. It is not enough to provide him with a job description.

3. Force an increase in the time required to reach a decision about an applicant. This can be done in many instances by reengineering the selection procedure so that a final decision to hire cannot be reached until several good candidates for the same opening can be compared. Perhaps interviewing by two people and subsequent discussion between these would accomplish the same end.

4. Recognize that bias affecting the decision for or against an applicant may operate from the beginning of the interview (sound of voice, etc.) or may develop in the interview depending upon whether one feels at ease with the candidate. We have no information to suggest that such bias either increases or decreases the validity of predictions but we suspect that any unrecognized and uncontrolled influences on the decision to hire or to reject will tend to reduce validity.

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VALIDITY OF PERSONALITY MEASURES IN PERSONNEL SELECTION

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and

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WHEN Ghiselli and Barthol (1953) surveyed the validities of personality tests for industrial use, they noted that such measures did less well in occupational groups where traits of temperament seemed especially important than in occupational groups where, intuitively, such traits seemed less important. In all, that survey suggested many reasons for caution in the use of such tests in any occupational group; even where average validities seemed substantial, numerous cases of low and even negative validities were uncovered.

There was, of course, the distinct possibility that the wide variation in validities could be attributed to differences in the tests used; that is, some tests might be quite valid within an occupational group, and other tests decidedly invalid. An average could hardly be expected to be impressive. With such an argument, it was quite simple to ignore many of the implications of the Ghiselli and Barthol survey while looking for the "ideal test."

The past decade or two has seen such a bewildering proliferation of new personality measures that Dunnette (1962) was moved to urge a moratorium on construction of new tests until those already available are better utilized. There have been factorial inventories, forced-choice inventories, new forms of projective measurement, and others. Each new test has been greeted with an enthusiasm that gradually weakened as evi-

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dence accumulated that it had not lived up to its earlier promise.

• • •

This article attempts to report in summary form the nature of and results of a sampling of research studies featuring other personality measures. It is not intended to be a thorough survey of each test in the manner of the Locke and Hulin (1962) article dealing with the Activity Vector Analysis. Rather, it simply tries to summarize the literature in two major sources of published research reports: the *Journal of Applied Psychology* and *Personnel Psychology*. Twelve volumes of each of these journals were examined, from 1952–1963.

Ed. note: The authors here discuss the methodology employed in construction of their tabular summary of validation studies for personality and interest inventories. This discussion, and the accompanying table, have been omitted here.

Discussion

Examination of this . . . summary is somewhat discouraging. It cannot be said that any of the conventional personality measures have demonstrated really general usefulness as selection tools in employment practice. Among the inventories alone, only slightly over one-third (37 per cent) of the studies cited could be considered studies of predictive validity, and this is an overestimate. The indication of predictive validity is in the strict technical sense; i.e., the sense in which a time lag was stated or could clearly be assumed to have existed between the administration of the test and the subsequent gathering of the criterion data. The unique value of predictive validity for employment purposes is only obtained when the tests are administered prior to the decision to hire (or at least prior to the reported decision to hire). In many of the studies cited here, the administration of the test preceded the gathering of criterion data, but was done with people who had already been hired.

In a section of the article here omitted, the authors present and discuss three tables. The tables summarize the validities of projective measures, of special inventories, and of measures using personal history data.

Since all predictive reports (combining data from all tables) yielded only 12 per cent significantly different from zero, . . . it is equally clear that no case has been established for any generalized predictive validity of such instruments—or even any good odds for predictive validity in specific situations.

. . .

And, except for the Kuder Vocational, no single test was used in enough independent studies to provide reliable percentages.

Any conclusions reached, therefore, are necessarily quite subjective; readers are urged to examine these tables in the light of what familiarity they may have with individual studies.

Conclusions and Implications

Spriegel and Dale (1953) surveyed 628 companies and asked each what type of employee selection program it conducted. Of this number, 248 (or 39.5 per cent) indicated that they used some type of personality or interest test. Nor does their survey stand alone; there are many indications that personality tests are widely used in industry. The reason seems clear: there seems to be a genuine need to predict the kinds of behavior influenced by personality—the "will do" as opposed to the "can do" aspects of behavior on the job. The fact that personality tests often fail to be able to predict in no way lessens the need.

There is evidence of the apparent need. There is no corresponding evidence in the survey that companies responding to the need have similarly recognized the need to validate the instruments chosen for their own specific situations. In the light of the disenchanting results surveyed herein for tests that *have* been validated, the authors wish to note three conclusions or recommendations:

(1) Research designs are, by and large, consistently inadequate. Concurrent validation is done more often than predictive; if there are circumstances where concurrent validity may be accepted as a reasonable substitute for predictive validity, those circumstances most assuredly are not those in which personality measures are used in the role of predictors! The criterion measures are typically inappropriate, suggesting that personality measures have often been used where no serious hypothesizing has been done; since personality measures are motivational, they should predict motivational aspects of work —approach behavior or avoidance behavior. Turnover and absenteeism are perhaps reasonably good measures of avoidance behavior, but where in this summary is a direct measure of approach behavior used as the criterion? In this sample not only are clearly thought-out relationships between predictors and criterion uncommon, and not only are such hypotheses as do exist tested only by the expedient hurry-up method, but also there has been little evidence of a desire to check on the convenient and expedient through systematic replication and follow-up research.

Even without these flaws nearly every study may be criticized as following the traditional paradigm of testing for a relationship between the test and a criterion. Certainly, more imaginative designs might well reflect the undoubtedly complex relationship between motivational variables, situational variables, ability variables, and behavior. A growing body of literature suggests that motivational variables may serve better in the role of moderator variables than as predictors (Guion, 1965); attention, too, should be given to ipsative scoring models (Hughes & Dodd, 1961) or to the comparison of variance as well as of means (Hedberg & Baxter, 1957).

(2) The rawest form of situational empiricism, despite growing unrest with it, still seems to result in better prediction than more sophisticated psychological theory. Tests based upon personality theories—e.g., the Guilford series, the Edwards Personal Preference Schedule, or the Study of Values—have not shown predictive validity with the regularity of the weighted application blanks. This might be because the

personality theories represented are not specifically relevant to the work situation; if so, the implication is that such a theory should be advanced. It must be admitted that industrial psychology lacks a general theory of work; it lacks a more specific theory of the relationship of motivational constructs to the behavior of an individual at his job; and it lacks even a substantial body of research explicitly aimed toward the development of such theories. In this vacuum, it is no wonder that raw empiricism is still an essential ingredient of practical personnel research. If the problem lies in the lack of relevance of existing theories, then the solution must surely lie in the design of research that will lead to a relevant theory.

It might be due simply to the carelessness of research design. It seems likely that the specially-developed keys for existing inventories or for application blanks or personal history inventories developed within specific settings represent desperation efforts to solve specific problems. If so, these studies may have been more carefully designed and executed, with the obvious implication being that all such personnel research should be competently done in accordance with well conceived designs.

Or it might lie simply in the traditional choice of criteria. The developers of weighted application blanks more commonly validate against behavioral criteria (turnover or absenteeism) while test users more commonly validate against ratings of proficiency (essentially the economic consequence of behavior).

Whatever the reason, the point still remains: a home-made personality or interest measure, carefully and competently developed for a specific situation, is a better bet for prediction than is a standard personality measure with a standard system of scoring. This observation will surprise no one who has done both kinds of validation; it is a commonplace observation among those well-trained and experienced in psychometrics in employment practice. But it raises an often-ignored question: is this state of affairs inherent in the nature of the relationship between personality and work, or is it possible that serious, concerted effort might yield more generalized systems of prediction using personality measures. The present writers

lean toward the latter possibility.

(3) Of greatest importance, it must be concluded that, taken as a whole, there is no generalizable evidence that personality measures can be recommended as good or practical tools for employee selection. The number of significance tests resulting in acceptable statements of validity is greater than might be expected by pure chance—but not much. The best that can be said is that in *some* situations, for *some* purposes, *some* personality measures can offer helpful predictions. But there is nothing in this summary to indicate in advance which measure should be used in which situation or for which purpose. In short, it must be concluded (as always) that the validity of any personality measure must be specifically and competently determined for the specific situation in which it is to be used and for the specific purpose or criterion within that situation.

The same, of course, can be said of any sort of test or predictor. The writers, however, suspect that the matter is a more serious problem with personality tests than with others. If the test specialist is wrong about an aptitude test and uses it anyway, the worst that is likely to happen is that it will be invalid. With a personality test, however, negative validities may well exist and be unknown. For example, is it probable that Campbell, Otis, Liske, and Prien (1962) *expected* the needs for affiliation or dominance to be negatively related to the ratings on social skills?

In brief, it is difficult in the face of this summary to advocate, with a clear conscience, the use of personality measures in most situations as a basis for making employment decisions about people. It seems clear that the only acceptable reason for using personality measures as instruments of decision is found only after doing considerable research with the measure in the specific situation and for the specific purpose for which it is to be used. Sometimes, unvalidated personality measures are used as instruments of decision because of "clinical insight" or of gullibility or superstition or of evidence accumulated in some other setting. All of these may be equally condemned unless specific situational data can be gathered that the insight, superstition, or borrowed validity is in fact predictive.

Operational Validity—
A New Concept in Personnel Testing

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The three basic components of operational validity are test administration, interpretation and application. This article discusses each of these components and suggests practical ways to insure operational validity. A unique testing program is described as an example of the steps an organization can take to make its tests operationally valid.

DO YOUR company's personnel tests have operational validity? Sloppy administration, inaccurate scoring, and misinterpreted results restrict most personnel tests from contributing their full potential to the selection decision and may be costing your organization large sums of money in selection mistakes. In addition, the lack of operational validity may be causing your tests to produce inaccurate results when applied to minority group applicants.

Operational validity includes everything that happens with and to a test after test research has been completed. Operational validity can never make invalid tests predictive; it can only assure maximum prediction within the limits of the tests used. The costs of not having operational validity may be staggeringly large. Not only is a great deal of money wasted on the tests themselves, their administration and scoring, but much larger intangible losses occur from increased recruiting, selection and training costs. Without operational validity, a test may be useless. It is similar to spending thousands of dollars on research to lower manufacturing costs of a product and then not using the results of the

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research properly. A testing program not only needs proof that it *can* work (statistical validity), but evidence that it *does* work (operational validity).

One question psychologists always ask about a test is its reliability. How confident can an organization be that the test reliably reflects the capabilities of a person? Many tests shown to be reliable under research conditions may be unreliable in practice. This lack of reliability is caused by poor administration, not the test itself. Compounding this problem, few people are aware of this unreliability.

Operational validity includes everything that happens with and to a test after test research has been completed.

Unreliability results from administration of tests by people who understand little about what they are doing. Administering tests requires exactness and precision, not approximation. It calls for establishing rapport with test takers, controlling factors like ringing phones and other office noises, and monitoring time limits precisely. Unfortunately, test administration is often delegated to someone who views it as a basic intrusion—an unwanted and annoying interruption.

There are five basic aspects of good test administration, all of which should be components of training sessions for test administrators. They are test orientation, timing, climate, scoring and test security.

All applicants need a certain amount of orientation prior to testing. The purpose of the tests, time limits and, where appropriate, scoring procedures, e.g., if there is a penalty for wrong answers, should be explained. Orientation is particularly important for disadvantaged applicants who may be unfamiliar with tests and have certain anxieties about testing from bad experiences in school or while applying for previous jobs. Studies have shown that disadvantaged applicants are reluctant to ask for help and may achieve an unrepresentatively poor score through simple misinterpretation of directions. Most problems can be eliminated by a supportive, sympathetic test administrator who takes time to fully orient applicants to the testing situation. In some cases, a company may also want to provide practice tests as an aid in orientation.

Timed tests present the greatest administration problems. Many companies spend tens of thousands of dollars yearly on testing, but do not provide ways of insuring test timing accuracy. Testers depend on eggtimers, wall clocks and wristwatches. They forget to write down starting times and neglect time limits. Worse yet is their failure to be aware of and note timing errors and to bring them to the attention of others.

Noise, poor work space, inadequate lighting, interruptions and hostile or annoyed administrators are conditions test takers face all the time. The emotional and physical environment in which tests are administered can influence the results. Test administration is serious business, having human and economic consequences. Test administrators should understand that variations in their behavior may produce variations in test results, especially with minority group members. Blacks, for example, are easily unnerved by testing in general and particularly by a hostile, indifferent or incompetent administrator. Every test taker deserves a warm reception, an effort to set him or her at ease, help with practice problems if needed, and physical conditions which encourage optimal performance.

A partial solution to many problems may be automating much of test administration. At least one test administration machine is on the market which uniformly gives directions and most importantly, accurately controls testing time. While such machines do not entirely eliminate the human test administrator, they go a long way toward eliminating the most damaging administration errors.

Another solution is to purchase or develop untimed tests. This removes many of the constraints of precision from test administration. For example, the test developed by J. C. Penney to help select management trainees, Career Index, is untimed and self-administering. Because it is used at 1000 different store locations in the company, proper

administration of a timed test didn't seem feasible. Career Index is also packaged in self-administering binders which contain everything from answer sheets to mailing envelopes preaddressed to a computer scoring service.

The same interrupted and untrained tester who gives a test typically scores it. One of every ten tests administered in industry is probably scored inaccurately. Most tests used in industry are handscored, but few companies bother to check scoring accuracy. Few have a working program of quality control, such as having every fifth test rescored by another tester. Without close supervision, both test scoring and test administration are apt to be poor in quality.

A few widely used tests or specially developed testing programs like Career Index, which is too complicated to score by hand, can be scored by computer. Career Index is scored with very high accuracy for less than a dollar per test. This low cost is obtainable because thousands of answer sheets are processed yearly.

Test supplies and results should be under lock and key with very limited access. The confidential nature of tests should be stressed to all people who deal with test results. If this is not done, damaging results like the following can occur.

A secretary in one branch of a company regularly shared test results with other employees. One man, with good growth potential, resigned when he learned through the grapevine that his test report said he had "poor supervisory judgment." To him, this meant he could never become a supervisor in this company.. Actually his scores only indicated that he had not yet learned some of the "answers" to typical problems supervisors face.

How confident can an organization be that the test reliably reflects the capabilities of a person?

Of the three components of operational validity, good administration is easier to achieve than good interpretation and application. A training program for administrators, the key points of which are presented in Figure 1, is neither difficult nor expensive to produce. Periodic checks on scoring, test security, instructions given testees and test timing will help maintain high quality administrator performance. Use of tape recorded test instructions and timing will also contribute to high quality test administration.

FIGURE 1

Key Points for Administrator Training

I. Understanding testing principles
- —why tests are used
- —what each test used measures
- —equal testing conditions mean equal opportunity

II. The importance of the Administrator's job
- —economic consequences
- —human consequences

III. Controlling the physical environment
- —interruptions, noise, lighting
- —proper work space

IV. Emotional impact of testing
- —establishing rapport with testees
- —influence of Administrator behavior on test performance

V. Test instructions
- —what instructions should be given
- —what instructions should not be given
- —giving help with sample problems

VI. Test timing
- —proper equipment
- —recognizing timing errors
  - • retesting with alternate forms
  - • volunteering a timing error was made

VII. Test scoring
- —proper scoring keys
- —rescoring every 5th test
- —applying norms
- —additional insights beyond the numeric score (skipping the multiplication problems on an arithmetic test)

VIII. Test security
- —unused tests, scoring keys, etc.
- —maintenance of tests of rejected candidates
- —maintenance of tests of candidates hired

IX. Special problems in testing minority group members
- —the influence of language—foreign and subcultural
- —reading problems
- —test anxiety and reduced striving
- —reactions to timed tests
- —retesting minority group members

X. Noting test related behavior
—out of ordinary anxiety
—cheating
—unusual behavior (going to the bathroom during a 20 minute timed test)

Training for test administrators is not generally available from educational institutions. A general course in "testing" typically offers little, if any, information specific to the tests a company uses. Outside consultants specializing in testing or staff psychologists are the best resource for training programs for test administrators. These programs should be test and company specific.

TEST INTERPRETATION

Some tests are too complicated for laymen to interpret. All projective personality tests and many paper and pencil personality tests fall into this category. Only a professional psychologist should draw conclusions from such information, and if a psychologist is not available, these tests should not be used.

For more common tests measuring aptitude and achievement, companies have two alternatives. One is to train test interpreters; the other is to convert test scores into a form where untrained individuals can give them appropriate significance.

Of the three components of operational validity good administration is easier to achieve than good interpretation and application.

A test user must make certain judgments about the meaning of test scores. At best, these judgments are tenuous. Without training, they are probably more wrong than right. Since an organization obviously can't train everyone to the level needed to interpret test scores, the best practice is to restrict the number of people who will see the scores and train only those individuals.

Test users can best receive training from Personnel Psychologists who can explain the use and ways of interpreting the specific tests they are using. The ideal situation is for the test interpreter to gain a general knowledge of tests from a college course or reference books, and then spend a few hours with an industrial psychologist focusing on actual selection problems. The time spent with the psychologist is the real key to training. Significant improvements in selection accuracy have resulted from as little as three hours of such training.

An alternative training method is a short course in personnel selection offered by some schools and consulting organizations. Such a course should be selected very carefully, for a program that focuses on test construction or validation will be of little value to most users of test results.

There are many cases where line people interview and hire directly from the outside without going through a personnel department. It would be virtually impossible to train these executives, even if a company wished to spend the money. In the Penney Company, for instance, more than 2,000 managers make direct hiring decisions. In cases such as this, a company must either give up tests or make test results understandable by untrained managers. One method is to convert test scores to *chances of success*. Because we all wager at one time or another, odds are universally understood. Chances of success are often put in chart form as in Figure 2. In psychological terms this is called an "expectancy chart." The chart was developed by Penney researchers to aid managers in hiring in-the-home salesmen. A local manager matched an applicant's raw score to the breakdowns on the chart to determine the "odds."

FIGURE 2

Conversion Chart From Raw Score To Chances of Success:

Raw Score Range	*Chances of Success*
57 and over	90%
54 - 56	64%
52 - 53	38%
51 or less	10%

In the manual accompanying the test, the following information is provided:

"The chances of success figure obtained is the result of considerable research. It is

accurate for the vast majority of applicants, but there are exceptions. Thus, management judgment must always be used in coordination with the questionnaire predictions. If a person has only one chance in ten of succeeding, this means that one in ten will succeed. A manager must determine through his interview and reference checks if the particular applicant is one of the nine out of ten who would do poorly, or is that one out of ten who will succeed."

Some tests are too complicated for laymen to interpret. Only a professional psychologist should draw conclusions from such information.

In responding to test content, disadvantaged applicants can be unfairly penalized because of their poorer education, lack of language skills and cultural deprivation. Poor reading ability, for instance, may cause an applicant to obtain a score unrepresentative of his true ability. An experienced industrial psychologist can spot many possible situations where test content may be biasing test results. Nevertheless, the only true evaluation of test usefulness with disadvantaged persons can come from conducting a differential validity study. In such a study, test results for advantaged and disadvantaged are statistically correlated with an appropriate criterion of success. The appropriateness of using the test is established for each group and appropriate interpretive statistics determined.

Many companies, however, cannot establish differential validity. In these cases, test interpretation and application may change when a disadvantaged applicant is tested. Certainly, more caution should be exercised in relying on test scores of the disadvantaged.

Representatives of the EEOC suggest that a caveat such as the following be placed in test manuals and on norm tables as a reminder to those interpreting test scores.

If the applicant is a member of a minority group (e.g. Negro, Spanish American) the results of this test may not be a valid reflection of potential. Since members of minority groups were not adequately represented in the research conducted to develop this test, *the scores may seriously underestimate their potential.*

TEST APPLICATION

Substantial improvement can be made in the payoff of almost any valid testing program by improving the way test results are used. Tests traditionally suffer from both misapplication and missed application. They are misapplied when a test user overrelies or underrelies on the results in a hiring decision or uses the results for purposes for which the test was not intended. Missed application of test results occurs when the results are not integrated with other employment information in the hiring decision, when leads from test results are not followed up in interview and reference checks, and when tests are not used for placement and development planning in addition to selection.

Management judgment must always be used in coordination with the questionnaire predictions.

Businessmen seem to polarize in their attitudes toward test results. Either they completely disregard the results or they overrely on them. Perhaps this should not be surprising. The usual orientation of an executive towards a machine or system is that either it works or it doesn't. It is easy to see how an executive would feel the same way about tests. Actually, tests used in industry are far from perfect. Their use is based on the justification that they improve results over traditional methods.

How can even a trained personnel interviewer be taught how much weight to put on test results—much less thousands of widely dispersed managers? This was a question faced by the Penney Company in installing its

Career Index program. The attempt at a solution was a movie. Throughout this film, the positives and negatives of the testing system are covered in the dialogue. The following interchange between the Store Manager and his District Manager about the test results is an example:

Store Manager:

Look, Bill, I think I'm a pretty damn good judge of people and my batting average on the trainees who've come through my store has been more than adequate—without any Career Index. Now, I'll grant that the Career Index may be right about Phil Jenkins, but I can't see Steve Henderson as a Penney man.

And I'm the guy who sold Henderson on taking the Career Index in the first place.

District Manager:

And you were right to do it. Look, John, the Career Index isn't infallible, but it has a great deal of information at its disposal that you or I couldn't hope to have.

Take your situation, for example, you don't record each and every characteristic of each trainee that you work with or make detailed comparisons between those who are successful and those who aren't. You have to rely on your memory, and much more generalized feelings. And you're likely to be overly influenced by the success or failure of your most recent trainee in evaluating similar characteristics in an applicant. By getting personal characteristics on paper, the Career Index is able to obtain a much more adequate profile of successful and unsuccessful associates than you or I could. And, as you know, the research that went into the development of the Career Index came from more than 700 Department Managers and 2,000 trainees. That's more than you and I have seen—even at our ages.

But you can't get everything on paper. There are some personal characteristics about an applicant such as motivation and personality that the Career Index cannot measure. Therefore, it's not always right. That's why the company stresses that it is only a tool in making the selection decision—not the final word—that's your responsibility.

Personally, I would use the Career Index as a check on my own observations from the interview. When the Career Index and I agree, and that should be most of the time, I'd use it in planning the man's development—just as we did in the case of Phil Jenkins. When the Index and I disagree, I would do everything I could to check out the discrepancy and usually I would take a second look at the man.

Store Manager:

I think I'll do just that. I may not have given Henderson a fair hearing the first time around.

Many companies cannot establish differential validity. In these cases, test interpretation and application may change when a disadvantaged applicant is tested.

The problem of overreliance and underreliance on test results has not been entirely solved, but from continuing research into applications of the Career Index program, it appears that important inroads have been made.

Managers who overrely on test results also frequently over-apply the results. They get hold of a single test or short test battery and apply it to every job in the shop. Clerical tests are used to pick experienced keypunch operators and management trainees. Intelligence tests are used to select washroom attendants. This type of misapplication, besides being silly and inaccurate, is blatantly illegal under terms of the Civil Rights Act of 1964 and other subsequent acts and Executive Orders. Federal courts have consistently ruled that in absence of an empirical validity study, tests must make rational sense in terms of correspondence between test content and the demands of the job to be filled.

Some problems resulting from misapplica-

tion of test results can be solved by management education and a firm corporate policy concerning the use of tests. Often a first step for large or spread-out companies is to make an audit* of the tests being used. An organization is guaranteed surprising results. Almost always some very strange applications surface.

A far more subtle but potentially more devastating misapplication occurs when test results follow a man through his career. In many companies, test results hound a person after he is hired. They remain in his personnel file and are referred to during salary review and promotion discussions. There are cases of managers having been denied promotions because of test scores obtained 10 years earlier. A test valid for initial selection is not usually meaningful beyond that first level. Tests can be made or purchased that can aid in promotional decisions, but in general, a test should not be asked to do double duty.

Tests traditionally suffer from both misapplications and missed application.

Neither a person's test score nor the significance of the score remains static. Test results become outdated because people change with additional experience or training and jobs and companies change as well. At best, a person's score usually indicates only his present ability and his present potential for job success.

At Penneys, as a test report is prepared, the computer prints across the bottom of Career Index reports a date after which the information should no longer be used. In field offices, a special system has been developed to assure that test results are removed from regional files. It is hoped that these procedures will help eliminate test results which follow a man throughout his career and inadvertently become a self-fulfilling prophecy.

* Byham and Spitzer's AMA book entitled "The Law and Personnel Testing" provides a detailed description of such an audit.

MISSED APPLICATION OF TESTS

Two real opportunities to get much more mileage out of their tests are open to most users. One is improving the use of tests used in selection by better integrating the results with other available information about the applicant. The other is using test results for placement and development planning.

Test results are often used as go-no-go indicators when they should be additive or subtractive elements from an equation leading to a hiring decision. Test results can enhance the validity of a personal interview by pointing out areas that should be covered in depth. Let's take the case where test results show a weakness in spelling for a secretarial applicant. Several questions might determine whether she is the type of girl who does her best and guesses if she does not know a word, or one who looks up words about which she is uncertain. Such information could make a difference in her acceptability for a job. Similarly, test results can raise questions that can properly be followed up in background or reference checks. A projected lack of sensitivity toward subordinates determined through testing can be further examined by talking to an applicant's last employer.

Debate about personnel tests in employee selection will probably go on until either people become more predictable or tests become more predictive.

One important intent of the Career Index movie was to stress the use of the test for placement and development planning. The two applicants portrayed in the movie are placed in jobs that will maximize the strengths and help overcome the weaknesses projected by Career Index. Thus, Penney managers are encouraged to plan the development and training of a trainee based on his Career Index report. Very few companies use their tests for anything other than selection.

The missed applications of placement and training have the potential to make tests pay extra dividends at no extra costs.

CONCLUSION

Debate about the usefulness of personnel tests in employee selection or upgrading programs is between 60 and 70 years old. It will probably go on until either people become more predictable or tests become more predictive. Many of the largest and most successful firms in the country use tests. Surveys indicate that 80% of large corporations and 50% of smaller firms use one or more tests as part of selection or promotion decisions.

In recognition of the good business sense involved in using tests and in knowing how much to rely on them, more organizations have begun to validate their tests. But even these organizations have seldom gone beyond statistical validation to consideration of operational validity. Operational validity is a must for any user of tests. Here is an example of a corporate policy statement about test use which incorporates operational validity:

> Personnel tests will be used under conditions which promote their maximum possible contribution to selection and placement decisions and fair opportunity to all test takers. There are two aspects to this policy:
>
> 1. Determining the validity of tests for given positions
> 2. Insuring through proper administration, interpretation and application of tests that valid prediction is in practice achieved.

If a company is going to use tests, it must be assured of proper administration, interpretation, and application. If it cannot, it should stop testing.

Application to health, social welfare, and family planning

The employment interview for health, social welfare, and family planning workers is of crucial importance. Almost inevitably these employees will be dealing with persons who have multiple problems—economic, social, and psychological. Frequently the quality of care these clients get will depend upon the attitudes the workers have toward their clients, toward fellow workers, and toward their work—as well as upon their knowledge, skill, and dedication. As the readings make clear, personality tests have been quite inefficient in weeding out "misfits." This increases the responsibility of the personnel interviewer. Personnel managers of health, social welfare, and family planning organizations should place strong emphasis upon the intake interview. They should insist that those who do this work are talented, conscientious, and fair in their interviews.

Unfortunately some of the factors assumed to be highly correlated with proficiency as a health, social service, or family planning worker pertain to attitudes and personality characteristics. Standardized tests have been least useful in this context. There is need to develop tests more explicitly related to the tasks these workers perform, including aptitude for serving people. Ideally, each applicant for a position should be administered a test at the time of application. The scores of those who are employed should be correlated after one year with

(a) Quitting or discharge
(b) Performance ratings
(c) Self-reporting of job satisfaction

The prospects are good that a standardized test, designed explicitly for health, social welfare, and family planning workers, and focused on critical personal skills, attitudes, and personality traits could be developed, validated, and used with success. Exercise 5, below, gives some hints about the direction such work might take.

Questions for discussion and exercises

1. Arrange to record on tape the employment interviews for ten applicants for positions. Study carefully the records of the applicants and the content of the interviews. Write an evaluation of the quality of the interviewing, noting questions that should have been asked but were not, information which was volunteered but not used, and apparent errors of judgment or interpretation. Write a brief essay on how these errors could be avoided in the future. Show it to the interviewer and seek his comments.

2. Obtain copies of the following standard personality tests and administer them to a group of twenty-five health, social welfare, or family planning workers:

Edwards personal preference scale
Strong vocational interests
MMPI

Ask the supervisors to score each worker on a scale of one (poor) to ten (outstanding) in quality of work performance (without knowing the test results). Make a graph of scores on the test plotted against the supervisor's ratings. Is there any apparent correlation? Ask a statistician to compute the actual correlations and explain their meaning to you.

3. Ask each of the persons tested in Exercise 2 to rate each of the other workers she knows on a scale of 1 to 10, and compute an average peer rating for each worker. Do the peer ratings have a higher or lower correlation with the rating scales than do the supervisors' ratings?

4. Ask each employee to report how satisfied she is with her job and how much she enjoys meeting and servicing clients. A rating scale of 1 to 10, as before, should be used. Does this correlate with the standardized tests?

5. Develop a short homemade test of your own, that you think should identify unsuitable and qualified applicants for health, social welfare, and family planning. Ask a psychologist to help you validate it. Using it, repeat Exercises 1, 2, and 3, above. Do you get better results than the standardized scores?

6. Much of health, social welfare, and family planning pertains, directly or indirectly, to:

Concern for the welfare of the underprivileged
Empathy
Altruism
Humanistic outlook
Patience
Tolerance
Women's rights

Do you think it would be possible to construct a short attitude-values questionnaire that would be valid in screening family planning applicants? How would you word the questionnaire so that those taking the test would not make the obviously "right" answers?

7. One of the complaints often lodged against health, social welfare, and family planning workers is that they become "case-hardened" and lose their sympathy for others, idealism, and desire to be of service. Instead, they become bureaucratic, abrasive, and cold in their relations to clients—hiding behind rules, red tape, and claims of overwork to avoid close and friendly contact with those they are employed to help. Often these people are able to cover up their anti-client behavior in personnel interviews and during periods of observation. Do you think any of the psychological tests (including projective tests) might be used to uncover these tendencies?

Chapter Seven

JOB ORIENTATION AND TRAINING

A new employee must be introduced to his job by at least some orientation and possibly a formal training course. If he has never performed the particular duties to which he is assigned, it is particularly important that he be taught them in a learning rather than a "production" situation. Yet it has been observed that much classroom or separate training is not transferred to the work situation and does not appreciably improve performance.

The design and conduct of training programs is a specialized discipline in which the personnel manager cannot excel: he must call on specialists in adult education to plan the training courses and supervise the training. Nevertheless, the personnel manager should be familiar with the various available options, the strengths and weaknesses of each, and the situations to which each may be applied. He should form some opinions about the kinds of training best suited for the employees he has hired. This qualifies him to work closely with the training officer, providing continuity and follow-up of the results of training.

The personnel officer should also arrange with the training unit to evaluate the effects of training upon employee performance, and to strive to make each episode of training more effective than the last.

Because training is a specialized activity which the personnel manager should delegate to others, no readings on how to train workers have been included in this volume. Instead, the single item which is presented deals with the key issue of how to get training reflected in improved performance on the job. To solve this problem the personnel manager must arrange for an "organizational climate" which encourages trainees to use the new information and skills they acquire in training.

Why Training Programs Fail to Carry Over

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THAT PROVERBIAL QUIP, "The operation was a success but unfortunately the patient died," would seem to be particularly pertinent to industrial training programs. All too often, we find, the training was a success in that the employee learned; but unfortunately, the learning was not converted into on-the-job behavior.

This distressing fact is becoming more and more apparent as a result of the new interest in training evaluation. In the past it was assumed that, if the trainee learned what he was taught in training, he would automatically take his learning back to the job with him. But there is mounting evidence from evaluation studies to show that training often makes little or no difference in actual job behavior. These same studies also show that this state of affairs is by no means due to the trainee's failure to learn. He does learn. He just doesn't use his learning.

Here, essentially, is the old problem of the validity or transfer of training. Training is said to be valid if it carries over to the job situation. To achieve this transfer, three conditions must be met.

First, the training content must be usable. This is largely a matter of its being similar enough to the requirements of the job to be applicable. Second, the trainee must acquire—i.e., learn—this usable content. To a considerable extent, this is a matter of motivating him to learn. The training situation must therefore set up rewards and deterrents which support and reinforce the acquisition of the training content.

Third—and here we reach the

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main point of our discussion—the trainee must be motivated to *change* his job behavior to reflect what he has been taught in training. And there's the rub. While we have enough evidence to show that we are training all right, we are faced with the fact that our training stays right where it was acquired—in the training situation. Much of our training remains encapsulated in "training tight compartments"; it is not "glued into the job."

Before we can correct this situation we must first understand why it exists. Recent research has given us, in broad outlines, at least, the answer.

The Problem is Motivational

First of all, we must realize that the problem is a motivational one. Trainees must not only be motivated to learn. They must also be motivated to use their learning.

What do we mean here by "motivation"? Simply, that material is learned (and used) because in some way it is functional or gratifying to learn and use it. It helps us either to achieve a goal or to avoid an unwanted situation. Now, in the actual training course, the trainer has control over many employee values and goals which he can manipulate and thus create the motivation to learn. Trainees want to look good in the eyes of the trainer; they want to maintain face with their fellow trainees; they don't want unfavorable reports to seep back to their supervisor. For these reasons, the trainer has access to many rewards and punishments which he can use to reinforce learning.

The same principles also hold for converting training into on-the-job behavior. A trainee uses what he learns because it is in some way gratifying and rewarding to do so. There must be rewards and punishments, incentives and deterrents *in the job situation* which will reinforce his application of training. And here is the root of the trouble. The trainer has no control over these rewards and punishments. He is a "staff" man whose influence is confined to the training situation. He cannot step into the job situation and make it rewarding for the employee to use his training, or punishing if he does not.

Thus what the employee does on the job is largely determined by the *reward structure* in the job situation —the sum-total of rewards and punishments which an employee encounters in his work. These rewards and punishments spell out what is, and what is not, worth while for the employee to do. And the employee tends to do whatever is worth while, *as he sees it.* That last qualification is important because in order for a reward (or a punishment) to be effective, it must be seen as such by the employee. As onlookers, we frequently misjudge what factors are seen by others as rewarding and punishing.

Now, if the reward structure which the employee finds waiting for him back on the job does not reinforce and support the new things he has

learned in training, he will not practice these new things. It is not worth while to do so. Sometimes—in fact, all too often—the reward structure actually *opposes* their application on the job. The employee finds that it is actually punishing to change his behavior in the way he has been taught. Thus, though he may have learned his training lessons well, he finds that the job situation contains too many deterrents to using them.

This frequently happens in supervisory training. We put a supervisor through a training course and teach him that it is good human relations to delegate responsibility and allow his subordinates to work out some of the details of their jobs for themselves. Or perhaps we train him how to instruct his subordinates and help them improve their skills. But once back on the job, the supervisor may find that the real way for him to get ahead is to be able to tell his boss at any given moment exactly how every detail of the section's operations is going. In such circumstances, our supervisor will simply go on doing the work of his subordinates himself and mastering every detail of it. In his training he probably "learned" and agreed with the principles we taught him. But he just couldn't get away with them on the job.

In other words, our training has not changed the reward structure *on the job*. So the employee's behavior does not change. He continues to do what he has always done because he finds that it is rewarding to do so.

It is pertinent, therefore, to examine more closely this thing we've been calling "reward structure." Where does it come from? Who creates it? How can we get it to work with us instead of against us?

Incentives and Deterrents on the Job

On-the-job incentives and deterrents fall into two broad categories. First, are those which are *formal* in character. These are the official rewards and punishments which management makes available by virtue of its policies, rules, and regulations. Promotions, demotions, incentive awards, benefits, commendations, pay raises, and so on are examples. It is worth noting, however, that in most cases these institutional rewards are administered by people. Although formal and official, they are not entirely impersonal and objective.

Second, and most important for us, are the innumerable *informal* rewards and punishments. These are not institutionalized. They come from other people. In essence, they are how people treat us; the things they approve or disapprove of, the expectations they hold toward us. They are the smiles and the frowns; the cold-shoulders and the warm receptions. They are social ostracism and friendliness; being treated as a "good guy" and being considered a "bum." Psychologists call them "informal social pressures."

We all want many things which can be gained only through the intermediacy of people, and therefore we soon learn what actions will secure these things for us and which will

not. For this reason, our behavior on the job is controlled, to a large extent, by other people—the sources of the many satisfactions and goals we seek. These informal rewards (and punishments) that others are in a position to mete out to us come closer to our egos than any of the formal, official rewards of management. Consequently they are more important to us. And it is this informal, social reward structure which disrupts the transfer of training.

All Jobs Have Some Social Meaning

It is important to realize that employees are usually totally unaware of this informal reward structure. They are so immersed in it that they take it for granted. Thus the informal reward structure operates as a *hidden* incentive system which may either nullify or reinforce the more overt, publically stated, formal reward system.

Now, all job methods have social meaning. They are part of the various ways in which we relate to other people and thus have a certain social utility. When—as in the training situation—we try to change a person's job behavior, what we are really doing is trying to change his social relations. This is why training is so vulnerable to the influences which people exert over one another.

It should be remembered also that while, in some jobs, work methods and procedures are relatively free of social implications, in others, many if not most of these job elements have considerable social value. In general, it may be said that *the higher the job in the organizational hierarchy, the more sensitive are the job elements to social relations.* This is because higher-level jobs depend more on interactions with other people and less on specific work skills. Thus supervisory and executive jobs are highly sensitive to social values, whereas skilled and semi-skilled work is relatively unaffected by them. Yet there is always some social meaning even in jobs whose performance is almost entirely a matter of skill rather than of dealing with other people.

Suppose, for example, that we are training beginners for a mechanical assembly operation. We have found out previously that method "A" is the best one for beginners because it instills care and accuracy. So we teach the trainees to follow a strict sequence of steps and stress that accuracy rather than speed, is what he should aim at. Now we send him into the shop. Here he immediately comes up against the old hands who are skilled enough to have dispensed with several of the steps he has been so carefully taught. Anxious to display their superiority over the beginner and keep him in his place, the old hands ridicule his punctilious observance of the prescribed procedure and his slow, even though accurate, output. "When you're as good as I am," he is told, "you can knock off a lot of those frills!"

Thus our trainee is confronted by a reward structure which punishes him if he sticks to his training. He doesn't want to look like a green-

horn; he wants to be accepted by the higher-status workers and to have a more satisfying relationship with them. Thus method "A" becomes a carrier of social value; it symbolizes everything which the beginner finds socially unpleasant. As a result, he avoids it and tries to emulate the more status-carrying methods of his experienced fellow-workers.

When the Supervisor Goes Back to the Job

Again, let us consider a typical supervisory training course. In such programs, the trainee is usually given a good dose of human relations and taught how important it is to get subordinates to participate in decision-making. The trainee agrees with these ideas and goes back to the job. In the past, he has pre-empted all decision-making and delegated nothing. So he tries out what he has been taught. He calls his subordinates together and asks them for their ideas; he invites their help in making decisions.

Unaccustomed to this treatment, his subordinates begin to wonder what's happening. They think the boss is slipping because he made all the decisions in the past. In one way or another they say, "Boss, we think you're trying to get out of your work. It's *your* job to make decisions. Just tell us what you want done and we'll do it. But you've got to tell us. Besides, making decisions is not in our job descriptions." These attitudes are communicated to the supervisor in many different ways. They are punishments to which the supervisor soon responds by avoiding what he has learned in training. He finds it more rewarding to supervise as he has always supervised.

We see then that when job operations become a part of our adjustments to other people, our conduct of these operations becomes sensitive to the rewards and punishments which other people apply to us. The next question we must examine is, "Who are these other people?" Or, in technical language, who are the *agents* for the informal reward structure?

The Informal Reward Agents

For non-supervisory personnel there are ordinarily two types of reward agents: (1) fellow-workers and (2) the supervisor. Both are powerful agents of reward and punishment; both control numerous informal incentives and deterrents to certain kinds of job performance. In addition, the supervisor may control many *formal* rewards and punishments—the institutional type which management administers on the supervisor's recommendation. If the formal organization is such that it gives considerable control and power to the supervisor, he can be more influential than the employee's fellow-workers as a reward agent. However, in many large organizations, the supervisor's power has been so whittled down that fellow-workers are often stronger reward agents. This "primary work group" as it is called in psychology

is the single most influential reward agent in most companies today. It is the primary work group which can most effectively implement or negate the effects of training.

Supervisory personnel also encounter two types of reward agents: (1) subordinates and (2) the supervisor's boss. To a large degree these agents influence the supervisor's response to training through the medium of *expectations*. Both subordinates and superiors have certain expectations about how the supervisor should behave or how they want him to behave. These expectations are communicated either directly or indirectly to the supervisor in such a way that he is aware of them. In turn, he is strongly motivated to conform to the expectations of his subordinates because he is dependent upon them for their assistance and cooperation, and to the expectations of his boss because this man controls his progress in the organization. If his training conflicts with these expectations, he cannot apply it without incurring punishment. Consequently, he will not make any changes in his own behavior if these run counter to prevailing expectations.

A recent study at the Detroit Edison Company found that subordinates had a *lower* opinion of their supervisors *after* they had received supervisory training than they had before. We can now see why. The knowledge that their supervisor was undergoing training created a new set of expectations among the subordinates. Because no one thought to explain to them just what their supervisors were being taught, the subordinates developed a new, but highly unrealistic and optimistic set of expectations about what their supervisor would be like after training. As it happened, while the training made a concrete but modest improvement in the supervisors' behavior, it was less than the employees expected. Consequently, the supervisor looked worse than before. Previously, they had expected little and got little; the discrepancy between expectation and supervisory behavior was small. Now, they expected a lot and got less than they had anticipated; the discrepancy was greater, even though the level of supervisory performance was higher.

Like Begets Like

The research studies carried out by the University of Michigan Survey Research Center have consistently found that effective supervisors tend to have bosses who follow the same pattern of supervision, and that ineffective supervisors tend to have bosses who also have ineffective patterns of supervision. In other words, like begets like. "We tend to supervise as we are supervised." *Patterns of supervision thus tend to flow downward in an organization.* The reason, of course, is that rewards and punishments flow downward. We try to figure out how our superior wants us to behave and then modify our behavior accordingly. We tend to conform to our superior's expectations as to how we should supervise.

How do we learn what our su-

perior expects of us? He may tell us, of course, in which case he usually recommends that we do as *he* does. Or, we may develop our own ideas from watching *him* supervise. If he bangs fists on desks, we bang fists on desks. If he is quiet and firm, we try to be quiet and firm. As the saying goes, "Study the man above you if you want to get ahead!"

This tendency is all the more strongly entrenched because of the powerful values which the supervisor's boss controls. As a rule, he is the more influential of the two reward agents that affect the supervisor's behavior. Similarly, if we move up one level in the organization and study the supervisor's boss, we find that his supervisory methods reflect, for the most part, the pattern of supervision he receives from *his* boss. It's the same story right up the ladder, until we reach the top.

The Climate Sets the Pattern

To a significant degree, then, the first-line supervisor's behavior is determined by the host of expectations which top management creates and disseminates down the organization. This body of expectations forms the *organizational climate* in which the supervisor works and which defines what is worth while for him to do. This is why it is so difficult, if not impossible, to change a supervisor's behavior through training without first changing the organizational climate that descends on him from above.

No training program can be effective, therefore, unless *management practices what the training teaches.* Only line management can convert training content into actual improved job-behavior.

Frequently top management does not realize that its own behavior is opposed to the behavior that is taught in supervisory training programs.* A general once told the writer, "I want you to teach these executives democratic leadership, and if any one of them argues with you, I'll knock hell out of him!" And he once heard a civilian administrator say, "Our supervisors are going to delegate, even if I have to get down there and do it for them!"

It all adds up to this: *We tend to supervise as we are supervised, not as we are taught to supervise.* Of course, if the supervision we receive is of the same kind as we are taught to use, the reward structure serves to *support,* rather than nullify, our training. When this happens, we have an unshakable ally in the reward structure of the job. Then we get valid training that will really be "glued into the job."

Whichever way it goes, the fact remains that it is top management, through the organizational climate or reward structure it creates, which is *really* doing the training, regardless of what the training staff does. The training administered by the training staff "sticks" only if it coincides with what top management is informally teaching every day.

* For some additional comments on this problem see R. Gordon, "Management *or* Human Relations," pp. 51-54 of this issue.—Ed.

What can the training director do to establish a supporting reward structure in the job situation?

First, he should identify the agents working against it. In the case of supervisors these will almost always be the supervisor's own bosses. In the case of non-supervisory personnel, it may be either the primary work group or the supervisor, or both.

Second, he should *prepare* the trainees to meet and overcome the negative influences they are likely to encounter back on the job. Anticipation of, and preparation for, the reactions from one's subordinates are a "must" in supervisory training. The worse the supervisor, the more intensive this preparation must be, because his subordinates will receive a bigger "jolt" when he tries to use his training. *All training, save the most humble, should include training on how to overcome the problems encountered in applying the training. Foremost of these problems is the deterrent effect of other people.*

Third, the training director must turn the agents of opposing reward structure into agents of supporting reward structure. One way to do this is to give a special kind of "training" to the reward agents. If the reward agents are the primary work group, "refresher training" may have to be instituted, in order to reach them. This is really a persuasion operation in the guise of training. Its purpose is not necessarily to change the job methods of the reward agents, but to orient them in what *others* are being taught and why. Another approach to this group is to *involve them in the training* that is given to others—perhaps even make them do some of it. Thus, in one organization known to the author, the old hands have an active role in the orientation training which is given to new hires. When the new hires are finally placed on the job, the old hands never say, "That's the way they teach you in training, but don't pull that fancy stuff on the job." If they did, they would be depreciating themselves, not the training. The same procedure can be followed if the trainees' supervisors are the negative reward agents. In that case, *they* should be made a part of the employees' training.

The Problem of Supervisory Training

Supervisory training and executive development present a special problem in that, as we have seen, the principal reward structure is the set of expectations and pressures from above. This means that *to change supervisory behavior through training, the organizational climate must also be changed.* In other words, the superior management levels which establish the climate must be trained first. The training must begin at the top—or as near to the top as possible—and then work down. If this is done, each trained level will support and reinforce the training of the level immediately below it.

This is admittedly pretty hard to do. It involves a big selling job to top management. But it is a job that must be done if supervisory training is to accomplish more than simple

instruction of the "nuts and bolts" variety. For one thing, it means that the training director must be more than a "staff" man; he must have "line" influence. When supervisory training is viewed in this light, it becomes clear that the *real* responsibility for it rests with line management, for it is they who, in the final analysis, are really doing the training.

Training content is not something which can be divorced from the activities of top management; and difficult though this approach may seem, it can be and is being implemented in practice. One federal agency, for example, sent its two top men off to Harvard for six months. There they were able to absorb their training uninhibited by on-the-job influences. They came back completely changed in their outlook—a change which it is doubtful whether the training director could have effected in a year of personal selling.

Some Alternative Solutions

As an alternative to starting training at the top and working down, top executives can be actively involved in the training at the lower levels. They can be made to play an active part in determining training needs and in planning the training program. Ideally, this should also involve participation in the training itself. Such experiences are often highly therapeutic for the executives concerned, giving them an increased awareness of their own behavior and of the kind of climate they set below them. In any event, the very fact of participating in the training commits top management to support and practice the same things as the trainees are being taught. Participation creates a new set of expectations to which top management itself must conform.

Another alternative is "vertical training," where two or perhaps three levels are trained together as a group. This technique is new and still rather experimental, but it has promise. One of the writer's graduate students conducted a six months' evaluation study of such a program in a federal agency, and concluded that, with special handling, vertical training can achieve useful results.

The first essential is to break down the status barriers between the levels and create a new social structure where superiors and subordinates can interchange freely. The "secret weapon" of this method lies in the fact that both superior and subordinate become committed in each other's presence to a new set of behavioral values. This creates a set of mutual expectations about how one should behave on the job. When the supervisor's boss knows that his subordinate is equally aware of the expected pattern of executive behavior, he is more likely to watch his step when he gets back to the job.

Application to health, social welfare, and family planning

The new employee for a health, social welfare, or family planning organization probably is assigned to a particular task which he has seldom or never before performed. Training is probably more essential than for many other types of employment. The training program should cover the need for the program, the organization, the services offered, skills needed to counsel, motivate, and serve clients, and other essential elements of the job assignment. The lecture method is probably the least effective way of developing these skills. Discussion groups, role playing, simulation, case studies, and programed learning all have an important role to play in the training process. The personnel manager should work with the training staff to determine the course content, training techniques, and training materials that will be most effective.

The problem of failure of training to carry over is likely to be very serious in H-SW-FP organizations, because of the powerful influence which the immediate supervisor exercises over the work of individuals. Personnel managers must be especially sensitive to the need for an appropriate organizational climate, as described by Mosel.

Questions for discussion and exercises

1. Draw up a model curriculum for training in each of the following categories of workers:
   (a) Nurses and paramedical assistants at health clinics
   (b) Counselors and trainers who instruct clients in preventive health care methods at the clinics
   (c) Clinic receptionists and appointment secretaries
   (d) Home visitors
   (e) Field workers who organize and lead group discussions

2. Develop a plan for evaluating the effectiveness of training for each of the above categories of workers. Actually draft the questionnaire and other measuring instruments that would be used in such an evaluation.

3. Using your curriculum from Exercise 1, prepare a list of training elements for which supervisors or fellow-workers might punish a trainee if he made use of them on the job. Prescribe actions which might be taken to promote greater use of the knowledge which H-SW-FP workers have acquired in training.

Chapter Eight

COMMUNICATION WITHIN THE ORGANIZATION

Internal communication within an organization is analogous to the nerve system of the human body. A central control center sends out impulses to the various members and organs, which in turn supply information to the center concerning bodily states and the external environment. Organizational paralysis sets in when this communication becomes weak, disturbed, or blocked. Maintaining the flow of information through prearranged channels is one of the essential functions of management. Personnel administration can do a great deal to maintain this flow.

Personnel managers have as much to gain from good communication flow within the organization as any other manager. Although communication between management and personnel is not solely the responsibility of the personnel manager, he has a vested interest in stimulating and maintaining the flow of communication downward from the top, laterally along each level, and upward from lower echelons. Preceding chapters have made it abundantly clear that a successful personnel manager must have feedback from employees, and that he must keep each employee informed about his status in the company. Hence communication is absolutely essential for the proper functioning of his department. If communication flows are blocked or thwarted by other branches of management, he suffers also. It is therefore a part of the job of personnel management to champion the cause of good and effective communication between the workers and their supervisors, and among the various levels of management.

The readings reproduced here offer a wealth of practical information about failures of communication that can and do exist within organizations—and the many reasons why they occur. They also provide detailed instruction for overcoming these difficulties.

Responding to the employee voice

Dan H. Fenn, Jr. and Daniel Yankelovich

Foreword

These authors argue that people below the top level in modern corporations have become increasingly estranged from the locus of decisions that affect their organizational well-being. Not only do they feel frustrated, powerless, and exploited as a result, but also the health of the entire organization can suffer when there are no channels that allow these individuals to contribute their knowledge and expertise in solving companywide problems. Moreover, maintain the authors, unrest in the society at large is fueling the discontent in corporations and compelling management to provide legitimate channels that both give employees a participative voice and guarantee constructive action from the top. While many companies have instituted techniques to improve communication between top management and those at lower organizational levels, few have attempted to design a comprehensive package of upward communication programs tailored to a variety of needs. In this article, the authors establish a framework for such an approach; first they present some promising single techniques and then offer guidelines for implementing a package program that can restore organizational vigor through employee participation.

Mr. Fenn is Lecturer on Business Administration at the Harvard Business School and was recently appointed Director of the John F. Kennedy Library. Mr. Yankelovich is President of Daniel Yankelovich, Inc. and Professor of Psychology at New York University. His latest books are *Changing Values on Campus* (Simon & Schuster, 1971) and *Ego and Instinct*, co-authored by William Barrett (Random House, 1970).

One of the most intriguing and yet disturbing issues for scholars and executives alike is the matter of "participative leadership." Long a topic of discussion and anxiety to operating managers who feel themselves caught between the "rock" of overpermissiveness and the "hard place" of unacceptable authoritarianism, the dilemma of participative leadership has too often been cast in ideological terms. Particularly in these days of increasing clashes between authority and self-expression, the practical problems of management tend to get obscured in the emotions of value conflicts.

The point—or an important point, at least—is that, regardless of their preferences in management style, top managers in large, complex organizations simply cannot run the whole show. They cannot know enough or control enough. Their judgments about what should go on at lower levels are simply not sufficient. But the corporate structure forces them to assume a high degree of intimate direction just the same.

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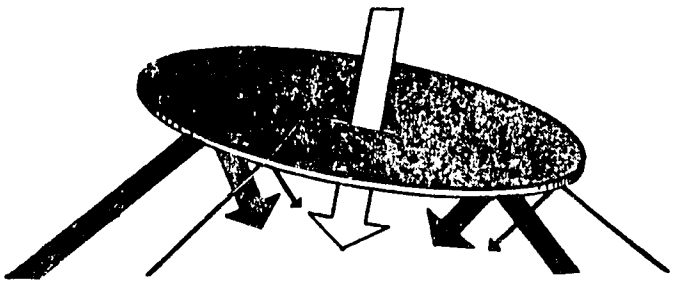
Decentralization has provided a partial answer to the problem, but it has been confined to a relatively thin layer of top managers in most companies (even though the logic of the approach would seem to call for a much broader involvement of more people). Until recently there has been little reason to overcome the



emotional and historical barriers to deeper decentralization in a company.

Today this need has taken on a real urgency. The spirit of rebellion which is loose in the society, including the business corporation, demands that managers develop a new balance between the supervisor and the supervised. Increasingly, executives are thinking through new means of utilizing the particularized knowledge, information, and wisdom of men and women who are operating below the very top levels. In our view, this modern-day revolution is impelling business leaders to do what they should have done anyway—and their companies will be better off for it.

In this article we shall comment briefly on what we see as the sources and nature of this challenge, which reached its most flamboyant and discordant expression in colleges and universities during the late 1960's. We shall then proceed to discuss one approach to meeting it in a corporate setting, an approach that is worthy of more systematic attention than it has yet received by either businessmen or academicians. In essence, it is a planned, variegated, and carefully tailored program of what has been superficially described as "upward communication."

Internal distress

Happily, people have been pretty well disabused of the notion that today's upheavals are caused by a tiny handful of revolutionaries—be it social activists like Ralph Nader and Geoff Cowan, or "trouble-making student anarchists." Auto safety legislation, the granddaddy of a large family of consumer actions initiated by government, was inspired by widespread dissatisfaction with the automobile industry. Nader may have focused the issues, but he did not create them. Similarly, the student rebellions have been made possible by the fact that a majority of college students, while not revolutionary, are skeptical, mistrustful, and nonconforming. (Lest anyone think that this mood has died down, see the ruled insert on page 86.)

The public now knows that the campuses do not have a monopoly on restlessness. The military services, the Catholic Church, labor unions, professional athletics, the federal civil service—all have provided examples of dissent and even revolt. In such a climate, it would be foolhardy to cling to the hope that the corporation is immune. Indeed, the evidence seems clear that it is not. In a wide variety of companies in a number of industries there are rumblings of discontent, restlessness, distress, and anger. Management is called "sick," "sneaky," "neurotic," and "arrogant"—by managers as well as by employees. The words they use, and the emotional intensity of their comments, match those of students discussing their problems. For example:

- "Management here doesn't care about people; the people up the line are inadequate and insensitive."
- "We're very suspicious here of anything that management does; we're always looking for booby traps."
- "I'm a good company man, I've been a good company man all my life; but damn it, there are some times when you just should stand up on your feet and protest!"
- "Management is trying to run this company the way it did 20 years ago."
- "I used to be proud of this company; but now, when people ask me where I work, I just don't tell them."

Attitudes like these break forth into various kinds of protest, such as strikes that are essentially noneconomic in nature, attacks by employees on the company's mission, and overt action against company minority policies and programs. But more important than the outward, flamboyant manifestations of this discontent is the daily toll it takes as it rumbles on below the surface among both managers and employees.

The demands . . .

Some observers believe that turbulence in the corporation will be eliminated by the nation's

current economic travail. In our view the "sea changes" run much too deep for that.[1] The concerns being expressed by the people we have quoted are not primarily economic ones—they represent deeply held values and signal that violence is being done to people's self-perceptions and to their views on fair treatment.

The majority of complaints and consequent upheaval exhibit two common characteristics: (a) a challenge to authority; and (b) a demand for a piece of the action.

To take the first of these, the challenge to authority, it is important to realize that we did not say the *rejection* of authority. Dissent in this context does not constitute anarchy, potential or actual, although sometimes it may look and sound like it. People—managers and employees alike—are simply insisting that the organization justify its decisions and articulate those justifications. It is not enough for a person to be older, have a title on his door, or hold a significant measure of disciplinary power. More and more, people refuse to accept what is said just because of the source; they want to understand. The bureaucratic explanation, "because that is our policy here," does not satisfy them. They are insisting that leaders establish their credentials for leadership in the soundness and wisdom of their judgments, instead of the grandeur of their offices or the distinction of their titles.

The second characteristic is the insistence on a piece of the decision-making action. And it must be a real piece; generalized, long-term influence is not enough, nor are advisory boards satisfactory in this context. Many people want to reach more deeply into corporate decisions than they have before; they want a larger, more formal, and more institutionalized role in the issues that affect their lives.

... & the corporate response

If the two foregoing trends are affecting companies today and causing unrest and even anger, where can companies look for some possible solutions? One possibility is upward communication.

Not long ago we studied a number of corporations to see what opportunities they were providing for people to be heard and to get action on things that were troubling them. We found a very large number indeed that had created or were experimenting with devices to enable men and women at different organizational levels to channel their concerns upward to those who could really do something about them.

We found no company, however, that had developed an integrated and tailor-made system adapted to the variety of people and concerns that exist in every corporation. What we propose to do in the remainder of this article, then, is to (a) describe eight of the most promising upward communication devices that are operating in industry today and (b) suggest some guidelines to help top executives develop a comprehensive system of upward communication that can meet the growing demand for participation on the part of managers and employees.

Inventory of techniques

In this section, we shall present only a sampling of those devices that have been reasonably successful. It is not necessary to link particular companies with specific ideas or to involve ourselves in extensive evaluations. Suffice it to say that Caterpillar Tractor, Northern Electric Company, Ltd., Bell of Canada, Pitney-Bowes, McCormick, Raytheon, Steinberg Ltd., Xerox, and Polaroid are a few of the leading companies from which the following techniques are drawn. Here are the eight most promising communication devices:

1. A number of companies are applying the "speak up" or "feedback" concept. Employees may telephone a special number to raise questions or voice concerns, or write notes to a designated person on company-prepared forms. There may be certain times of the month when top executives are available for telephone calls. In some cases, time limits on responses are set; in other cases, answers are sent to employees directly and then printed in the company newsletter.

2. The idea of special "councils" where managers and/or employees get together regularly to talk about their problems (everything from productivity to the portion of potato salad being served in the cafeteria) has been implemented in several places.[2] These councils, which meet from two to six times a year, have a formal agenda submitted by both management and workers.

1. See David W. Ewing, "Who Wants Corporate Democracy?" (Problems in Review), HBR September-October 1971, p. 12; and "Who Wants Employee Rights?" (Probing Opinions), HBR November-December 1971, p. 22.

2. German industry has developed a highly sophisticated version of the "Works Council"; see, for example, Burton Teague, "Can Workers Participate in Management Successfully?" *The Conference Board Record*, July 1971, p. 48.

The agenda is published so everyone in the installation or locality concerned knows what is coming up; and the subsequent disposition of each item is also publicly listed. Furthermore, the main council is often undergirded by subcouncils of employees that are built around work groups. In this way, a formal channel is established through which ideas and criticisms can flow up to the main council.

3. A variation of the council system is a series of "cracker-barrel" meetings conducted on a regular basis by first-line supervisors with the people in their organization. These meetings, held on company time, are designed to move information downward to the nonmanagement personnel and, conversely, to utilize the foremen as a means of passing information, ideas, and complaints up the line to management. Often such a program is supported by special training to help foremen maintain an open and responsive attitude toward criticisms and complaints.

4. At about the time of the annual stockholders' meeting, some companies hold "employee annual meetings" which are conducted in almost the same manner as the regular stockholders' session. The president and other top officials report to employees on the state of the company and describe their future plans. They are then available for questions from the floor. In a company that is geographically spread out, a series of such meetings may be held. While these meetings take time and sometimes result in management hearing things it does not want to hear, they have often proved to be beneficial.

5. An elaborate nonmanagement task force has been established in various organizations. Generally, under this arrangement a council of managers and employees first utilize attitude research to determine the issues that most concern the work force. High-priority problems are selected, and a special group of nonmanagement people then attempts to resolve them. This process receives widespread publicity in the installation concerned, so everyone knows what problems are being studied and who is involved. Typically, the employee group is allotted a certain amount of company time to make its investigation and prepare its report; management, in turn, must respond in a specified length of time, and its comments are also publicized.

6. Another technique is the junior board of directors, which is made up of middle managers and others below that level. The employees in this group receive a stipend for their services, select their own officers, and draft their own bylaws. They make policy recommendations to the corporate board and present the arguments on which these suggestions are based. In one company that uses this plan, the first five years of operation produced over 2,000 recommendations; only 6 of these were turned down.

7. Some companies maintain a corps of counselors, or ombudsmen, located throughout the organization where employees can have ready access to them. Sometimes these people are elected by work groups; sometimes they are appointed by management. Employees can make suggestions or criticisms with a guarantee of anonymity, if they wish it, and the counselors then take the responsibility for doing something about such grievances. In several cases we found a fairly structured operation where the first-line ombudsmen elected a small council to both expedite the solution of problems and choose a still smaller group that would meet periodically with the chief executive.

8. The use of existing mechanisms for airing complaints that are not within the traditional jurisdiction of these mechanisms is another corporate strategy. For example, safety committees are a common feature of many organizations; and at least one company we know of construes the term "safety" very loosely, permitting discussion of a whole range of questions raised by employees at management-labor safety meetings. Moreover, since the work force knows who the employee members of the committee are, and constantly sees them moving through the plant on safety matters, these people are readily accessible to anyone who has something on his mind.

The 'package' approach

After looking through the foregoing list, the manager who is interested in building and installing an upward communication program for his company will inevitably be struck by the fact that no one of these plans exactly fits his needs. Even if he adapted one of them, he would find that he had not really reached the heart of the problem in his company. Each of these plans, taken separately, represents only a fragmented or single-effort approach to a problem that requires a far more comprehensive response—and for two principal reasons.

First, different kinds of people have different kinds of problems which require separate re-

sponses. The aggressive veteran employee, for example, may have no difficulty approaching the plant manager directly and thus needs no other system than a truly open door. But the newer, more diffident person whose complaint may be just as galling to him needs a more indirect way of feeding it into the system. Furthermore, different kinds of problems require different channels. A man on the line may know exactly where to go to rectify a quality deficiency in the material coming to him, but he may have no idea how to get the mess in the parking lot straightened out.

Second, people require *two* responses from a communication system: (a) they need information, so they can understand what is going on and why; and (b) they need *action* on things that trouble them. The most common current programs are essentially information-handling devices. Most of the question-and-answer programs fall in this category. They serve as opportunities for employees to obtain information on policies and practices that confuse or annoy them. While such mechanisms may alter management priorities to some degree, they do not have a built-in capacity to achieve change. Other systems, notably the employee and management councils, are expressly designed to produce action and change. These programs focus on altering existing practices by directing attention to issues that are important to employees, making policy recommendations, and calling for specific management response. Taken alone, neither type of communication system is enough.

Putting it together

Corporations obviously vary in management structure, mission, and, most important of all, the perceptions and needs of their people. Consequently, the mix of action and communication systems that works for one organization will not likely be directly transferable to another. Nevertheless, we would like to describe a special package of programs that was put together by one company after we completed our initial investigation, in the thought that it may prove helpful to others who wish to formulate a similar approach that is tailored to their own situation. Here, then, are the elements in that company's program.

A question-and-answer system: Each manager and employee receives a self-mail form at his home with a letter from the company president inviting him to write his comments or questions and send them to a special coordinator. (Recognizing that different people communicate in different ways, the program also provides an opportunity for telephoned statements through a specially established number.) The coordinator then detaches the writer's name and forwards his letter to the corporate official—from the president on down—most qualified to respond. The reply is sent to the questioner's home, with the offer of a face-to-face meeting or the opportunity for a follow-up question if he so desires.

This system has been widely used, and employees have been very satisfied with it. The use of the program varies, interestingly enough, in relation to the care with which it is introduced and the amount of employee dissatisfaction. The more suspicion in a particular company facility, the less use is made of the program.

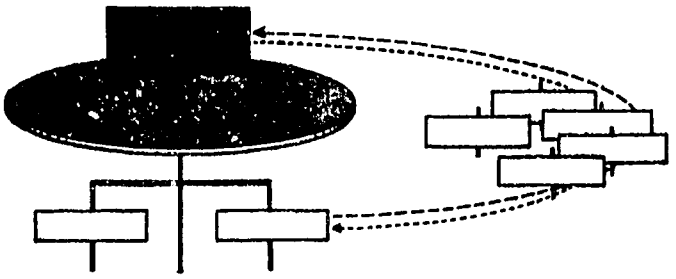
The content of letters has ranged from questions on corporate policy issues to comments which have exposed information hitherto unknown to the top people. In one of the latter instances it was discovered that rent was being paid for unneeded space; in another, that equipment was idle for lack of trained personnel; in still a third, that building security procedures had become lax.

Task teams of employees: Volunteers are selected in specific company locations and given a total of 16 hours of company time over an 8-week period to study a problem and make a series of recommendations to management. Problems are selected by a poll of the employees, and the task teams' recommendations are made public. Management is then required to respond within 30 days, and its response is also made public.

Starting with specific housekeeping issues, like the availability of parking and the state of the cafeteria, which had been troubling employees for some time, this program subsequently moved into broader questions of employee-management relations. Task team members have served with enthusiasm and skill, especially when they have been adequately supported by company personnel. Management response has been positive and has produced dramatic change in a number of long-standing situations.

Employee annual meetings: After reporting to groups comprised of managers, lower-level employees, and their families, top officers of the company make themselves available for questions.

It is worth noting that, after its adoption, this program was postponed, primarily because a survey of employees indicated there was little interest in it. Management came to feel that the



program would not be useful until the other communication efforts had generated more positive reactions toward the company.

Management councils: Each geographical division of the company establishes a management council of men and women who are selected from a group of volunteers by the Upward Communications Coordinator. These people serve for one year and are paid an additional, tax-free $750. They select the issues they feel are of most importance in their areas, study them, and make public recommendations to higher management. As in the task team program, top management is required to make a public response within 30 days.

In each division, the idea of a management council was greeted with widespread interest and a plethora of volunteers. The first topic chosen was "management-employee relations." It was broken down into a series of specific problems affecting different parts of the company. The results are not yet in, but the initial activity is promising.

We should mention, incidentally, that in reacting to employee recommendations, management often did not wait for the final council reports. Instead, it started immediately to respond to comments made in meetings and altered policies that were proving to be sources of difficulty.

Implementation guidelines

A significant thread running through the different elements of the foregoing package program is the commitment of top management. While there are a number of steps executives can and should take to ensure the success of an upward communication program (which we shall deal with later), no system will succeed unless management believes in it and is publicly and privately committed to it, in letter as well as spirit. A phony, manipulative device that is either a cover for downward directives and propaganda or a palliative to keep dissatisfaction from becoming mutinous is going to be quickly identified as such by employees—and it will surely boomerang.

There are several ways in which management's commitment can be expressed. One, of course, is the quality of response to questions and suggestions. Another is the comments that a corporation's leaders make about the program, both privately and publicly. But the most meaningful method is to institutionalize commitment by assigning adequate funds and skilled personnel to the program.

Communication channels must become a regular part of managing the company—and they should be seen that way by everyone up and down the line. People are no longer content with the knowledge that the particular boss they have at the moment is a responsive person; they know he may be gone tomorrow. What they are looking for is a system they can rely on, one that is part of the company's structure and will not be wiped out with a change of corporate leadership.

And whatever the package chosen by management, it must have an "action" component built in. Most executives will find that upward communication has to be more than a plan that allows employees to "provide advice." Most managers believe that they are responsive and that they have changed their management styles to conform to the times. Many of them have. But the real question is: Are they responsive enough, about the right things, and in a way that will be acceptable and workable today? Employees need real leverage, so the discussion becomes more than a petitioning of the sovereign, with the response resting on his judgment or whim alone. Dissension should result in negotiation wherein both sides hold some cards.

Introduction strategy

Prudence dictates that a communication program be introduced with the utmost care and forethought. As we have indicated, a central requirement is that management both support the idea and make public its long-range commitment. Failure to do so can cause the program to falter at the outset. In one instance, for example, a task team poll went unanswered (35

responses out of a work force of over 500) simply because the supervisors did not know what it was all about, were disinterested, and, in some cases, were anxious By the same token, one group told us that the question-and-answer program was largely unused because "it had been presented to us in such a cold and formal fashion." A series of meetings, then, is necessary to back up written announcements—and, in fact, should precede them—if people are to believe that there is really meaning in the effort.

In developing a strategy for introducing the system, management also has to take into careful account the mood of the company. In some organizations, the level of antagonism, suspicion, and anxiety may be very high; in others, it may be more verbal than real. Thus it is advisable to find out what really is going on out there before establishing or installing a system for upward communication. Consider the experience of one company:

Management initiated personal interviews and self-administered questionnaires to obtain managers' and employees' opinions regarding the specific communication devices which would be most useful and appropriate for the company. Questions were also included about communication in the organization in general.

The survey revealed suspicions about the lack of protection of anonymity that were partly due to an earlier unhappy experience. Consequently, a very precise mechanism to preserve anonymity was developed and described in great deal to employees.

Under this system, participants sent their questions to a special Upward Communications Office, where the staff coded the questionnaire, removing the name and address and placing them in a safe. The coded document was then forwarded to an appropriate manager for a reply. When the response came back, the staff sent it along to the employee at his home address. Thus no one but the Upward Communication staff knew the names of employees submitting letters. Apparently, this care paid off; as the program proceeded, fewer and fewer doubts were expressed that any names would be leaked to supervisors—and not one was.

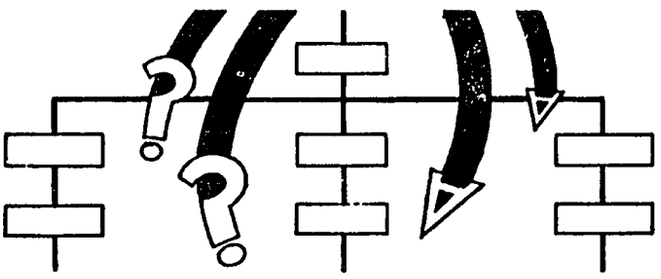
Upward communication programs are likely to be experimental; sometimes they are presented against a backdrop of deep suspicion and antagonism; and they always involve a large amount of work. Thus, initial introduction in one or two divisions of the company may be preferable. In our experience, the segmentation should be geographical rather than functional, but this may vary in different corporate situations.

Furthermore, informal "temperature taking" sessions conducted while the program is being installed can (a) yield valuable information on employee receptivity and (b) convince the employees that there is real meaning in the effort. For example, in one company, objective observers met with small (10-15 people) groups of employees and managers in a number of locations as parts of the program were introduced. These sessions have proved to be most helpful in highlighting important issues, improving the credibility of management's commitment, and identifying crucial differences in the attitudes displayed in different locations.

Importance of feedback

People should be told about the results of surveys taken, informed about the deliberations and activities of task teams and management councils, and provided with regular documentation of the most important questions and answers submitted to coordinators. In short, feedback is vital. The feedback component underscores the fact that a program is an experimental effort, is subject to evaluation in the light of experience, and can be altered.

Needless to say, when a company is planning to undertake a meaningful program of upward communication, many people may be afraid and feel threatened. We found, for example, that many managers were intensely disturbed by the fact that their subordinates would be communicating directly with top management. Accordingly, the question-and-answer program was generally introduced for managers before it was for employees; thus everyone had a chance to see it in operation and to recognize its potential. In addition, we found that a special effort had to be made with first-line supervisors to acquaint them with the purposes and mechanisms of the effort.



Another area of concern to management is that pipelines will be clogged with petty personal problems which are at once time-consuming and insoluble. Interestingly enough, this does not seem to be the case. Of the nearly 400 questions submitted to the question-and-answer program in one company, only 2 were of such a nature. And one of these, in fact, was actually a vehicle for raising an important issue regarding promotion and pay policy implementation.

Still other managers are likely to surmise that "those guys down the line" will insist management respond positively to all suggestions and complaints. "Unless we do just what they want, they will be even angrier than they are now," some managers told us.

Our surveys of personnel, however, indicate that this is not the case. "We know we aren't always going to get what we want; we don't see the whole picture, and our requests have to be balanced off against others," was a common response. And this statement held up once programs were installed. The *sine qua non* was a direct, straight, and full answer or response. Management's behavior in this regard stands out as evidence that "someone up there really *does* care."

Union attitudes: The participation of union leaders in the fashioning and installation of an upward communication program is an important concern. If the program is seen as a "union busting" device, or even a method of decreasing the power of union officials and establishing extra-union ties between management and workers, the hazards are obvious. Furthermore, it is vital that union leaders get the word down the line that they approve of the system once it has been worked out. Direct or indirect sabotage by overzealous, uninformed local officials can be at best an irritant and at worst a disaster.

Staff leadership: It is difficult to overemphasize the importance of the character and reputation of the staff people assigned to run the upward communication program. They should be veterans of the line, known and respected in the company, and familiar with its people; they should be transparently honest and enthusiastic; and they should be involved in the entire process from the conception of the program to its creation and implementation. Unless managers and employees have confidence in the core staff, the program will be in serious and probably hopeless difficulty.

Concluding note

If we are correct in our assumption that the restlessness in today's society is more far-reaching than people have realized; if it is indeed rooted in a traditional willingness to challenge authority and a heightened demand for a piece of the decision-making action; and if companies are, in fact, characterized by more restlessness than people have fully recognized—then it behooves top management to look seriously at every possible way of adjusting to the temper of the times.

Managers looking downward may have grave reservations about upward communication as we have described it. It does, after all, call for at least some sharing of managerial authority. Managers looking upward, however, may see in it some real merit. Surely, any manager who looks broadly at what is going on in society should explore the idea further as one way of avoiding the damaging confrontations that have shaken so many of our institutions and, more important, of renewing his own organization.

But perhaps the greatest significance of upward communication is that it restores badly needed balance to the management of a business, and can produce a readjustment that is needed, rebellion or no rebellion. It provides employees with a method of identifying what they think is important, and doing something about it; and it brings the weight of their on-line experience to bear on corporate decisions. It is impossible to exaggerate how healthy this technique can be for companies if it is carefully fashioned and sanely implemented, with common sense and forbearance on both sides.

Communication Within Management

KEITH DAVIS

COMMUNICATION has become a very popular subject these days. There are many, in fact, who would say it is being over emphasized. Yet there is one aspect of communication which, amidst all the tumult and shouting, has been somewhat neglected. That phase is communication within the management group itself. This subject is usually called management communication or intramanagement communication; regardless of its name, it represents a major area of the communication problem in business.

The general tendency, apparently, has been to say, "Let's improve employee communication; management can take care of itself." To be sure, employees far outnumber managers and communication programs are understandably focused primarily toward this group but these conditions do not justify the neglect of management communication.

In ancient history the Tower of Babel exemplified the significance of communication in the accomplishment of a group work. Today we recognize even more clearly that communication, in management or out of it, is organic or basic to organized group activity. No group can long endure without it, because it is the nerve system which permits a group to function as a whole.

Picture for a moment a situation in which a superintendent and his foremen are working under conditions which prohibit communication. Some of the most obvious results of the "wall of silence" that surrounds them are:

1. The foremen do not know clearly what the superintendent wants them to do.
2. The foremen do not know what other foremen are doing. They cannot coordinate.
3. The superintendent cannot effectively give orders and instructions to his personnel, which means he is unable to direct their efforts toward the organization's objectives.
4. The superintendent does not know clearly what his foremen

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are doing. Thus, for example, he is unable to motivate because he does not know their needs and reactions, and he cannot control because he is ignorant of their progress.

Truly communication is essential to perform any organized group activity. A group cannot coordinate and function as a whole without it.

Why Emphasize Management Communication?

There are good reasons why management communication deserves emphasis at this stage in the development of the communication art.

First, management communication is *prerequisite* to worker communication. Obviously, management cannot communicate to workers unless management itself is informed. Not only must management *know* (that is, be informed) but it also must *understand* the information well enough to interpret it to others. Top management often fails to recognize this simple fact. For example, top management in one company expected its foremen to interpret the incentive plan to workers but failed to explain the plan adequately to the foremen. Even though the foremen had stacks of papers describing the plan, they did not understand it and, therefore, were unable to interpret it to the workers. Just as a photograph can be no clearer than the negative from which it is printed, the manager cannot transmit more clearly than he understands.

Management communication also is essential if a manager is to make proper judgments and decisions. The manager is often completely isolated from the point of performance, and he can serve as a "decision center" only to the extent that reports and other information reach him. This requires two-way communication. The specialization of decision-making functions is largely dependent upon the ability to develop adequate channels of communication to and from decision centers. This reason alone should be enough to convince management that its own communication patterns need continuous analysis and appraisal.

Another reason for emphasizing management communication is that the scope of a manager's influence is typically greater than a worker's. Inadequate communication to any single manager can have a direct effect on profit, productivity, or morale, because his wide span of control and coordination affects many people and different activities. Inadequate information to a worker usually affects only his job and a few others, but poor information to a manager may affect the work of hundreds of persons.

Management communication deserves emphasis also because most of the links in the chain of communication, from top to bottom and bottom to top, are in the management group. A communication from a worker to top management, for example, may go through five persons—all managers. Each link in that chain, except the first, is within the management group. Each link affords a new opportunity for distortion, fading, and delay. Each executive in the chain has an opportunity to filter information, passing on only what he thinks is important or what he thinks his receiver wants to hear. Thus the problems of upward and downward communication in business, measured

in terms of links in the communication chain, fall mostly within the management strata.

Finally, management communication is important because, even though members of management are not defined as "employees" in labor relations laws, they are in fact *employees*, which means that they have needs for communication and understanding just like any other employees. A manager who is not "in the know" lacks both the incentive to improve and the ability to make decisions. His attitude is, "If I don't know what's going on around here, why should I worry about what happens? If other executives don't cooperate with me, why should I cooperate with them?"

The five conditions just discussed indicate that management communication deserves at least equal emphasis with employee communication. The two are merely different sides of the same coin, and one cannot improve very far beyond the other, because one is dependent upon the other for the good of the company as a whole.

Communication Analysis

The first step in developing good management communication is to find what problems exist in the individual business and then proceed to remedy them. Problems can be determined by judgment on the basis of general observation and knowledge, but the more scientific approach is actually to make first-hand analysis within the company involved. In this way the specific problems that require action can be isolated and identified.

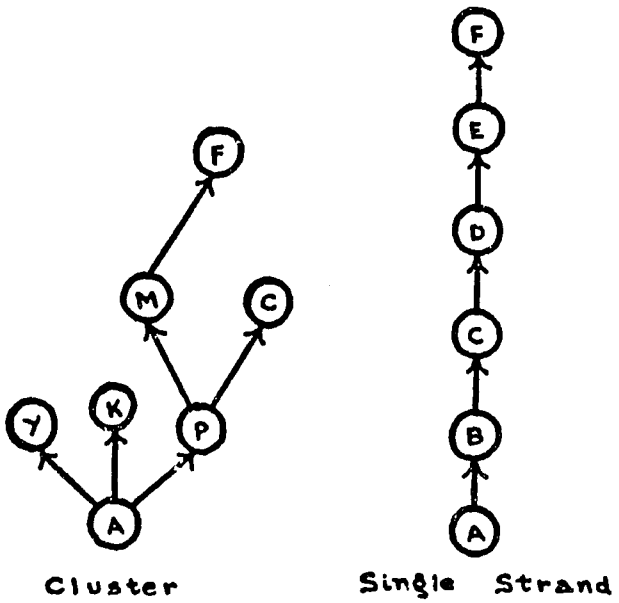
There are now available several methods of making such an analysis. They range all the way from a simple questionnaire asking "Do you know this?" to an elaborate study of the over-all communication *process* itself. Obviously, the latter is more effective because it takes into account causes as well as results, whereas the former appraises only results.

One promising method of communication process study is called "ecco analysis."[1] It uses a simple questionnaire or interview to determine communication chains about particular units of information. Each unit is traced from its origin as it spreads throughout the organization. In this manner one can determine the people who communicate actively, the degree to which certain managers or departments are isolated from communication chains, the extent to which different media are used, the activity of the grapevine, and many other related factors.

The Communication Network in One Company

The use of "ecco" analysis can be illustrated by examples of results achieved with this method in one company. This manufacturing firm employed about 700 persons, but the research covered only the management group. The communication pattern consistently was a "cluster chain," in which only a few of the informed persons communicated, and they usually informed several persons instead of only one. (The accompanying illustration shows the difference between the "cluster chain" and an ordinary single-strand chain in which A tells B, who tells C, who tells D, and so on.)

[1] This and other methods of analysis are described in Keith Davis, "A Method of Studying Communication Patterns in Organizations," *Personnel Psychology*, Autumn, 1953, pp. 301-312.



TWO BASIC COMMUNICATION PATTERNS

The cluster chain means that most people in management acted as passive receivers, and only a few (10 to 30 per cent in most cases) re-communicated the information originally to another person. These "communicators" are often called liaison individuals. Membership in the liaison group was different for each unit of information, depending on factors such as requirements of the formal organization and personal interest in the subject. There was no established, consistent group of communicators, but some persons tended more than others to be active in communication.

The predominant flow of communication in this company was downward (measured in terms of the formal organizational levels), regardless of the persons involved or the type of information. The grapevine was very active, but even there, communication predominantly flowed downward. The evidence clearly showed that upward communication was inadequately developed. There was, in fact, negligible communication between foremen and other members of management, except for formal contacts between a foreman and his direct supervisor. Here was an area requiring management's conscious effort for improvement.

Certain departmental groups of foremen were also well isolated from most downward communication, especially the grapevine. This problem required attention, too, because it was usually tied in with social isolation or geographical separation.

Staff persons were somewhat more active communicators in this company than line persons. The staff both received and transmitted proportionately more information than the line.

The foregoing examples should illustrate that communication analysis is beyond the stage of "by guess and by golly." Important basic data about a firm's individual situation can now be determined accurately and scientifically, as in other areas of management analysis.

In this field study both the grapevine and the staff group were shown to be especially active. Because of their importance these two subjects warrant further discussion on a general basis.

Role of the Staff

As a business grows in size and complexity, staff groups also grow in size and importance. The busy line manager depends upon various staff specialists to gather data, study problems, advise him, and assist him with complex problems of coordination and control. In order to have his staff available, he usually attaches it structurally to his organization, if possible. He often gives the staff work to do in his name, but he specifies that it

has no command authority over the line group. And he frequently fails to realize that all these relationships which he establishes for the staff have significant bearing upon the staff's communication role in the company. The trend is toward the staff becoming more important in communication as business grows in size and complexity. This can be termed a "normal" development for the following reasons:

In the first place, many communication activities are usually separated from the line through functionalization as a company grows in size and complexity. The manager asks his staff to perform for him such functions as gathering data, issuing reports, preparing directives, coordinating activities, advising persons, and countless other communication functions. The result is that the *primary activity of many staffs is communication.* It is their delegated, formal responsibility. In fact, many staff people tend to become more specialized and skilled in communication than the typical line manager because they devote more time to it.

Secondly, since the line manager does not give command authority to staff people, they have greater motivation to communicate, because they realize that their success is more dependent upon "selling" their ideas to others. Line managers, on the other hand, are often lulled into poor communication by the fact that they have authority to order an action even when they cannot sell it.

A third reason for the communication importance of the staff is that it is usually set in the organization structure so that it has shorter communication chains to higher management. For example, a foreman in a large factory might have to go through five levels to reach the executive vice president, but a personnel specialist might reach him through three levels. This permits staff members to have the "ear" of top management and to short-circuit the line. The result is both good and bad. Communication upward and downward tends to be improved, but lower management often waits in insecurity with the fear that it is being by-passed, or criticized without an opportunity to answer.

A fourth reason for the staff's communication activity is that it is more mobile than the line, certainly at the lower levels of the organization. Staff specialists and executives in such areas as personnel and control find that their duties both require and allow them to get out of their offices and visit other areas without someone wondering if they are "not working." They also find it easier to get away for coffee or just to visit. All of this means that staff people have the chance to receive and spread information widely and regularly.

Finally, the staff is often more involved in the chain of procedure than is the line. For example, a production control problem may clear through five staff persons but only three line persons, which means that more staff people than line people often know about many line actions.

Since staff people have so many reasons, both formal and informal, for communicating, the over-all result is that they do transmit and receive information actively. They have the information, the skill, the motivation, the contacts, and the organizational position. Management must recognize this active communication role

of staff and make full use of it in management communication.

The Grapevine in Management

Informal communication is often called "the grapevine." It arises from the social and personal interests of people, rather than the formal requirements of an organization. The term "grapevine" probably arose because it was thought to be a long, winding means of communication from one point to another—like a real grapevine. But it is now recognized that the grapevine is often faster and more direct than so-called direct, formal channels of information.

The grapevine is typically considered to apply to workers. Observation, confirmed by research, indicates that it is just as active among management. Wherever there are people, there are grapevines. This means that the grapevine is a significant influence among management, either for or against organization objectives. It can make or break individual managers or general morale in management.

The grapevine is especially fast and active when news is significant, which means that it will undermine a formal system for significant news unless the formal system is kept flexible and fast. The grapevine quickens its pace when people are insecure, as when a reorganization is "in the wind" or a reduction in force is probable. Since the grapevine has no reliable source to which participants can refer to confirm facts, the grapevine carries rumor or distorted information rather easily. Since participants in a grapevine cannot easily be held responsible for distortion, as they could be in formal communication, each participant is freer to treat facts lightly.

In the management group the grapevine is more spontaneous and flexible than formal communication. For example, it can easily by-pass managers in the chain of command because it is not confined by formal procedure. Under certain conditions, this can be beneficial, but often it short-circuits other managers and undermines executive relationships.

Since the grapevine is active and significant within the management group, it deserves more attention by members of management. They need to study it, learn how it works and who its key connections are, and develop ways to keep it positive rather than negative. It is a regular part of the management environment.

Studies show that the management grapevine can be influenced because its patterns are partly predictable. For example:

1. People talk most when the news is recent.
2. People talk about things that affect their work.
3. People talk about people they know.
4. People working near each other are likely to be on the same grapevine.
5. People who contact each other in the chain of procedure, tend to be on the same grapevine.

No matter what the causes of grapevines, they will continue. *Grapevines represent a normal management activity.*

The Job Ahead

Management communication is not to be overlooked with the comment that, "It will take care of itself." In many respects, it is prerequisite to good employee communication, and

both are essential to coordinated, effective operations. Because management and employee communication are interdependent, one cannot rise far above the other in over-all quality.

Management communication will be improved, not by airy speculation in the front office, but by actual study of each company's management communication system to determine needs and problems. Present-day research indicates that the grapevine and the staff are quite significant components of a firm's management communication network. They should be given early attention in a company's communication program.

Clear Communications for Chief Executives

By Robert N. McMurry

As one retiring chief executive said to his successor, "Yesterday was the last day you heard the truth from your subordinates." In many companies, often despite feverish efforts to improve internal communications, top executives are almost totally insulated from what is actually taking place in their enterprises. The intelligence they receive, including formal reports, is all too often incomplete or, at best, slanted.

Of equal concern, *not all chief executives are temperamentally capable of accepting and assimilating information which happens to conflict with their personal values and predilections.*

Consequently, undertakings of great magnitude and of critical significance to the integrity of the business are often entered into on the basis of incomplete, inadequate, or incorrect information. Without knowing it, the chief executive is in the perilous situation of the shipmaster who blindly sails uncharted shoals. He is unaware of the seriousness of his situation until confronted with catastrophe itself. It is probable that this is a not infrequent cause of the failure even of small, presumably well-integrated businesses. It certainly often contributes to the fact that, as a rule, the chief executive who is a professional manager and not a proprietor has the least job security of anyone in his organization.

In order to assist the chief executive in solving his predicament, I shall attack the communication problem point-blank by examining:

- The barriers which fault the chief executive's knowledge of "what's going on" in the middle and lower echelons of his organization.
- The sources of error which hinder his ability to communicate effectively with subordinates.
- The major remedies needed to improve his "intelligence," to help him to see himself, his staff, his employees, and his organization as a whole.
- The reorganization steps that should be taken to improve the over-all function of his organization.
- The personal conflicts which must be overcome if he is to establish clear, comprehensive, and valid channels of communication with his people at all levels.

Upward Failures

The top business manager is often lulled into a false sense of security regarding communication flows. His first and most egregious error is to assume that his supervisory hierarchy provides a clear channel of vertical communication, either upward or downward, and that lateral interdepartmental communication is equally reliable. Actually, most levels of supervision are less communication *centers* than communication *barriers*. In addition, many company functions, such as production and sales, are frequently less inclined to be cooperative *allies* than to be bitter *rivals* for power, recognition, and executive favor; hence, communication between them is often poor. Both are prolific *sources* of information, but this does not mean that the intelligence which they provide is complete, accurate, objective, or generally valid and useful.

Misleading Information

In fact, much information provided the chief executive by his subordinates is either uninten-

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tionally or willfully and maliciously inaccurate. There are a number of reasons for this:

¶ No subordinate wishes to have his superiors learn of anything which *he* interprets to be actually or potentially discreditable to him. Hence, he consciously and intentionally endeavors to screen everything that is transmitted upward, filtering out those items of information which are potentially threatening.

¶ He learns what his superiors desire to hear. Hence, he becomes adept not only at avoiding the unpleasant, but also at "stressing the positive." Though the individual subordinate may consciously be entirely sincere and accountable, his personal anxieties, hostilities, aspirations, and system of beliefs and values almost inevitably shape and color his interpretation and acceptance of what he has learned and is expected to transmit.[1]

¶ Each subordinate is often desirous of impressing the top manager with the superiority of *his* contributions to the enterprise — and, by the same token, of the pitiful inadequacy of the contributions of his rivals in other divisions and departments of the company. *Special pleading* of this nature is often most seriously misleading. How can the chief executive know which protagonist is telling the truth? In most instances, he cannot be sure. If he depends solely upon his own judgment, he will probably be wrong at least as often as he is right.

¶ Another source of error arises from the fact that the position of chief executive is one for which there is often substantial competition and rivalry. Hence, the incumbent is not always surrounded and supported by allies and friends, despite his staff's frequent servility, obsequiousness, and dramatic protestations of loyalty. While most subordinates would hesitate to give their chief executive a final push into the abyss, many are not at all reluctant to sit by and let him stumble into it blindly.

¶ Finally, and from the viewpoint of upward communication of the greatest consequence, there is the inability of many chief executives to comprehend and accept valid information even when it is brought to their attention. No wonder top managers are seldom told "the whole truth and nothing but . . ." by their subordinates.

Resulting Errors

In effect, the typical chief executive is the prisoner of his position communications-wise. He is largely insulated from the everyday realities of the enterprise he leads. It is not surprising that under these conditions the top manager makes a number of costly, sometimes even fatal, errors. These principally appear as:

- The acceptance of misinformation concerning what is actually happening within the business on a day-to-day basis.
- The institution and perpetuation of ill-advised policies and practices.
- Loss of contact with and misinterpretation of customer, public, and employee attitudes toward the firm.
- Failure to have a reality-centered control on executive wishful thinking concerning the present state of the enterprise and its future outlook.

Downward Deficiencies

The foregoing failures are in no sense limited to upward communications. Many chief executives believe that their supervisory hierarchies — supplemented by printed material, such as the house organ, bulletin boards, letters to the employees' homes, and occasional addresses by company executives — suffice as channels to convey messages to company personnel. It is assumed, moreover, that as long as the message, whatever its content, is clear, concise, well illustrated, and dramatically presented, its reception will be satisfactory. This, unfortunately, is not always true. There is much more to communication than merely the cogent presentation of a message. If the communication is not understood, believed, and regarded as having a positive value for its recipients, it will fail in its mission. The overestimation of the effectiveness of the communication media employed is one of the greatest sources of managerial error in dealing with customers, personnel, and the public.

Feedback Missing

Chief executives repeatedly fail to recognize that for communication to be effective, it must be two-way: *there has to be feedback to ascertain the extent to which the message has actually been understood, believed, assimilated, and accepted.* This is a step few companies ever take (perhaps because they fear to learn how little of the message has actually been transmitted).

Thus, the chief executive frequently is in every sense isolated; he is not only denied access to valid information about what is trans-

[1] See my article, "Conflicts in Human Values," HBR May–June 1963, p. 130.

piring below him in his enterprise, but his facilities for communication downward (with other than a few of his immediate associates) are severely circumscribed. As a result, he is often forced to make major decisions on the basis of unreliable intra-company intelligence. Furthermore, his orders to those in the lower echelons may be distorted or even blocked at any supervisory level in between.

It is not surprising, in consequence, that even an able, experienced, and well-qualified chief executive not infrequently finds himself unable to cope with the problems such conditions create. This is especially true where the executive has been brought in from the outside and lacks immediate, personal knowledge of conditions. Under such circumstances, he is almost totally at the mercy of his subordinates in the area of communications.

Executive's Dilemma

Not only are many top executives unaware of what transpires within their organizations; they are even less well informed concerning the competence and potential of their key personnel. Ironically, many think they know their subordinates well, and may even have strong personal likes and dislikes for certain individuals. The difficulty here is that these attitudes are often simply the results of *impressions* which have little or no inherent validity.

Few, if any, businesses today have any genuinely reliable *measures* of the inherent competence and quality of performance of their top, middle, and first-line managements. (Particularly sensitive are research, development, and engineering groups.) Most merit rating programs are subject to some 16 sources of error (see EXHIBIT 1).

Much of the operating inefficiency and internecine strife that plague many firms arises in part from the top manager's failure to be properly apprised of what is actually taking place in the organization. Often he knows neither how well suited each member of top, middle, and first-line management is to his job assignment nor the nature and extent of the consequences of his subordinate's maladaption to his job where this exists.

Misplacement Tragedy

No greater tragedy can befall anyone than to be misplaced in his job, particularly if this means he is "over his head" in it. Under these circumstances, the likelihood of prompt and outright failure is great. Worse still is the living hell of uncertainty, anxiety, and indecisiveness which develops when he is not quite bad enough to fail, but not good enough to master his job. He is desperately uncomfortable, but he dare not quit. The consequences of the protracted tensions under which such a person exists are always bad. Not only do they affect his daily performance, but they may injure his

EXHIBIT 1. SOURCES OF ERROR COMMON IN MERIT RATING PROGRAMS

Most merit rating programs produce few findings, if any, of more than minimal validity. This is because they must be predicated largely on the personal judgments of supervisors or others familiar with an employee's work. The raters' assessments are subject to a minimum of 16 distinct sources of error. These are:

1. A willingness to rate subordinates who may be virtually unknown.
2. An unwillingness to take the time or make the effort to analyze subordinates thoroughly.
3. Differences in rater temperament — some are overfriendly, others are overcritical.
4. The "halo effect" — if the man is liked, he is seen as excelling in every trait; if disliked, as deficient in every trait.
5. The overweighting of recent occurrences, either favorable or unfavorable.
6. The "sunflower" effect — the need to give superiors information which will not embarrass the rater ("None of my men is less than 100% — I wouldn't keep him").
7. The need to second-guess superiors — to tell them what they want to hear.
8. The need to play politics — to use the ratings to curry subordinates' favor.
9. The reluctance to make adverse ratings for fear they might have to be discussed with the employee.
10. The use of ratings for an ulterior purpose — to justify giving or withholding raises or promotions.
11. The lack of uniform criteria or standards of performance from rater to rater.
12. Personal prejudice or bias on the part of the rater — "All Swedes are squareheads."
13. Extreme rater indecisiveness — the inability to make a categorical judgment.
14. Lack of analytical ability on the part of the rater — the inability to see causal relationships.
15. "Central tendency" — the reluctance of the rater to rate either high or low, the wish to stick to "good" or "average."
16. A proneness to wishful thinking — "Everyone is promotable, perhaps in five years."

health (lead to an ulcer, heart attack, or breakdown) or cause him to become an alcoholic and perhaps wreck his home life.

At best, job misplacement can lead to disappointment, frustration, and failure of the victim to realize his ultimate potential. At worst, it may literally kill him.

Unfortunately, much job placement can be compared to Procrustes' bed. In this legend, you may recall, if the occupant was too tall to fit the bed, they cut off his head and feet; if too short, they put him on the rack to stretch him out. Nowadays, if the incumbent does not fit the job assigned to him, he is trained, counseled, and admonished to develop the desired skills, traits, and attributes. It is assumed, perhaps naively, that he can be reshaped to meet the requirements of his job.

While this process is sometimes successful, there are many occasions when it is not. The "rehabilitating" process may even do irreparable emotional damage. The current fad for "sensitivity training" is a case in point. Some subjects of this training have had to have psychiatric treatment to repair its ravages. More frequently, the "counseling" or training has no effect at all. In consequence, the individual is placed in a position for which he has few or even the wrong qualifications. Many of the job failures, nervous breakdowns, and "battles with the bottle" almost certainly have their causes in vocational misplacement and subsequent mishandling by well-intentioned but often unqualified personnel people. With the information now made available through the appraisal program described in this article, remedial steps can be taken.

Loyalty Code

Every enterprise has its quota of misplaced, often "problem," personnel, many of whom are not only maladapted but maladjusted. The only reason that their presence is not more glaringly evident to the chief executive is that nearly everyone in this group, and to a lesser extent throughout the rest of the company, participates in a massive, informal conspiracy of silence to conceal conditions from the supervisor responsible for correcting them. Under these circumstances, an unwritten code of loyalty within the group prevails. The common need to preserve the status quo, with the security this implies, unites even otherwise dissident factions. According to the code:

- No one initiates trouble in his department or unit — makes complaints to top management, asks embarrassing questions, or otherwise "rocks the boat."

- No one reports the inadequacies or derelictions of anyone else in the unit, even though that person may be flagrantly incompetent, obviously an alcoholic, or openly dishonest.

- "Troublemakers" (i.e., those who will not join the group's conspiracy) are, when possible, transferred out of the unit, given unpleasant assignments, or made so uncomfortable socially that they leave voluntarily.

- The chief executive and those closest to him (the "they" encountered in most employee ideologies) are often regarded as common enemies to be deceived, misled, and bamboozled in every way possible short of threatening the job security of the participants in the conspiracy. This not only makes for group solidarity, but also gives the subordinates a goal toward which to strive: the embarrassment or frustration of their supervisors. Generally, the participants use the age-old technique of "passive resistance" — the order is accepted deferentially, but then nothing happens.

Labor Trouble

Many of the effects of inadequate communication are self-evident. If the company's top manager is unaware of what is happening in the lower echelons or has been deliberately misled, is unable to communicate effectively with his subordinates, or must work through and with a staff of whose competence and true level of performance he knows little, it is to be assumed that he will be operating under a severe handicap. Such a situation can hardly be prevented from having an adverse effect on overall morale, productivity, and, ultimately, profits.

Less clearly evident, however, is the fact that *failures of communication, in conjunction with weak and incompetent first-line supervision, are the prime cause of much chronic, intractable labor trouble.* This accounts for the phenomenon of the employer who has excellent working conditions, pays premium wages, and offers exceptional fringe benefits, yet has continual labor unrest.

Because of vertical communications failures, incredibly bad conditions are often permitted by the top manager to exist for long periods of time. Consider this glaring example:

A manufacturing plant employed women to assemble casters. The women worked on a moving

assembly line, while the components they used were stored in metal containers which rested on the floor beside them. Their complaint of several years' standing was that rats nested in the containers and bit their fingers when they reached in to obtain the component parts. Yet top management was never told.

This kind of phenomenon becomes of even greater significance in the light of the contributions of first- and second-line supervision to workers' distrust of — and hostility toward — company leadership. To most hourly rated employees, *the foreman is management:* the attitude toward him reflects the attitude toward the company as a whole.

Diminishing Competence

Just because its workings are usually concealed by inadequate communications, and so its effects are not recognized, many businesses are, to a greater or lesser extent, victims of what I call McMurry's Law of Diminishing Competence. It postulates that in any supervisory hierarchy *weakness begets greater weakness.* By this I mean that if a supervisor is weak (overly passive, dependent, submissive, or indecisive), his subordinates will tend to be even weaker. In other words, such an anxious individual cannot tolerate as a subordinate anyone who is as strong or stronger than he. Furthermore, this phenomenon tends to repeat itself at each level down the supervisory hierarchy.

Ingrown Inepitude. If the organization is a "tall" one (i.e., has many intermediate supervisory levels), and the chief executive is weak and uncertain, his inadequacies will be multiplied and elaborated at each supervisory echelon. The outcome may be, and often is, unbelievable incompetence and ineptitude in the lower levels of supervision. Since weak supervision is, on the one hand, the prime source of poor employee morale, because it is never supportive and is often both erratic and punitive, numerous organizations harbor built-in guarantees of continuing labor unrest. On the other hand, many of these passive and weak individuals are intelligent, knowledgeable, and consummate company politicians. Hence, they are highly skilled at concealing or rationalizing their shortcomings and preventing them from being revealed to their supervisors.

Concretized Cliques. When the supervisory hierarchy has a substantial infusion of weak incompetents, self-perpetuating cliques tend to be formed. Such persons habitually staff their departments in their own images. Strength of character and superior competence are regarded by such supervisors as contraindications for acceptance. In consequence, where promotions take place largely from within — as is the practice in many companies — little control is exercised over the influence of the Law of Diminishing Competence. Not only does management as a whole come to be ingrown and blindly conforming, but strong, decisive managerial candidates are actively excluded from acceptance and promotion.

Atrophied Attitudes. The result, over the years, is the formation of a rigid and sterile bureaucracy such as is typical of government agencies. Many of the more competent, decisive, and aggressive individuals, being denied advancement up the management ladder, leave or become union officers. Nevertheless, so completely is even strong top management often isolated from the reality of what is taking place in the organization that it is practically never aware of the steady deterioration of morale and efficiency.

Allegiance to Strength

The qualifications of first- and second-line supervision are important from another point of view in the determination of the character of labor relations. This is true because of the operation of a second phenomenon, which I call McMurry's Law of Allegiance to Strength. In effect, this postulates that where two agencies — for example, the company acting through the foreman and the union acting through the steward or business agent — are competing for employee allegiance and loyalty, the one with the strongest, most aggressive, and decisive representative will nearly always win out. This is due to a simple truism: the stronger and more aggressive of the two will, if all other factors are even, be able to accomplish more for his followers than his less dynamic counterpart. Solely on the ground of self-interest, most employees will give their allegiance to the leader who can demonstrably win the most for them.

Self-Reliant Supervision. Hence, the winning of employee allegiance by the chief executive is less a matter of providing benefits and recreational and feeding facilities than it is of

instituting strong, competent supervision. In this connection, it must be warned that the supervisor chosen must be *innately* strong and self-reliant — *these qualities cannot be inculcated by admonition or training.* The supervisor either has them or he does not. If he has them, they can be enhanced by training him in the skills of dealing with people; if the person does not have them, he should not be in a supervisory position. Since few executives have any valid measures for assessing their supervisors' attributes, in practice few have any means of knowing to what extent their supervisors are actually qualified for the positions they hold. Oddly enough, weakness in management shows itself very clearly to those who recognize the overt signs (see EXHIBIT II).

Major Remedies

But this dilemma of the chief executive is not insoluble. There are three essential things which the astute chief executive can, and *must,* do if he is to establish clear, comprehensive, and valid channels of communication with his people at all levels.

(1) *He should recognize the primary dangers to good communication, if he is to improve his "intelligence" in the military sense.*

(2) *He should systematically and comprehensively inventory every member of his management and supervisory staff.*

(3) *He should periodically conduct an employee poll or morale survey which will provide him with a comprehensive overview of the human realities of his organization.*

Recognizing Dangers

The establishment of clear channels of communication throughout all levels of the organization hinges on the chief executive's recognition of these primary dangers:

- The tendency on his own part to perceive only "what he wants to see."
- The faulty medium of his supervisory hierarchy for both upward and downward communication.
- The inadequacy of most current supervisor and executive appraisal programs.
- The fallacious standards used in selecting candidates for promotion.
- The limited facilities for employee grievance drainage because of fear of supervisors and distrust of the personnel department.
- The possibility of chronic and legitimate employee dissatisfaction caused by company conditions, policies, and practices.
- The weaknesses of many supervisors, including some who are highly rated by upper management, which deteriorate morale, efficiency, and productivity.
- The risk of employee misunderstanding, disbelief, or refusal to accept a factual statement of company policies and the reasons behind them.

The Employee Handbook

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The employee handbook in recent years has become management's most widely used written medium for downward communication. The preparation of the employee handbook has taken on new dimensions. Careful analysis of the need and evaluation of the objectives of the organization is essential in order to produce an effective employee manual. Dr. Jones here details the proper planning and preparation of a manual. While the handbook is not the total answer, it plays an important part in developing rapport between employer and employee.

THE multitude of variables to be considered by individual companies and organizations in preparing an employee handbook precludes the possibility that any two will be identical in scope and content. The sheer size of many corporations, with varying regulations for different locations, further complicates the process of determining what should and must be included. General Motors, for example, produces separate handbooks for each of its divisions, specifically tailored to meet local requirements. And Chrysler Corporation issues some twenty separate booklets for its approximately 135,000 employees.

There are, however, certain kinds of information common to all forms of employment. Company policies, wages, vacations, promotions, benefits, military service, etc., form a solid base on which the handbook can be built. It should, of course, reflect the philosophy of the organization and its general policies and methods of operation, but no attempt should be made to spell out in detail responses to every conceivable contingency. Such an approach will only result in a mass of information rarely used by the majority of employees and of little interest to them. This last point is important, since the handbook's purpose is

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to serve as an integral part of the company's communication media. To fulfill this purpose, it must be read.

Company policies, wages, vacations, promotions, benefits, military service, etc. form a base on which the handbook can be built.

Handbooks which are properly planned and prepared will contribute significantly to the orderliness of organizational purposes by clearly setting forth the dimensions of employee-management responsibility. They should not be viewed solely as a means of propagandizing the company's attitudes, but rather as a valuable tool for explaining company objectives and documenting the reciprocity of employer-employee relationships.

If, then, we view the handbook as a communication tool, our first concern must be the purpose and use of the publication from both management's and the employee's point of view. This raises the question of who should have the responsibility of preparation. Any organization which delegates this responsibility to persons unfamiliar with the objectives can only achieve unsatisfactory results. Therefore, the selection of a person or persons with an understanding of management policy and an awareness of employee needs is the first step to be taken. Whether this happens to be a member of the editorial staff, if one exists, or someone from personnel or public relations is of little importance. Resource talent can be drawn from various areas provided the above criteria are met.

WHEN IS A HANDBOOK NECESSARY?

As a rule, any firm with more than 100 employees will find it advantageous to issue a handbook, Again, this should be done only after a careful review of its proposed uses and objectives. Perhaps the best way to begin such an evaluation is with a checklist of items designed to show which factors are most critical for the particular firm. The following checklist is not intended to be all encompassing, but representative of the kinds of question that should be asked.

EMPLOYEE HANDBOOK CHECKLIST

1. What are the major reasons for having a handbook, what ends should it serve? (Must be clearly spelled out *prior* to beginning handbook preparation.)
2. What picture of the company do we want to portray in terms of history, products, affiliations, etc? (How do we see ourselves?)
3. Who will have initial and final responsibility for the over-all preparation and approve the handbook's contents? (Editorial department, public relations, personnel, outside agency, or other unit.)
4. Will the handbook complement other communication media? (How are they interrelated?)
5. What are the areas to be covered and how can they best be presented (order of material, etc.)
   A. Welcome and Introduction
   B. History and Products
   C. Policy and Organization
   D. Employment Practices
   E. Compensation Program
   F. Employee Services
   G. Employee Benefits
   H. Working Conditions
   I. Union Representation
6. Will it be necessary to prepare more than one handbook? (For example, one for professional and administrative personnel; another for clerical and factory.)
7. How do we ensure readability and employee interest? (Psychological impact and appropriate written communications techniques.)
8. What legal implications and restrictions should we consider? (Labor contract specifications and requirements.)
9. How do we avoid frequent and early outdating of material. (Should the handbook be prepared to accommodate inserts?)

10. Are there special budget considerations and limitations? (How far can we go?)

As a rule any firm with more than 100 employees will find it advantageous to issue a handbook.

Management Information Center, Inc., analyzed the stated objectives of some 65 companies in terms of what they felt were the real purposes of employee handbooks.[1] As a result of this analysis, it was concluded that the following were the five prime categories which accounted for over 90 per cent of the companies' objectives.

A. To reach an understanding between employer and employee.
B. To communicate as accurately as possible the company philosophy.
C. To give the new employee a feeling of belonging.
D. To improve both employee and community relations.
E. To keep both management and the employees aware of their responsibilities.

Yoder,[2] has pointed out that handbooks provide a summary of information with respect to employment policy, benefits, and services, work rules, and background information about the employer. In accomplishing this, the handbook is the most widely used written medium for downward communication in the organization.

Its importance has been stressed repeatedly by many authors concerned with personnel management and communications. The company must instil in employees an image of a viable, ongoing concern which is sensitive to human beings' needs, yet conscious of its obligations to succeed. Without this, chances of developing optimum human relationships are severely curtailed.

The handbook is certainly not the total answer, but it plays an important part in developing this rapport between employer and employee. It is one thing to set down rules and regulations; it is quite another to do so in such a way as to secure involvement of all organizational personnel in supporting and accepting them.

Every organization has specific objectives and purposes it hopes to accomplish. Sometimes these are in the form of well documented, written guidelines; in other instances, they may be simply unwritten methods of operation. The latter situation introduces a host of problems when actions are taken arbitrarily or contrary to established precedent. To avoid such situations the company should make clear its position on matters affecting employees, both from an internal and external standpoint. The handbook is the ideal medium for getting this message across.

It is important to establish early the distinction between policies, procedures, work rules and practices. Bambrick[3] has pointed out that a failure to do so can result in confusion and misunderstanding at all levels within the organization. He further provides some workable definitions of the three P's, policies, procedures and practices.

Policies are statements of the organization's over-all purpose and its objectives in the various areas with which its operations are concerned—personnel, finance, production, marketing, and so on. In a corporation these broad objectives are usually laid down by the board of directors. In a union, university, hospital, or nonprofit organization, they are set up by an executive board or the trustees. Policies defining the organization's objectives are established on the initiative and with the advice and concurrence of the organization's chief executive.

Procedures are the methods whereby the organization is to achieve its stated objectives. They are usually set up by high-level managers and carried out by first-line supervisors.

Practices are what is actually done in the organization—and what rank-and-file employees do depends almost entirely on the caliber of their immediate superiors.

Add to these three the area of work rules which can be defined as certain minimum standards of conduct or performance which serve as control devices within the organization, and the distinctions become apparent.

Some will recognize a certain amount of overlap and difficulty in making such clearcut distinctions. The fact remains, however, that until an organization clearly comprehends such differences, little significant progress can be made toward outlining a company's position. Also, some organizations, because of circumstances peculiar to their firm, may prefer to operate in a nebulous manner in one or more areas.

Bambrick further elaborates on the seven essential criteria he feels policy statements must meet. Without these, he continues, you can never really recognize statements of policy. The following are his criteria for a policy statement.

1. It must be an expression of belief or intent—the underlying principles governing what the organization does or hopes to do.
2. It must be stated in the broadest possible terms.
3. It must be long-range.
4. It must be developed through the active participation of top management.
5. It must have the approval of the organization's highest authority.
6. It must be inviolate.
7. It must be stated in writing.

As to the last criterion, progressive firms have long known the logic and soundness of this proposition. (For further exploration of the validity of this concept, see "Written Policies Help Nine Ways" in Nation's Business, December 1959.)

Towle, Schoen and Hilgert[4] have stressed the importance of policy statements both to the employer and employee.

> Statements of personnel policy serve several important purposes to a business organization. First, policies reflect the values, beliefs, and sentiments of the organization and of the people who direct it. As such, they provide members with guidelines which indicate how they are expected to behave in an organization and how others are expected to behave towards them.
>
> Secondly, policies enable managers to make decisions more readily than would be the case if each new situation had to be treated as novel.
>
> Third, statements of policy serve to explain the business organization to the larger community. Companies usually disseminate policy statements to outsiders, such as public officials, businessmen, clergymen, teachers, and other community leaders. While many people look upon such dissemination as corporate "window dressing," the editors consider these policy statements essential to the survival of the organization. Through written statements of policy, the business organization is able to explain and justify itself to the larger community of which it is a part and with whose values it must be in compliance. Businessmen feel especially vulnerable to attacks from the community; hence, they utilize the publication of policies as one means for indicating to the community that company values are consistent with those of the community. Thus, policy statements reflect the business organization subculture which must be basically in tune with the broader culture of which it is a part.

The company must instil in employees an image of a viable, ongoing concern which is sensitive to human beings' needs.

Companies can approach the matter of making a policy statement in many ways. Here is how one firm has treated the subject.

Example I

THE MONSANTO COMPANY
A Statement of Personnel Policy

In the belief that a company, like an individual, must live by a set of principles, we hereby dedicate ourselves . . .

In our Relations with Our Personnel . . .

Through the conduct of our business, its public relations and its advertising, to stand pre-eminent in the eyes of all people of all nations as a desirable company for which to work. Also to:

...select employees of highest ability and good character without regard to race, creed, color, national origin or political preference. The determining factors in hiring employees are the requirements of the specific job and the qualifications of the individual.

...place employees in positions which will utilize their talents to best advantage, preserving the individuality, dignity and creativity of each and affording them commensurate opportunity and compensation.

...recognize and develop personnel resources within the company and maintain programs which will insure the successful future management of the company.

...define functions and relationships clearly but not so literally as to hamper initiative, action and growth.

...promote from within, but favor a small amount of infiltration from the outside to avoid inbreeding.

...carry on all employee relations in good faith.

...maintain an anti-nepotism policy in employment practices.

...provide an opportunity for individuals to achieve eminent stature and high level monetary rewards through the technical or staff specialist route as well as the administrative route.

...maintain the most beneficial balance between the importance and well-being of the individual and our responsibilities to customers and shareowners.

...maintain those company practices and policies which will effectively insure the safety of our employees and communities in which we operate.

"Policies reflect the values, beliefs, and sentiments of the organization and of the people who direct it."

Preceding, or sometimes supplementing policy statements, are letters of welcome from company officials or general introductory remarks to acquaint employees with the organization. Again, these will vary in content and style as they generally set the stage for material that follows. A good example of such an introductory statement is:

Welcome

To The Georgia Power Company

This booklet has been prepared especially for you. It is designed to give you a better understanding of your work, your benefits and your opportunities as an employee of Georgia Power Company. Though intended primarily for new employees, it will serve as a reference booklet for all employees on Company policies, services, organization and other matters of interest.

One of the purposes of this booklet is to familiarize you with your Company, its services and its products, in order that you can become the type of employee who will be an asset to the Company. Remember, as an individual, you can do much to either build up or tear down the Company's image by your day-to-day conduct.

You can learn much about your Company from this introductory booklet; but, of course, it is not possible to include all the information you may desire. If there is anything included you do not understand, or if you want more information, don't hesitate to ask your immediate supervisor. He'll be glad to answer any questions.

Following the determination of the handbook's objectives, benefits and content, one can logically proceed to the mechanics of preparation, as well as certain legal aspects of material included.

PRESENTATION OF MATERIAL

Certain criteria enter into the determination of how selected material is presented. Among items to be covered would be the specific use of illustrations, methods of indexing, table of contents, paper, printing format, size, and sources for additional ideas.

READABILITY

Sometimes overlooked in the preparation of handbooks is an analysis of the language and composition of materials in terms of its comprehension by a specific audience. Ways to increase reader interest in materials presented, as well as the skill necessary to write for a particular audience, are essential to good handbook preparation. Handbooks often miss the mark simply because of a low readability level.

Is it necessary to produce separate handbooks for engineers, scientists and managers, as well as for production or office employees?

MULTIPLE HANDBOOKS

Is it necessary to produce separate handbooks for engineers, scientists and managers, as well as for production or office employees? Special emphasis needs to be given this aspect because of the changing nature of the work force. Can handbooks be designed to serve the needs of the organization and its employees without resorting to the increased costs and difficulties associated with preparing several manuals? What reactions might be expected from organization personnel when more than one handbook is used? These are questions that must be answered before final preparation.

LEGAL IMPLICATIONS AND RESTRICTIONS

Particularly in those companies where union agreements are of major concern, care must be taken to avoid establishing precedents which could later prove damaging. There are certain ways of treating such material, and consideration must also be given to perhaps including this data in other publications, e.g., wage-benefit publications. This area becomes of increasing concern where a parent organization may have to negotiate with more than one union. In such circumstances, working conditions and practices may vary even within a single plant location. Handbook writers must be fully aware of these constraints.

The preparation of the employee handbook has taken on new dimensions in recent years. Without careful analysis of the need and evaluation of the objectives, it is doubtful that an effective employee manual can be produced.

References

1 See *How To Prepare an Employee Handbook*, Management Information Center, Inc., Miami, Florida, pp. 13, 14.

2 Dale Yoder, *Personnel Management and Industrial Relations* (Fifth Edition), Prentice-Hall, Inc., 1965, p. 570.

3 James J. Bambrick, "Developing Workable Personnel Policies," The Personnel Man and His Job, American Management Association, 1962.

4 Towle, Schoen and Hilgert, *Problems & Policies in Personnel Management*. Houghton Mifflin Company, 1965. p. 326.

Application to health, social welfare, and family planning

Health, social welfare, and family planning organizations are plagued with poor communication. Because many of them are not well organized, the channels along which communications should flow are not well specified. Also, there are many power struggles, interpersonal conflicts, incompatible cliques, and rivalries. Because the executives of many of these organizations are highly authoritarian, the importance of full and accurate communication is not appreciated. Top management especially tends to receive only biased information which subordinates think will please their chief; intelligence about errors and deficiencies is suppressed. The isolation from reality of the chief executive trapped by lack of communication, cited in the third reading, describes accurately the plight of the top management of many if not most health, social welfare, and family planning programs today. Breaking out of this trap requires a complete re-education of the executive officers themselves, other levels of management, and the rank and file workers. One important teacher in this re-education should be the personnel officer. Both by policy and by example he should promote the flow of information and take special action to open up channels that are clogged because of bad personnel situations. As the second reading suggests, staff officials (such as personnel officers) are able to play a large role in promoting better communication within management. The first and fourth readings reproduced in this chapter give some excellent suggestions for promoting upward as well as downward and lateral communication.

Questions for discussion and exercises

1. Study the organization chart of a health, social welfare, or family planning organization. Then try to determine the paths by which decisions from the chief executive are passed throughout the organization. How closely are the flow lines of the organization chart obeyed?

2. Study the upward or "feedback" flow of information within a health, social welfare, or family planning system. This may take the form of written or verbal reports by subordinates to their superiors, records that are kept and tabulated, etc. What happens to these reports? Are they accurate? Who reads them? Do they contain recommendations? What action is taken on them?

3. Discuss the applicability of the procedures recommended in the "Responding to the Employee Voice" article. Which of these do you think are practical and which impractical for the health, social welfare, or family planning organization in your country?

4. One of the important types of communication not discussed here is the diffusion of research findings that evaluate the performance of the health, social welfare, or family planning program. What stake does the personnel officer have in supporting such research and using its results in his work?

Chapter Nine

SUPERVISION OF EMPLOYEES

Supervisors stand on the lower levels of authority in the managerial hierarchy. Their job is to oversee the work of groups of workers who actually perform the labor which is the objective of the whole organization. They therefore are the "cutting edge" of management; they translate into action the organizational plans and policies which, until they reach the supervision level, are only spoken or written words. Each supervisor is held responsible for getting the quantity of work done that is expected—and at the level of quality that is prescribed. While doing so he is expected to resolve the problems that arise during the course of the work and to anticipate any future problems. It is his job to understand the needs both of the organization and of the workers. On the one hand, he must accept the rules, specifications, and policies which are passed down to him from higher levels of authority and see that they are carried out. On the other hand, he must induce an attitude of cooperation and compliance in the workers and maintain a "climate" which will result in high worker morale and in the work getting done correctly and punctually.

The typical supervisor spends between 30 and 50 percent of his time talking with his subordinates. The balance of his time is spent talking with other supervisors on his own level, talking with superiors, preparing reports, inspecting work, making plans for future work, or in other activities which he may be assigned. The problems that arise to slow down or impede the accomplishments of his unit typically do not deal with equipment or technical matters, but with human beings. Here is a partial list of the human relations tasks supervisors usually are expected to perform:

Train new workers and orient them to company policies and regulations

Plan and schedule the work of individual workers and that of the group as a whole

Observe the work of individuals, note any deterioration in their performance, ascertain the reasons, and take appropriate corrective action
Keep workers informed of new developments and of changes in company policy that will affect them
Adjust grievances concerning the company, working assignments, or working conditions
Maintain high morale among the workers
Resolve differences which may arise between workers, if this affects productivity
Arrange for the correction of errors in compensation or other mistakes that are detrimental to the workers
Change the work assignments of individual workers in order to meet changing needs, varying work conditions, and differing abilities of workers
Inspect for both quantity and quality the work that is produced, identify any sources of deficiency, and take corrective action
Maintain discipline
Control attendance to minimize absence and tardiness
Counteract false rumors
Show a sincere interest in individual employees
Report to superiors conditions that may significantly affect the organization's performance
Develop ideas for improving production, reducing costs, reducing errors
"Feed back" to higher levels of management a continuous flow of information (both favorable and unfavorable) that will be useful in maintaining the organization's productivity
Make recommendations concerning (or actually perform) hiring, promotion, transfer, or firing of employees
Coordinate the work of his unit with the work of other units
Take appropriate action in times of crisis—accidents, fire, etc.
Maintain security of the product, equipment, and records from theft, loss, or breakage

This list makes it clear that the supervisor is himself a junior personnel manager, and that the proper conduct of his job requires a substantial amount of skill in human relations. To his workers he must be a leader; to his fellow supervisors he must be a colleague; to his superiors he must be a follower; to his new employees he must be a teacher; for his own survival and advancement he must be a thinker—able to organize, plan, and innovate. He must have the technical skills to qualify him as an expert in the work he supervises; he must have the conceptual skills to modify his work arrangements to adjust to even small changes in the work situation; he must have the interpersonal skills to motivate his workers and maintain their respect and acceptance of him as their supervisor.

Because the work of supervisors requires these interpersonal skills, it is im-

portant that they acquire considerable knowledge of personnel management. This is rendered doubly significant by two additional facts:

(a) Because supervisors are in direct and daily contact with workers, it is from supervisors that personnel managers must get most of their management-oriented facts. It is the supervisor to whom the personnel manager must turn to get his programs executed. The more the supervisors know about personnel management, the better the information they will transmit and the more comprehendingly they will carry out personnel policies.

(b) Because supervisors lie at the base of the power pyramid, they are more numerous by far than any other group of managers. If a company is to have a "theory Y" as opposed to a "theory X" approach to personnel management, as outlined in the early chapters of this volume, the supervisors will be of critical importance in its success or failure. Because they have direct contact with workers and because of their numerical superiority, they must be "sold" on a personnel policy before it can be executed. Supervisors are able to sabotage the best of plans by passive resistance, or even by incompetence if they are untrained to carry out their critical role in activating them.

Personnel managers and supervisors, therefore, share many common interests and problems, and must be specialists in many of the same skills.

Because of the great overlap between the principles of personnel management and the skills which an effective supervisor should possess, the readings selected for this chapter focus on the more specialized functions of supervision:

(a) Leadership
(b) Delegation of authority
(c) Correcting and disciplining workers for poor performance.

The Art of Leadership

Lester R. Bittel

What is leadership?

Everyone will give you a different answer to this one. My definition is this: *Leadership is the knack of getting other people to follow you and to do willingly the things you want them to do.* Regardless of all the fancy talk you'll hear about leadership, this definition pinpoints the real reason for the high premium on this scarce skill.

Are leaders always popular with the people they supervise?

The best leaders seem to combine the knack of leading and the knack of winning friends. But most leaders must be satisfied with respect and followers. Why? Because many of the decisions you must make as a leader will not always favor everybody. Sometimes they will please nobody. Chances are you won't win any popularity contests among employees.

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Why should you want to become a leader?

The job of a leader is an unbelievably tough one. But the rewards are high. You'll find them in increased prestige and status among the people with whom you work, among your friends, and in your community. And to many a leader, the heady exhilaration of making decisions that prove to be correct is reward enough. To others, it's mainly a sense of mission. To still others, it's the satisfaction that power brings. In industry, you can have all these in varying degrees. You may even have more money—since leadership is a quality that business traditionally pays a high price for.

Are good leaders born or made?

Marshal Foch, famous World War I leader, said of leadership, "These are natural gifts in a man of genius, in a born general; in the average man, such advantages may be secured by work and reflection." Foch's statement pretty much reflects the consensus: Some men are born leaders, but *most* leaders are good leaders because they have worked hard and thought hard to become so.

What are the ingredients for good leadership?

In a nutshell, men who prove to be successful leaders are characterized by such qualities as:

A SENSE OF MISSION A belief in your own ability to lead, a love for the work of leadership itself, and a devotion to the people and the organization you serve.

SELF-DENIAL This essential of leadership is often played down. It means a willingness to forgo self-indulgences (like blowing your top). And the ability to bear the headaches the job entails.

HIGH CHARACTER Few men become successful leaders who aren't honest with themselves and with others, who can't face hard facts and unpleasant situations with courage, who fear criticism or their own mistakes, who are insincere or undependable.

JOB COMPETENCE There's been too much talk about the insignificance of technical job skill to the foreman. A man who knows the job he supervises has one of the best foundations for building good leadership.

GOOD JUDGMENT Common sense, the ability to recognize the important from the unimportant, tact, the wisdom to look into the future and plan for it are the added ingredients that make the best leaders.

ENERGY Leadership at any level means rising early and working late. It

leaves little time for relaxation or escape from problems. Good health, good nerves, boundless energy makes this tough job easier.

Is there only one way to lead people?

Here's where a lot of us have been fooled. Take this situation. Joe Smith supervises three material handlers. Each has become an absentee problem. Listen to how he deals with each person:

To Al: "It's time you get on the ball. I want to see you in here five days a week every week from now on. Otherwise, I'll put you up for discharge."

To Sid: "Your absences are getting to be a headache for me and the rest of us here. You'll have to see that your attendance improves. Let's you and I work out a way to lick this problem."

To Terry: "Take a look at your absence record. Not so hot, is it? I'll leave it up to you to figure out some way to straighten it out."

Which method do you suppose works best? *Answer:* All get good results. Al, Sid, and Terry are no longer attendance problems. The reason? There are three basic kinds of leadership—because there are three basic kinds of people. To be a successful leader, you need to be able to master all three techniques.

What are the three kinds of leadership called?

AUTOCRATIC LEADERSHIP (the type used with Al in the last question) Many people feel this technique is old-fashioned, but it works with many people. The leader makes the decisions, demands obedience from the people he supervises. Trouble is that he better be right.

DEMOCRATIC LEADERSHIP (the type used with Sid) Most popular today. The leader discusses and consults. Draws ideas from the people he supervises, lets them help set policy. Makes for participation, strong teamwork.

FREE-REIN LEADERSHIP (the type used with Terry) Most difficult to use. Leader acts as an information center and exercises minimum of control. He depends upon employees' sense of responsibility and good judgment to get things done.

Which kind of leadership is best?

Most psychologists and sociologists will tell you that democratic leadership is the best method to use. Fact is that while the democratic way may involve the least risk, you'll hamper your leadership role if you stick only to that

one. You *can* play a round of golf with a driver. But you'll get a much better score if you use a niblick in a sand trap and a putter on the greens.

Suppose you have a problem of cutting down on scrap in your department. You may find it better to consult in a group meeting with all your workers to let them decide how they'll approach the problem (democratic leadership); then let the inspector know of what you plan, leaving it up to him to adjust his inspection techniques accordingly (free-rein); and merely tell the scrap collector how you want him to sort out the waste (autocratic). You see, you'd be using all three kinds of leadership to deal with the same problem.

Should a leader ever pull his rank?

Authority is *earned,* not inherited as a result of a man's being made a supervisor. In the long run, employees will learn to respect and accept your authority without your having to pull rank on them. To a new supervisor, the wish to pull rank may be a temptation. Resist if you can.

Of course, a particularly sticky situation may arise where an employee refuses to do what you tell him to. In such a case, don't make the mistake of voicing the opinion, "I'm boss around here and what I say goes." Instead, make your demands quietly and firmly. Otherwise, you may make a spectacle of yourself that will take a long time to live down.

How much does personality have to do with leadership?

A good personality helps. Employees react more easily to a supervisor who has a ready smile and who is warm and outgoing. But personality must be more than skin-deep to stand up over the long haul. Much more important is your real desire to understand and sympathize with the people who work for you. Fair play, interest in others, good decisions, and character will help make you a stronger leader than if you rely solely on personality.

Likewise, one kind of leadership may fit your personality better than the other two. And you may rely more upon this kind of leadership than on the others. But work hard to keep from putting all your eggs in the same basket.

What does an employee's personality have to do with the kind of leadership you exercise?

Noted author Auren Uris advises that you'll find these connections between leadership methods and types of personality:

The *aggressive, hostile* type of person does better under an *autocratic*

leader. His latent hostility must be firmly channeled to confine his work to constructive ends.

- The *aggressive, cooperative* type will work better under *democratic* or *free-rein* leadership. His self-assertiveness takes constructive paths, so that he will head in the right direction when he's on his own.
- The *insecure* type, the man who tends to be dependent on his superior, does better under the firmer hand of the *autocratic* leader.
- The *individualist*, the solo player, is usually most productive under the *free-rein* type of leadership—*if he knows his job*.

What kind of leadership works best in an emergency?

Autocratic leadership is fast. When an emergency arises—say, a live-steam hose breaks loose, is whipping about endangering lives—you wouldn't want to pussyfoot around consulting employees as to what to do. You'd probably shout, "Hey, Smitty, cut the steam valve! Carl, watch the safety!"

Followership? Is that the reverse of leadership?

Not exactly. A good leader must also be a good follower. You may lead your work group, but you follow the leadership of your superior. He, too, may lead seven or eight foremen. But he follows the man who supervises him. And so on. So don't overlook the need to learn how to follow as well as to lead.

Can you tell what kind of a follower you are?

If you can decide what kind of leadership you find most easy to assume, it's a good guess that's the kind of follower you are. In other words, if you exercise authority autocratically, you probably react best to a boss who is decisive. On the other hand, if you tend to give your employees a free rein, you probably put out best for a boss who does likewise.

The root of many of the difficulties between a supervisor who is a successful leader and his boss is that frequently the supervisor expects identical treatment himself. When he doesn't get it, he says, "I can't get along with my boss." What he really means is, "I haven't learned to be as successful a follower as I am a leader."

How many mistakes can you make without being a failure?

The U.S. Weather Bureau, though often derided, is still in business, and it rates itself a success when it's right 85 percent of the time. If you've got

anything on the ball at all, chances are that most of your decisions will be good ones. So don't weaken your leadership by being afraid to commit yourself or by dodging an issue. Learn to reexamine the situation you bungle so that you don't make the same mistake again. Every company needs leaders who have ideas and believe in them, even if some are wrong. It can have little use for men who have no ideas or are too timid to act on them for fear of making mistakes.

Is modesty characteristic of leaders?

General Patton was one of America's most successful and dynamic leaders —and George Patton was not a modest man. Neither was his counterpart in the British Army, Field Marshal Montgomery. Both men were vain to a point. But this vanity was based on ability and confidence. Both used this outward show to inspire their followers. Yes, many leaders are far from modest. But *most* leaders tend to be modest—to be quick to let their associates and employers take credit for what the group has accomplished. Modesty becomes a man. And everyone admires him for it. Just look at the effectiveness and personal popularity of President Eisenhower—a truly humble man. He has received plenty of acclaim without blowing his own horn.

How does a leader win loyalty from his followers?

You win loyalty by being loyal to your employees—by supporting their best interests and defending their actions to others who would discredit them. "We may not have made a good showing this month," a supervisor who is loyal to his group will say, "but no one can say the boys weren't in there trying."

Loyalty is also inspired when you show employees your own loyalty to your superiors. For instance, if you have to pass along an order from your superior, you will breed only contempt among your subordinates if you say, "Here's the new operating instruction from the central office, Tom. I don't think any more of it than you do. But it was sent down from the top, so we'll have to try to make sense out of it, even if they don't know what they're doing."

Is good leadership simply good human relations?

You could say that. Because to be a good leader you must be a student of human nature. Not because you love everybody. Probably you don't. But

you must develop shrewd judgment in estimating people's intentions, knowledge, and interests. Even the roughest, toughest industrialists have been keen estimators of human capabilities and have been expert in getting the most from people who work for them.

How much knowledge do you need in order to handle people well?

There is much that can be done by each serious supervisor who wishes to improve his relationships with people. While the availability of scientific facts may be slight, the fault lies more with the individual than with the research effort. Anyone who takes the time, or makes the effort, can learn a lot about human behavior—his own as well as that of others. It will give him a feeling of humility, of course. But this humility need not destroy his confidence.

Leadership depends upon many things. Demonstrated technical ability to plan and coordinate plans wins many followers. Drive, courage, and persistence build a good foundation for leadership, too. People will respond to the supervisor who expresses confidence in them. People will lean toward the supervisor whose behavior is consistent. The supervisor who searches hard for the people-oriented facts when making decisions, who as a result creates the impression of trying to be fair, gets approval, if not accolades, from his subordinates. These are actions any supervisor can take without being a psychologist, sociologist, anthropologist, or parlor psychiatrist. However, these qualities should be considered only foundations for human relations skills and should not be confused with the skills themselves which involve many subtle techniques.

Employees expect so much from a supervisor. Must he be a superman?

The job of supervising is difficult, but don't expect too much from yourself —all at once, anyway. It's more important to know your own capabilities— and your limitations. Then work hard to round out your own personal inventory of skills. Try to avoid situations which call for skills you lack. But don't damage your leadership by trying to bluff.

You inspire confidence in your integrity when you say candidly, "Frankly, I don't know the answer to this problem. What are your views on it? Perhaps we better get hold of someone who really knows the subject." Of course, if you plead ignorance too often, either you must improve or you must ask for another assignment.

Today it's a sign of strength rather than weakness not to know all the answers. It's smart to solicit guidance from your associates and superiors.

Seeking advice from others is good human relations, too. It allows for participation, and it's flattering to those whose opinions are asked.

What is it that keeps employees from confiding in you?

One of the maddening aspects of supervision is that employees will frequently air their burdens to others in the work group (who often give them a wrong steer) when you might be able—and willing—to offer some real help. At the time of the famous Hawthorne experiments (see page 278), the researchers detected several recurring reasons for this. William J. Dickson and F. J. Roethlisberger * cited these nine reactions in particular:

1. If I ask him for help, will he think I am incompetent and not capable of holding down my job?
2. If I protest the action taken (such as transfer, downgrading, or failure to get an increase in pay) will it jeopardize my standing and chances of (*a*) remaining on the payroll or (*b*) prospects for the future?
3. If I talk to him, will he be annoyed by my taking up his time?
4. Can I talk to him without his putting the wrong interpretation on what I say? Will he think I'm being critical of him or the Company when all I'm trying to do is to give him the picture as I see it? Will he conclude from what I say that I'm a troublemaker and not a desirable employee?
5. How can I talk to him about my situation when he is partly responsible for bringing it about? He must have known how I'd feel when he took the action he did. If I ran into an argument I'd be beaten before I began.
6. How can I talk to him about my personal affairs?
   a. He is a busy man and has no time for such matters.
   b. Personal matters shouldn't be discussed on Company time anyway.
   c. If he knew the trouble I'm in, he would change his opinion of me.
   d. I don't want my personal life gossiped about up and down the line and become a part of the unwritten record.
7. He would probably think I'm looking for advice, and if I didn't follow through on it, he would conclude I didn't think much of it or of him.
8. He would probably feel compelled to take some action when all I want is for him to know the circumstances.
9. The fellows may think I'm toadying to the boss or maybe squealing on them.

What can you do to inspire more confidence in your subordinates?

Dickson and Roethlisberger suggest that if you wish to earn confidence in your leadership, you must be able to reply in the affirmative to a number of

* *Counselling in an Organization: A Sequel to the Hawthorne Researches,* Graduate School of Business Administration, Division of Research, Harvard University, Boston, 1966.

questions that are in the forefront of an employee's mind. Here are a half dozen toughies:

1 Can I influence my boss and some of his decisions?
2 Can he be trusted to represent my interests—with other employees, with other departments, and with his boss?
3 Is he willing to listen to what I have to say?
4 Has he any interest here except in production?
5 Will he go along with some of my foibles occasionally?
6 Does he recognize that he has to depend upon me just as I have to depend upon him?

Is there one single thing that's more important for a leader to do than anything else?

Yes. Lost in the shuffle of platitudes of what a leader should *be* is the reason for leadership in the first place—the need for opinions, decisions, and *action*. Employees won't respond to you as a person unless you can demonstrate to them your courage in stating your views on a problem, your decisiveness in determining what should be done, and finally your ability to get things moving.

Malcolm McNair, a noted authority on the psychology of human beings, puts it this way:

> To *look* is one thing,
> To *see* what you look at is another,
> To *understand* what you see is a third,
> To *learn* from what you understand is still something else,
> But to *act* on what you learn is all that really matters!

How much of a supervisor's job requires leadership?

Today's supervisor is a manager. A manager must first of all be a leader. But he does many other things too. The Methods Engineering Council Division of H. B. Maynard Company, Inc., Pittsburgh, breaks down the manager's job into eleven elements:

- Gather information needed to solve problems.
- Put together the information so that the problem makes sense.
- Plan for the goals to be reached by your group.
- Decide on the course of action to take.
- Organize your work group so that the right person is on the right job.
- Communicate your intentions, issue instructions, keep the group informed.

- Lead and motivate employees to desire to reach the group's goals.
- Direct, guide, and counsel employees through giving suggestions, additional instructions, and information.
- Measure, evaluate, and control by comparing results with what was planned.
- Develop people by proper training and encouragement.
- Look ahead for new areas of improvement, new ways of stimulating your work force.

You can see that some of the eleven elements require more personal leadership than others. That's why many companies provide staff specialists to help a supervisor on the more technical phases of his leadership—like gathering information (record keeping), putting together information (reporting and analyzing data), planning (setting up schedules), and measuring, evaluating, and controlling (auditing performance). But the very best leaders develop their supervisory skills to handle *all* phases of management.

Why is it that some leaders are more poised than others?

Probably because they regard themselves as professional managers and leaders. Even when things seem to be going to hell in a handbasket, watch how the seasoned leader appears cool and collected. For an immature manager, every day can become a series of crash programs. So begin being a professional by keeping calm at crisis time. Don't waste time blowing your valves. Accept the fact that crises are always bursting in on business. Use your time for study and analysis.

Try to act like the seasoned leader (even if you don't actually feel that way at first). He smiles when things get tough, thinks when problems get mountainous, accepts an occasional defeat as part of the game he's paid for playing. He doesn't get his exercise by jumping to conclusions.

Ask him how he's been able to survive twenty-five years of heavy production schedules, nagging labor problems, and supervision that begets ulcers. He'll answer, "If you can't stand the heat, get out of the kitchen."

Any other tips for leaders?

Advice for leaders is pretty free. There's lots of it lying about. And most of it makes sense for the man who can put it into practice. For instance:

BE PREDICTABLE People want to know where they stand with the boss—tomorrow as well as today. You might borrow a page from the books on child psychology. The experts have studied the maladjustments and the

frustrations of kids. They suggest one good rule for handling them: *Be consistent.* Praise a child for an act today and bawl him out for the same act tomorrow—bingo, tears. If he tries to help with the dishes, breaks one, and gets a scolding—watch out for tantrums. If you embarrass him in front of others, look out—he may paint the cat green just to make it look ridiculous, too. It's the same thing for adults.

PUT YOURSELF IN THE EMPLOYEE'S PLACE Maybe you recall the last time you were at a ball game. Did you find yourself leaning with every pitch—trying to put body English on foul balls? Do the same thing with people. This mental shift can become a regular and desirable habit. It will help you understand, predict, and direct the responses of people.

SHOW YOUR ENTHUSIASM If you sincerely like an idea, the way an employee did a job, your next assignment, show this feeling to others in words and manners. Don't be a cold fish. The personal atmosphere *you* create determines whether people will have the welcome mat out for you or give you the busy signal.

BE INTERESTED IN EMPLOYEES' WELFARE "Men want a foreman, supervisor, or manager whom they can trust in time of need, to whom they can go when they need advice about personal affairs," said Brehon Somervell, late president of the Koppers Company, Inc. "It is a good outfit, indeed, when the men say 'My boss told me what to do about it,' or 'You had better ask the boss, he will know.' "

TREAT EMPLOYEES EQUALLY Men and women insist on a leader having a sense of fair play. They want to feel they are being given assignments entirely upon their merits and that the boss won't play favorites. Not only is favoritism a sign of weak character, but it can also wreck an organization.

What is there to the group psychology approach to leadership?

As mentioned earlier, there is a large body of authorities on the subject of leadership who feel that success can be attained only through *group-centered* leadership. These authorities base their opinion upon psychological and sociological research studies which seem to show that employees as a whole —and especially taken as a work group—respond most favorably to democratic or free-rein leadership methods. In other words, a group-centered leader never bosses, makes few decisions himself, continually invites the work group to determine what should be done and how it should be done. (This approach is also called *group dynamics.* See Chapter 3.)

Much of this new psychology for leadership makes sense. But it should be approached with caution and used primarily in situations which favor it. It is best used when major changes are planned, when safety campaigns and cost-cutting or scrap-reduction goals are being set. Certainly you should

approach this technique gradually until you can note how different employees react to it and adjust your methods accordingly.

The Case of the New Supervisor. A case study in human relations involving leadership, with questions for you to answer.

Adam Force had just been appointed supervisor in a plant manufacturing knitted rayon underwear. Before his elevation to the management ranks, he had been a loom fixer for five years. His work on that job had consistently been of superior caliber.

Except for a little good-natured kidding, Adam's coworkers had wished him well on his new job. And for the first week or two most of them had been cooperative—even helpful—while Adam was adjusting to his supervisory role.

Late Friday afternoon of Adam's second week as a supervisor, a disturbing incident took place. Having just made the rounds of his department, Adam stopped in the men's washroom. There he saw two of his old buddies—Mick and Bob—washing up.

"Say fellows. You shouldn't be cleaning up this soon. It's at least another 15 minutes until quitting time," said Adam. "Get back on the floor and I'll forget I saw you in here."

"Come off it, Adam," said Mick. "You used to slip up here early yourself on Fridays. Just because you've got a little rank now, don't think you can get tough with us." To this Adam replied, "Things are different now. Both of you get back on the job or I'll make trouble." Mick and Bob said nothing more, and they both returned to the shop.

From that time on Adam began to have trouble as a supervisor. Mick and Bob gave him the silent treatment. The loom operators seemed to forget how to do the simplest things. Every few minutes there was a machine shutdown. By the end of the month, Adam's department was showing the poorest record for production.

1 How do you think Adam should have handled the washroom incident? Why?

2 What do you suggest Adam could do about the silent treatment he got from Mick and Bob?

3 If you were Adam, what would you do to get your department's production up?

Delegating, Assigning, and Controlling Work

Maxine Bishop

DELEGATION IS ONE OF THE MOST IMPORTANT and, at the same time, one of the least understood parts of a supervisor's job. Supervisors are continually being exhorted to delegate or to delegate more, but rarely are they told what delegation *is* or how to do it. This is because delegation is extremely complex and ambiguous. It is not a discrete skill in itself. Rather, it is inextricably entwined with the conceptual skills of organizing, planning, and scheduling that have just been discussed. It is also mingled with interpersonal skills, and it is inseparable from the personalities of the supervisor and his subordinates. In the following example, three

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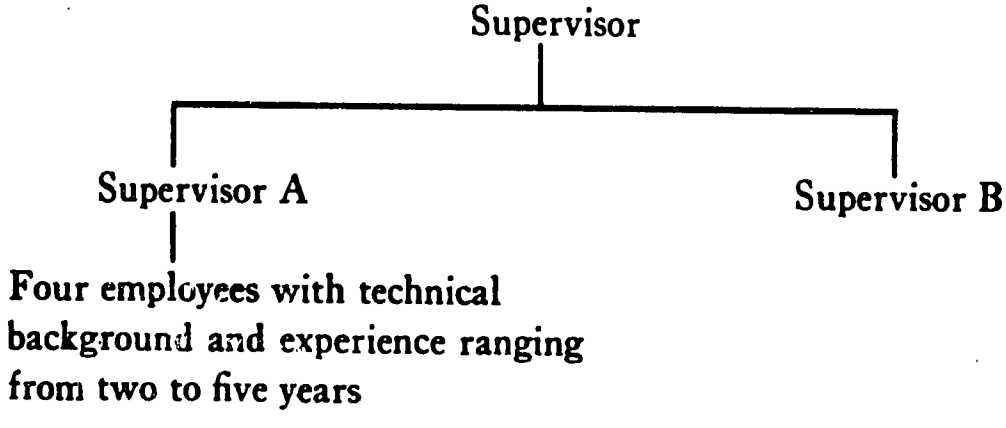
different patterns of supervisory behavior in a particular situation are examined and evaluated in terms of delegation.

A supervisor was faced with a heavy workload and a deadline to meet. He had a total staff of ten technical employees, including two subordinate supervisors. While the two subordinate supervisors were responsible for different though similar aspects of the program of this unit, the heavy workload and the deadline concerned chiefly the work under subsupervisor A. The organization of the unit was as follows:



The supervisor had just hired two additional employees, both right out of college, and wanted to make the fullest possible use of them because of the deadline.

In the first behavior pattern, the supervisor met with the two new employees for about 15 minutes on their first day of work. He gave them a general explanation of the total program of the unit and placed particular stress on the deadline that had to be met. He gave each one an assignment to conduct research (using published sources) into one aspect of a total problem, to collect pertinent statistical data, and to write a report that interpreted the data and drew conclusions.

He told the employees that he was delegating the full responsibility for their assigned project to them. He

said they were on their own because the rest of the staff was too busy to help them, but he thought they could learn more this way. He gave them several reference books and asked for a final draft of their reports one week before the deadline so he would have time to review them. Just before the interview ended, the supervisor called in one of the more senior employees, introduced him to the two new employees, told him briefly what their assignments were, and asked him to answer any questions they might have. The two new employees found out later that this senior employee was extremely busy on his own assignment, which also had a deadline, and that he was not very familiar with the particular assignment given them.

In the second behavior pattern, the supervisor (because of the heavy workload and the close deadline) believed it was essential to maintain tight control over the various segments of the project. Accordingly, he had a meeting with the two new employees and explained to them the overall program and the deadline. He gave each one reference books to read and asked them to let him know if they found anything in the books they thought could be included in the final report. If so, he would tell them what to do next. Both employees read their books but were unable to evaluate them in terms of the assigned project. They made repeated efforts to see the supervisor, but each time the supervisor's secretary said he was busy and would call the employees as soon as he was free. He never called.

In the third pattern, the day the two new employees started to work the supervisor introduced them to subsupervisor A, to whom they would be responsible. He told subsupervisor A to find something for them to do. He then left and went back to his own work and heard no more about the new employees.

The supervisor did a very poor job of delegating in all three situations. In the first behavior pattern, he undoubtedly thought he was delegating completely but he was not. He bypassed his subsupervisor A entirely. He had delegated no responsibility to subsupervisor A, who seemed to function as just another worker. We might speculate on the reasons why he was ever designated a subsupervisor.

Neither did the supervisor really delegate to the two new employees. He simply turned over an important part of his work to them, inexperienced and untested as they were. He gave them no instructions or direction, and he made no provision for their day-to-day supervision. He failed to follow up to make sure they understood what they were doing or that the project was going forward. He assigned them to a senior employee without bothering to find out how familiar the senior employee was with the particular project and without giving him any clear direction as to how he should help the new men.

This behavior was more abdication than delegation. The potentially disastrous results are obvious; a week before the deadline for completion of the project, the two new employees could hand in final drafts which might be wrong or totally inadequate.

In the second behavior pattern, the supervisor went to the opposite extreme. He would not turn over anything, either to his subsupervisor or to these two employees. The new employees could be of little value to the project. After giving them partial assignments, the supervisor failed to follow through and was unavailable to see them when they needed him. He was a bottleneck because of his insistence on doing everything himself.

The third behavior pattern was also abdication rather than delegation. This time the supervisor did not bypass his subordinate supervisor, but neither did he delegate

to him. Apparently he had never discussed the hiring of these employees with the subsupervisor, nor had they jointly made any plans for the effective use of the new staff. The supervisor simply walked away from the problem. He did not follow up to see what subsupervisor A was doing in the way of training or using the new people.

The supervisor's method of delegating in each of these patterns was part and parcel of his total behavior as a supervisor. One wonders about his ability to organize the work effectively. With a total of ten subordinates, all having technical training, he hardly needed two subsupervisors. In the first two behavior patterns, he seemed to have no understanding of what the role of these subsupervisors should be or how he should use them. Subsupervisor A functioned as just another worker, and it would be interesting to know why he was made a supervisor in the first place.

Perhaps the supervisor inherited this organizational structure. It is more likely, however, that he created the two subsupervisory positions in order to pay the two men higher salaries or to reward faithful service or friendship. Whatever the reason, the organizational structure was making little contribution to the efficiency of this unit. Even in the third behavior pattern, the subsupervisor did not function in a truly supervisory capacity. He was given responsibility for finding some work for the new employees, but he apparently had no part in their selection or even in the decision to recruit two additional staff members.

The supervisor's planning and scheduling were deficient. In none of the three situations had he made any plans for integrating the new employees into the unit. In the first situation, he demonstrated a lack of judgment about his subordinates when he assigned the new em-

ployees to a senior worker who had no time to give them and who was unfamiliar with their project. The interaction between the supervisor and his subsupervisor seemed nonexistent so far as the work was concerned, although they might have been friendly on a personal or social basis.

Process of Delegation

William H. Newman defines the process of delegation as consisting of these distinct aspects:

1. The assignment of duties by an executive to his immediate subordinates.
2. The granting of permission (authority) to make commitments, use resources, and take other actions necessary to perform the duties.
3. The creation of an obligation (responsibility) on the part of each subordinate to the executive for the satisfactory performance of the duties.[1]

The assignment of duties to an immediate subordinate includes responsibility for giving clear directions to the subordinate and making sure he understands what the assignment is and how he should carry it out. How specific the directions should be is a very important point which will be discussed later on in this chapter. The amount of permission (authority) granted to the subordinates must be commensurate with their experience and ability to use the authority wisely. In the first behavior pattern just

[1] William H. Newman, *Administrative Action: The Techniques of Organization and Management*, Prentice-Hall, Inc., Englewood Cliffs, N.J., 1951, p. 166. Reprinted by permission of Prentice-Hall, Inc.

discussed, the supervisor gave entirely too much leeway to new, untried employees. Simply turning an employee loose is *not* delegation. The creation of an obligation (responsibility) on the part of each subordinate for the satisfactory performance of his duties requires a mechanism of follow-up and control, so that the supervisor can keep track of progress and be alert to problems.

Another important fact about delegation should be well understood. *Responsibility* cannot be delegated to others in the sense that such delegation relieves the supervisor of obligation. As was pointed out in the first chapter, *accountability* is a primary feature of supervision. A supervisor is responsible (accountable) for the work of his unit, and he cannot evade that responsibility by any amount of delegation.

The Role of Personality in Delegation

Perhaps the single most important characteristic of delegation—and the reason that good delegation is so hard to achieve—is its complexity. It is not a scientific process that can be learned. It is an integral part of the supervisor's personality makeup. And, to complicate the matter even further, it is also influenced by the subordinate.

In the case previously described, the supervisor's personality came through vividly in the first two behavior patterns. He seemed to derive a considerable amount of satisfaction from being on top of everything. In the first pattern, he seemed to be overactive; trying to handle every situation himself; becoming involved in every detail; and then bungling by his failure to organize the work, to plan ahead, to give adequate direction, or to

follow through. The second behavior pattern shows much the same involvement in details, but it reveals a more cautious, restrained personality. The supervisor was afraid to let go of any part of the work, and consequently he became a bottleneck because he did not have enough time to do everything.

Both patterns show a man who would probably never be able to delegate wisely. Neither would he be able to plan, organize, or schedule work in an orderly, impersonal fashion. The personality of the subordinate supervisor was a further deterrent to effective delegation. Subsupervisor A was certainly an unassertive person; one who did not seek any delegation of authority from the supervisor. He took no initiative for the direction of his own subordinates. Instead, he was willing to wait for his supervisor to act. He probably did not want supervisory responsibility but preferred being a worker. Likewise, the senior employee whom the new men were assigned to in the first behavior pattern assumed no responsibility other than for his own work. The personalities of these two men would mesh perfectly with the need of their supervisor to be the dominant figure, handling every situation and making every decision.

Important as it is, the personality of the *subordinate* plays a secondary role in the delegation process, simply because the supervisor has superior power and influence. A supervisor normally can have the kinds of subordinates he wants. In the case just described, we can be sure that this supervisor would not have tolerated a subordinate supervisor who was very forceful or assertive.

The third behavior pattern revealed a supervisor and subsupervisor relationship that, deficient as it was, offered a great deal more hope for effective delegation. At least the supervisor's personality did not prevent him from

delegating responsibility to his subsupervisor. He did delegate to him, but the process was incomplete because there was no prior consultation about hiring the new employees and no effective follow-up.

Since personality does play such an essential role in the delegation process, perhaps the first thing any supervisor should do is try to assess his own personality and the kind of subordinate response that is most satisfying. He should evaluate how he uses his own time versus the way he uses the time of his subordinates, how he perceives his subordinates, how he perceives his own superior, and how he perceives himself. To put it another way, the ability of a supervisor to delegate effectively depends on the way he relates to his job, his subordinates, his superior, and himself.

Some supervisors are incapable of delegating, no matter how much they may know about the process itself or how much they realize they should delegate. Consider two different supervisory personalities. Supervisor Green organizes his own time in such a way that he performs as much as possible of the work himself and then turns over to subordinates what he cannot do. He believes the work will not be done properly unless he does it himself. Subordinates can be assigned pieces of the work, but it is essential that he review all of it himself for accuracy and that he fit together all of the different pieces.

Mr. Green has doubts about the abilities of his subordinates to follow through on a complete project. He wants to be sure his subordinates do not get him into trouble, so he himself handles all contacts with the public, with other organizational units, or with his superior. In general, he rates his employees as average. He has the feeling that his own superior does not have a great deal of confidence in him or in his unit. He believes that his

superior is watching the unit to make sure everything goes well. He thinks his superior expects him to be on top of everything that goes on. He thinks it is essential to have his hand in all details of the work, so that he will have the answers at his fingertips if his superior asks him anything. He sees himself as a careful, meticulous person who knows the work, who can be depended on, and who rarely makes mistakes.

In contrast, supervisor White believes one of his primary functions as a supervisor is to develop as fully as possible the skills, abilities, and self-confidence of his subordinates. He organizes his job so that the subordinates perform as much of the unit's work as they possibly can, thus leaving him time to think about ways to make the unit more effective. He spends a good share of his time planning future projects, working with his staff to answer questions they may have, and obtaining their ideas about the work. He expects his subordinates to assume more and more responsibility for the work as they gain experience. He believes his employees have above-average abilities and that their performance is steadily improving. Mr. White has not given too much thought to what his own superior thinks of him, but he is confident of the effectiveness of his unit, and he believes his superior is interested in overall results. If his boss asks him a question about details of the work that he does not know, he calls in the subordinate concerned and asks him to explain it to the superior. He views himself as a good leader and a person with ideas and initiative.

We can readily guess which of these two men would be more likely to delegate effectively. Supervisor Green would be very upset if he had to turn loose from the work and rely on subordinates to perform it. He does not trust them, and he lacks confidence in himself. He believes that

he has continually to prove to his own superior that he is doing a good job. He would be a kind of person likely to accumulate unnecessary files and records in order to protect himself against any criticism that he failed to carry out instructions or that he made mistakes.

Mr. White, on the other hand, has a great deal of confidence in himself and his subordinates. He could very easily delegate responsibility to them. He might, in fact, be inclined to delegate too much before the employees were ready for it. Or he might have so much faith in his subordinates that he would neglect to establish adequate follow-up or controls over the work.

In these two instances we can see the effect on delegation, not only of the personalities of the supervisor and his subordinates, but also of the supervisor's relationship to his own superior. The great difference in the way these two individuals perceive their subordinates and their superiors may be partially a reflection of their own characters; but it may also reflect reality. Perhaps Mr. White's subordinates *are* much more competent and self-reliant than those of Mr. Green. Perhaps Mr. White deliberately selected employees for their initiative and abilities, whereas Mr. Green was more interested in hiring individuals who would be tractable and who would carry out his instructions faithfully and accurately. Or the difference could be accidental. Mr. Green might have taken over a unit that was already staffed with below-average employees. It is generally fair to say, however, that subordinates reflect the skill and abilities of their supervisors. A good supervisor knows how to select good employees, how to train and develop them, and how to demand superior performance from them.

These two supervisors have much less control over the behavior of their own superiors. Perhaps Mr. Green

has a superior who cannot delegate, who frets about details, and who frequently intervenes in the work. Perhaps he does continually want information about all phases of Mr. Green's operations. If this is the case, a person of Mr. Green's temperament would probably be the only kind of subordinate that his superior would want. What all of this means is that one cannot delegate effectively unless he has confidence in himself and his subordinates and unless he enjoys a constructive, mature relationship with his own superior.

Vital Techniques of Delegation

William H. Newman was quoted earlier as defining delegation in terms of three aspects: (1) the assignment of duties; (2) the granting of permission or authority to take action necessary to perform the duties; and (3) the creation of an obligation or responsibility on the part of the subordinate for the satisfactory performance of the duties. We come now to the question of *how* the supervisor does these things. He does them by three vital techniques: direction, coordination, and control. We shall consider each technique separately.

Direction. Direction is, of course, the issuance of instructions to subordinates. It is the mechanism by which plans, objectives, and ideas are carried out. To a large extent, their effectiveness depends on the quality of the direction given.

Newman lists the following minimum characteristics of good instruction:

> ***Compliance should be reasonable.*** **In thinking about whether an instruction is reasonable, an executive should**

consider whether the man who will receive it has the necessary experience and ability to perform it satisfactorily. Also he should consider whether materials, equipment, external conditions, company rules, and other aspects of a total operating situation will permit the man to comply if he uses a reasonable amount of effort and ability.

The instruction should be complete. A complete order should leave no questions in the mind of the man receiving it as to what is to be done; the quality and quantity of performance that will be considered satisfactory should be understood. If it is not desired to give the man a free rein as to how the assignment is to be carried out, then the method also should be specified. And the time factor should be indicated. The quality and quantity standards combined with the time allowed for performance will, of course, have a marked effect upon whether compliance is reasonable.

The instruction is clear. The important thing is that it should be *clear to the person* receiving the order. Too often the executive giving an instruction thinks the order is clear because he has a definite picture in his own mind as to what is to be done. This is not enough. He should try to place himself in the position of the subordinate and then consider what the subordinate needs to be told. Also the language used should be readily understood by the subordinate.

Always follow up on an instruction. If an executive gives directions and then permits subordinates to decide if and when they will carry them out, the entire administration becomes lax. Time schedules lose their significance, additional inspections are necessary to discover what has and has not taken place, and the success of a subordinate depends in no small part upon his ability to guess when to take the boss seriously.[2]

[2] *Ibid.* pp. 376–378.

We can expand Newman's list by adding a very important and frequently overlooked element of good instruction—the need for a supervisor to *listen* to the employee. When giving instructions, he should obtain feedback from the employee in order to know whether the instructions have been understood. He should ask questions, and he should give the employee a chance to ask questions or to express an opinion about the instructions being given.

The employee may have very good ideas as to how the work can best be performed, what will work and what won't. After he expresses his views, it is then the supervisor's responsibility to evaluate whether the employee is right or whether he simply does not visualize the final outcome of the proposal. The supervisor must decide whether to drop the matter or whether to push ahead with it, carrying the employee along with the idea bit by bit. He should not be afraid to ask the employee, "What do you think we should do about this problem?" or "What do you suggest?" Supervisors who know how to tap the creativity and initiative of their employees enhance their own effectiveness tremendously.

Instructions may be of many different kinds, ranging from those that are highly specific and detailed to those that are so general that they more nearly resemble suggestions. Each kind of instruction has its place, depending upon circumstances and the employees involved.

New employees who are untrained in the work need specific, detailed instructions. Once they have learned the work, the kind of instruction given them need only be general. Perhaps they will need no instruction at all unless they are given a new assignment or unless the work itself changes. To continue giving an experienced, responsible employee detailed instructions is both wasteful of the supervisor's time and irritating to the employee.

Even though an employee can perform his work without additional instructions, the supervisor still needs to follow up to make sure the work is being done as planned. Very complex work or work that must meticulously follow predetermined steps and methods requires specific, detailed instructions, preferably in the form of written procedures or manuals.

Broad, general instructions are most appropriate when giving assignments to experienced employees who know the work at hand. The employees probably have ideas about the work, and they should be encouraged to initiate ways of accomplishing the assignment. General instructions, when appropriately used, can help develop initiative and resourcefulness on the part of employees.

When dealing with highly trained professional, technical, or managerial personnel, very general instructions are the rule. The supervisor should merely tell these employees what he would like done and what time limits he has in mind. The details and methods should be left to them. It would be even better if the supervisor explained the problems and discussed his overall goals with these employees and then requested them to develop plans and programs for meeting them.

Many supervisory problems result from choosing the wrong kind of instruction to use in a particular situation. A common error is overinstructing employees who are capable of working independently. At the opposite extreme are supervisors who frequently fail to give adequate direction and instruction to employees who need it, thus letting them grope and muddle through without knowing what they are doing or what is expected of them. The supervisor who turned over an important phase of a project to two brand-new employees without giving them adequate instruction or help is an example of this type of

mistake. Each situation has to be judged individually. A supervisor needs to know his employees' capabilities. He should be alert to the employees' responses to his instructions and should be flexible enough to change his approach if he sees that it is not working.

Coordination. The second vital technique used in delegating is coordination. Whenever more than one employee is performing work, their various efforts have to be synchronized and meshed together so that they are all contributing to a common goal. There are various ways to achieve good coordination. One way is by organizing, planning, and scheduling the work effectively. Another way is by giving clear assignment of accountability and issuing instructions that are understood by everyone concerned. A third way is by giving the work group definite goals which each person understands and to which he is committed.

However, none of these methods can take the place of personal interaction among the supervisor and his employees and among the employees themselves. Personal interaction is the best means of assuring good coordination. Employees should be encouraged to work with each other and to coordinate their efforts. They usually will do this and will enjoy doing it if the supervisor can impart clear objectives and a sense of the importance of the project to them. Unless subordinates sincerely believe that they all are moving toward a common, important objective and that their supervisor is moving with them, the efforts of a group can be vitiated by jealousies and bickering, by jockeying for position, or by indifference. Before subordinates will function as a team, they must be convinced that their supervisor is treating each member of the group fairly and impartially, and that he recognizes the unique contributions of each one.

Control. The best instructions and the most effective

coordination can come to nothing if the supervisor does not have a means of insuring that the work is being accomplished according to plan. The control mechanism varies with different kinds of work. Some work is much easier to control than others. If it culminates in a product, a report, a program, or correspondence, the supervisor may establish control by reviewing either the completed work or a sample of the work. He may establish deadlines for completion of the project or phases of it and may require that employees keep him informed as to whether the schedule is being adhered to. He may establish checks at critical points in the work flow and may make a personal follow-up to compare expected results with actual accomplishment.

Personal follow-up with employees on the progress of the work is a very good method of control. When definite deadlines must be met, the supervisor should establish frequent check points, especially if several different employees are working on various segments of the project.

The amount and kind of control a supervisor exercises will vary with the type of work and the skill, experience, and dependability of the employees. If a supervisor has learned through experience that a subordinate always follows through on assignments and completes them on time, he will need to make only occasional checks to see how the employee is getting along. But if he has learned that an employee often forgets to do things or lets them slide, he had better follow up often and thoroughly.

Difficult-to-Control Work

A supervisor is faced with special problems when he is responsible for widely separated activities or when he has

little contact with subordinates. Outside sales work is an example. It is impossible for a supervisor to know precisely what goes on during the salesman's workday. Many other types of outside work present similar problems of supervision. Routemen, telephone installers, service repairmen of all kinds, bus drivers, and policemen work with little personal contact with a supervisor. Special means of evaluation and control are necessary for these kinds of activities, since it is of prime importance that the right men be hired for the job. Reliability, initiative, and the ability to work independently are essential. A pleasant personality and high standards of conduct are equally important if the jobs involve public contact or the entering of private homes.

These men should receive training of the most intensive kind before they are left on their own. Instructions in the work and indoctrination in the applicable laws, policies, and procedures are not enough. The use of simulation or "dry runs" can be a very effective type of training for jobs that will have to deal with many different situations. A variety of test problems, resembling as nearly as possible real incidents likely to be encountered, should be posed as case studies or role-playing episodes, and the trainee should be required to deal with them. By observing the trainee's responses, the supervisor can help him overcome deficiencies and develop critical judgment and self-confidence. The supervisor should devote enough of his own time to the training of a new employee to enable him to evaluate the employee and to predict with considerable confidence whether he will succeed on the job.

Frequent follow-up is necessary once the employee is on his own. If he works in the same city as his supervisor and checks into the office each night, the supervisor should discuss with him any problems encountered during the

day. Whenever possible, the employee should be given some objective standard against which his progress can be measured. Salesmen, for example, are given quotas to meet. Police officers are required to complete a report on every incident. Repairmen and installers should prepare reports or logs on the day's work. The supervisor can use these various mechanisms to judge how well the employee is doing. Some spot checking of the work by accompanying the employee on his rounds is also desirable.

When employees are scattered over a wide area, a definite means of communicating with them must be established. A supervisor should see that these employees are brought into the home office periodically for briefings or special instruction. Personal contact with the home office and with the supervisor is as important for morale purposes as it is for control. Correspondence, newsletters, and telephone communications all help to bridge the physical distance between employee and supervisor.

Some jobs that do not have the barrier of physical distance are, nevertheless, difficult to control because the supervisor cannot see or hear the employee at work. Jobs that deal with the public are of this kind. A supervisor cannot know for certain, unless he is physically present at the work site, how an employee is handling a conversation with a client. A physician cannot monitor the way his receptionist handles calls from patients because he is usually not present in the reception area. Yet the receptionist is in such a strategic spot that she can do irreparable harm to the doctor's relations with his patients and can damage his practice if she is rude and tactless or if she uses poor judgment in making appointments. Good selection and intensive training—of the simulation or "dry run" kind that has just been described— are about the only ways of insuring good performance in these cases. Furthermore,

the supervisor should arrange his work in such a way that he occasionally can be present at the work site to observe the employee first hand. And he should plan to spend some time with the employee to discuss ways of handling difficult situations.

Occasionally a supervisor will use client complaints as his only control mechanism. This practice is very hazardous. In the first place, there is no assurance that clients will complain; they may just stop doing business with the offending firm. In the second place, by the time a client complains, the damage done to goodwill and client relationships may be irreparable. It is far more sensible to devise and institute positive control measures that will assure employee performance in accordance with a supervisor's policies and objectives.

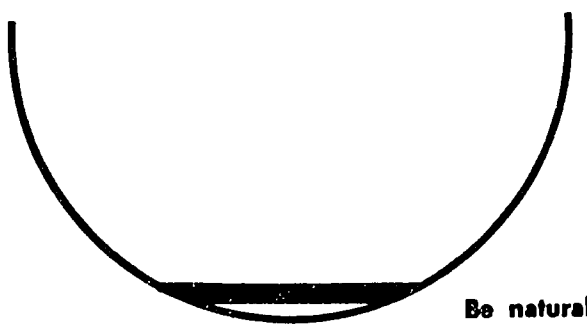
The Supervisor and Discipline Interviews

Gary R. Johnson

At some time in your career as a supervisor and administrator, you will be faced with the problem of disciplining one of your employees. If you are involved in a great deal of supervision and administration, this problem will be repeated many times. It is the discipline interview for the employee who is not a member of a union or other similar organization and for whom you generally have sole and specific responsibility for discipline that is of interest here.

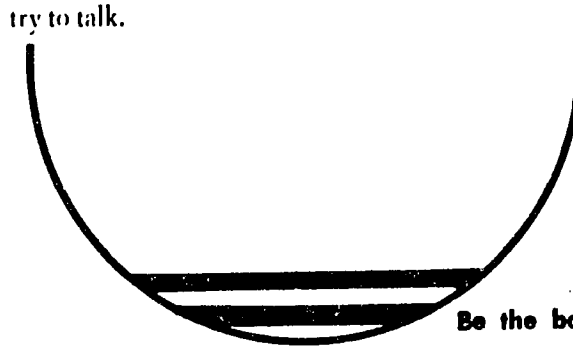
Disciplining an employee is an unpleasant experience both for the employee and for you as a supervisor. There is no way that it can be otherwise because of the nature of the subject to be discussed. However, it is a necessary task which you must meet constructively and honestly.

There are a number of general guidelines that you should remember when you are involved in disciplining an employee. These are not exhaustive nor are they intended to be applicable to all situations. Every employee is an individual and as an individual he has different responses and different reactions even though it may be to very similar situations. You must expect every discipline interview to be different as every employee is different. Even if you have a repeat discipline interview with the same employee, you will find that it will be different because the employee, like you, will have gained experience and knowledge from his first interview.



Be natural

Do not be led into the unthinking use of classroom techniques for employee interviewing and for discussing discipline problems. Techniques are fine as long as they add to your ability to discipline the employee in the proper manner. However, with the volumes that have been written and the many mass media discussions over the past years regarding interview techniques, most employees now recognize the rudimentary interview techniques that most supervisors or administrators are aware of and are tempted to use in a discipline interview situation. Once an interview technique is recognized by the employee, you not only lose the advantage of the technique but you actually build additional employee resentment in what is already a resentment-prone situation. The best approach is the common sense one, direct and honest discussion with the employee. If you use interview techniques during this discussion without realizing it, this is fine. If you use such techniques self-consciously and the employee recognizes this, you are defeating your own purpose. To summarize this note of caution in one blunt phrase—don't try to manipulate but do try to talk.



Be the boss

It is particularly important during a discipline interview that you maintain the strict supervisory subordinate relationship which the organization chart delineates. The objectivity and detachment inherent in the supervisor-subordinate relationship is needed during the discipline interview as at no other time during your relationship with the employee. As the supervisor, you must maintain control of the interview and determine the direction which it follows. You must allow the employee to discuss all matters which are of concern to him regarding the discipline situation but this discussion should be within your overall control. If control of the discipline interview shifts from you to the employee, then you have abdicated your role as a supervisor and have assumed person-to-person relationship with the employee which is inappropriate for this interview.

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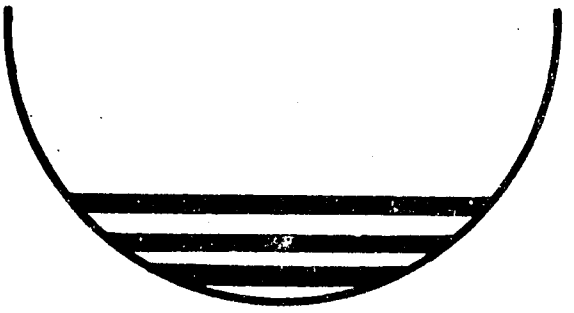
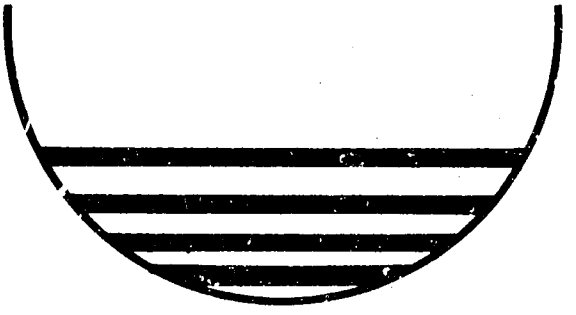


Be friendly

You must establish not only control but also a generally friendly atmosphere in which the interview can be conducted. It will not always be a friendly discussion but it is incumbent upon you, as the supervisor, initially to establish that this interview is to be held in a friendly atmosphere and not one of anger. If there is any question in your mind that there is a high degree of anger or resentment on your part regarding matters to be discussed with the employee, defer the interview. If you as a supervisor are angry, obviously you cannot be objective. If you are not objective, you cannot maintain your own self-control or control of the interview and the interview will disintegrate into a subjective, angry confrontation between two people. This will not only defeat the purpose of the immediate interview but make subsequent interviews almost impossible between the employee and you. However, do not delay a discipline interview indefinitely. Any immediate anger or resentment which you may have regarding matters to be discussed at the interview should be dissipated within a matter of hours or at most two or three days. Do not use the rationale that you must wait until you are entirely free of all anger or resentment before talking with the employee or you may never have the discipline interview. Since this is an unpleasant task, almost everyone would like to avoid it if possible. However, you should not use the reasoning that because you are not completely free of anger or resentment, you must not talk to the employee. As long as you are in control of your anger or resentment, you should arrange for the interview.

The point is that you should not arrange an interview at the time that you have lost or will lose your objectivity during the discussion. At no time can you afford to allow subjectivity on your part to enter the discussion, not matter how tempting this may be to you. If you feel at any point in the interview that you are unable or will no longer be able to maintain your objectivity, it is better to terminate the interview until a later date rather than allow it to deteriorate into a subjective discussion between you and the employee. Detachment from the emotional connotations of the interview is an absolute necessity for the supervisor.



Be fair

The employee deserves a completely fair hearing. The supervisor should avoid the standard western cliche of a "fair trial and quick hanging." Even if the matter to be discussed involves only you and the employee and is related to a situation involving only you and the employee, there may be factors of which you are unaware. In fairness to the employee *and* to you, he should be given an opportunity to express his feelings and any facts which he believes have not been expressed adequately regarding the situation under discussion at the discipline interview. As a supervisor, you must be completely reasonable in your dealings with the employee. Any hint of subjectivity or prejudgment on your part can obviate any advantages or tangible results from the interview.

If your approach with the employee is one of honesty, objectivity and general common sense, you *should* be able to establish the ground work for a successful discipline interview, but this is not always the case since there will occasionally be an employee who, for one reason or another, has come to the interview with his own prejudgments and does not wish really to have any discussion. But it is extremely important that you be honest with the employee during this type of interview. If he asks a question or expresses an opinion, you must, as a supervisor, give the employee an honest and direct answer. Anything other than this is unfair to both of you. Honesty and frankness are difficult in this situation because of the possibility of increasing anger and resentment which an employee will have brought, in most cases, to the interview. However, if you are less than honest and frank with him, you are establishing the basis for another discipline problem with him at a later date.

Be short

You also owe the employee the courtesy of being succinct. I do not mean that you should speak ex cathedra on all matters but you must make those points which need to be completely reviewed and you must make them so that the employee understands now and will understand as he reviews the interview later in his own mind. It is not that expansive philosophical discussion does not have any place in the discipline interview—it may at times—but not while you are attempting to resolve immediate disciplinary problems with the employee. It is in the resolution and clarification of the disciplinary problems that you always must be as succinct as possible.

Be instructive

At the completion of the interview, the employee should know exactly where he stands. He should understand the action which you intend to take as a result of the discipline interview and the possible alternatives which are available to him. He should know if your decision is final. If he has recourse to an appeal procedure, he should be told the details of the procedure. If the employee has been given specific instructions as to what he must or must not do in the future, this should be reviewed in detail periodically with him. If this is to be a matter which is to be included in his personnel record, he should be aware of this so as to understand how it will affect his future in the organization. Obviously, I have differentiated between a discipline interview and a termination interview for they are quite different. While it is possible that what may begin as a discipline interview may evolve into a termination interview either at that time or very shortly thereafter, that is a separate kind of problem and deserves separate consideration.

The important thing in the discipline interview is that the employee should be aware of the reasons for the disciplining, he should be given the opportunity to express his opinions on the subject and he should leave the interview knowing exactly where stands, both in relationship to the specific disciplining situation and the effects this will have on his present and future position with the organization.

Be prepared

Do not expect an employee to like you better because of a discipline interview, no matter how successfully it is conducted. If you have a compulsion for being liked by your employees, you will have difficulty as a supervisor in many areas and at many times, but probably never more than during the discipline interview. If, at any time, either you or any of your sub-supervisors begin to enjoy the discipline interview situation, that is the time to stop immediately and delegate this responsibility to someone else. To enjoy what is essentially an unpleasant task is to raise questions as to your own motivation in discharging this responsibility. The discipline interview is an unpleasant situation for both supervisor and subordinate but if you are to maintain the organizational integrity within your operation, it is a necessary and, at times, critical action which you must take immediately and effectively. Any equivocation on your part can have deleterious effects on both the employee, you and your organization. If you have a situation in which you should discipline an employee—do it.

Application to health, social welfare, and family planning

There may be a temptation to believe that supervision is more important in factories and large commercial firms where foremen, "straw bosses," and office managers are responsible for assembly-line or mass production processes. It could be asserted that the individual employee of a clinic, welfare center, or family planning team is a professional or para-professional who has undergone training, who knows the job to be done, and who therefore will need little supervision. Supervisors are appointed in order to coordinate the work, but their role may be interpreted as less important in these organizations than in others. Supervisors may be appointed on the basis of seniority or education, as a reward for extraordinary productivity, or even on the basis of friendship with influential persons on higher levels of management. Unfortunately, these qualifications do not necessarily equip a supervisor with the human relations skills listed in the introduction to this chapter and elaborated in the readings. The high prevalence of low morale, low productivity, high turnover, and client dissatisfaction with treatment received which are observed in many health and welfare systems are evidence that poor supervision is widespread among their individual service units. Modern factories have recognized the importance of training their foremen in supervisory skills and have special programs for doing this. By contrast, many if not most health, welfare, and family planning organizations are muddling along with the outmoded supervisory styles that were prevalent before World War II. The skills of personnel management are not taught adequately in most schools of public health or social work. Most family planning organizations neglect these skills in their training programs.

Perhaps one of the greatest needs in this area is for a thorough re-thinking of the nature and purpose of supervision in the health, social work, and family planning arena. This is an area in which the status of supervisors may easily be undermined by technical experts (economists, data processors, psychologists, etc.). It is also an area in which the more democratic forms of supervision may be much more effective than the autocratic forms which are commonly followed.

Questions for discussion and exercises

1. Do you think it is possible for a clinic or a welfare office to be run entirely without supervisors? Could a completely democratic system be developed wherein the workers collectively solved their problems of organization, assigned duties to themselves, and enforced their collective decisions informally through group processes?

   (a) What unique aspects make this approach more likely to succeed in these professions than in other organizations?

   (b) What aspects of the work to be performed, the relationships among the workers, and the pressures of clients upon them would make this system prone to failure?

(c) What "mixture" of conventional supervision and this supervisor-less democracy do you think would be optimal in the typical clinic or office in your country?

(d) Do you think special training in personnel management and supervision could or should cause a shift toward more democratic supervision?

2. Textbooks often give lists of the personality characteristics of good supervisors. Following are two such lists:

Intelligence	Thoroughness
Integrity	Fairness
Forcefulness	Initiative
Fairness	Tact
Loyalty	Enthusiasm
Kindness	Emotional control
Knowledge of work	
Health	

How applicable do you think these traits are to supervisors in the health-welfare-family planning fields? If you were preparing a list for supervisors in these organizations, what items would you include? How would you rank them?

3. It has often been noted that a supervisor is half worker and half manager. In order to do his job he must be accepted both by the workers as one of them and by the managers as one of them. He usually has been promoted from the ranks of the workers. Yet in another sense, neither side really accepts him. The workers suspect that he will "sell out" to management; management suspects that he will "sell out" to the workers. How serious do you think this problem is in health, welfare, and family planning organizations?

4. In health, welfare, and family planning organizations there are several strata of workers who must participate as a team. In the clinics there are nurses, receptionists, file clerks, laboratory technicians, typists, counsellors, nurse's aides, and others. Usually there are only one or two persons in each category. How does this affect the supervisory situation? Who should be the supervisor? What system of delegation can be worked out to make the work flow more easily?

5. In many countries, health personnel and social workers are forming unions. To what extent do you think this is a product of lax supervision and poor personnel management and how much do you think is an inevitable product of social change? Do you think supervisors should belong to these unions? What effect do you think unionization has upon supervision in health clinics and welfare offices?

6. Many middle level managers are "supervisors of supervisors." They oversee the work of employees who are themselves supervisors. Do the principles discussed in this chapter apply to this type of supervision? In what ways is this kind of supervision different from "first line" supervision of workers?

7. Compile a list of the major groups of white-collar workers in an organization. Then compile a list of desirable traits or skills a supervisor should have. Try to rank these traits, in order of their importance, for supervising each of the categories of white-collar workers. Can you develop a set of principles about the activities and abilities required of supervisors of lower-level white-collar workers in comparison with supervision of higher-level (professional and technical) workers?

8. Visit the organization you have studied in Exercise 7 and interview a supervisor of each of the groups of workers. Compare the actual supervisory behavior of these supervisors, as you can determine it, with the priority ratings you have prepared. Are the principles you developed to distinguish supervision of higher and lower-level white-collar employees observable in the actual behavior of these supervisors?

Chapter Ten

PERSONNEL RECORDS AND PERSONNEL RECORD KEEPING

Almost all organizations prepare a record of important personnel events. At the time the person applies for work he is asked to fill out an Employment Application form, which is kept if he is employed. If he is given a raise in salary or a promotion to another position a notation is made of this. If he is injured on the job, is sent for special training, reprimanded for chronic lateness to work, or has his wages attached by a credit collection agency for nonpayment of bills, these events may or may not be recorded. Even if a record is made of these events, all too often they are filed in separate files so that the complete personnel record for an individual employee cannot be assembled. In the "heat of battle" of meeting each day's personnel needs, insufficient care is taken to keep a record of actions taken, and to make this record part of a flexible system that would keep the information available in the total context of the employee's career with the employer.

Despite this situation, most personnel managers almost daily have occasion to need all of the important personnel facts about individual employees. Pulling from the file the folder for a particular employee may reveal little more than the Employment Application form the person filled out when he first applied for the job—if that. By looking up his name on the payroll listing, it is possible to learn his present job title and salary rate. Other significant events may be completely missing.

Because the need for more complete personnel records arises very often, personnel managers come to appreciate the need for setting up and maintaining a file on each employee, and of trying to get into that file a notation of every significant personnel transaction that involves him. They then come to

realize that there often is need to summarize the files, to assemble basic data about all employees. They often are asked questions such as, "What percentage of your employees were given no raise in salary last year?" or, "What fraction of your employees have worked for the organization for five years or longer?" Answers to questions such as these can be obtained only in one of three ways:

(a) Special hand tabulations, made by examining each file individually
(b) At periodic intervals coding the files for machine tabulation
(c) A completely computerized system in which personnel actions are added to a computer-maintained file, so that the information can be tabulated almost instantaneously.

Most personnel managers agree that it is almost mandatory to maintain a personnel file on each employee. Whether it is coded for statistical analysis at periodic intervals or is kept continuously updated by computer involves considerations of cost, need, and the usefulness of the information for making important decisions.

In most small and medium-size organizations, the first or second option is the one usually chosen. At critical moments, in order to meet special demands, the files may be coded. At this moment, some comprehensive analysis can be done.

The simplest personnel record system is one wherein a carbon copy of each important personnel transaction is placed in the jacket of the employee. By filing these transactions in chronological order within the jacket, the personnel manager can quickly leaf through the case and grasp the essential facts of the career within the organization of any particular employee. Personnel transactions which occur frequently (rating by supervisors, illness summaries for a month or year, absence or lateness reports for a month or a year, should be reported on standard forms which the personnel manager should design. He should then request a report for each employee, even if the answer is "none" or "not applicable," in order to assure that all employees have been rated uniformly and equally.

A personnel record-keeping system, therefore, involves three major considerations:

(a) Preparing forms for making a record of all types of personnel transactions, with arrangement for an additional carbon copy for the employee file.
(b) Arranging for the assembly and filing in the individual personnel jackets of these carbon copies of personnel actions.
(c) Arrangement for retrieval or tabulation of the contents of these files, either sporadically or periodically, as may be needed.

An essential part of this file is a copy of the job description for the position for which the employee is hired (see Chapter 5). This allows the personnel manager to check various personnel events and actions against the requirements of the job.

Towards saner personnel systems

John Nuttall

MANY PERSONNEL managers are aware of defects in their personnel record systems. Too often these records are inefficient or ineffective in providing the information that companies need about their employees. Often, important items of information are not recorded at all, and when the information is recorded it is frequently inaccurate. Even when it is accurately recorded, it is often wrongly used because of faulty analysis or misinterpretation of the results.

Other companies, or even the same ones, use two or three records where one would do the job better. The same information may be recorded in several places: for example, a company with 700 employees had a record card that gave basic personal details and a few other things for each of its workers employees, plus a similar but separate system for staff, plus a system of training records which contained much of the same information all over again. A punched-card system, which again contained mostly the same information, had been set up to provide statistical returns that could not be obtained from the first three systems; a year after it had been set up it was already out of date. In addition, much of the same information appeared in the personal dossiers, in the wages records and in records kept by various department heads.

This example is not untypical, as has been proved by examining personnel records in more than 100 firms during research studies carried out by the National Institute of Industrial Psychology. The great majority of these firms had faults in their personnel information systems of one of the kinds mentioned above, and most of them had several kinds of fault co-existing. In one medium-sized factory of an engineering company we found over 100 different kinds of form and 50 different files containing personnel information, yet managers complained that they could not get the information they needed, and it was a fortnight's work for three men to complete the ITB grant claim return. The first day's visit to another factory was sufficient to discover 50 different records and forms that applied to new employees of various kinds up till the time they started work.

An example of inadequate facts leading to wrong conclusions was found in a retail organisation. This company employed a great many part-time staff, and managers were worried because — they said — the labour turnover for these part-timers was so much higher than for the full-timers. An NIIP investigator looked for the facts and discovered that they had never been appropriately recorded; so a special analysis was carried out, which proved that the part-timers' turnover far from being higher than the full-timers' was only half of it.

Do these faults matter? Yes, because even a small company can waste thousands of pounds a year if its personnel information system is inefficient. And, more importantly, because adequate and accurate personnel information is essential if right decisions are to be taken about selection, training,

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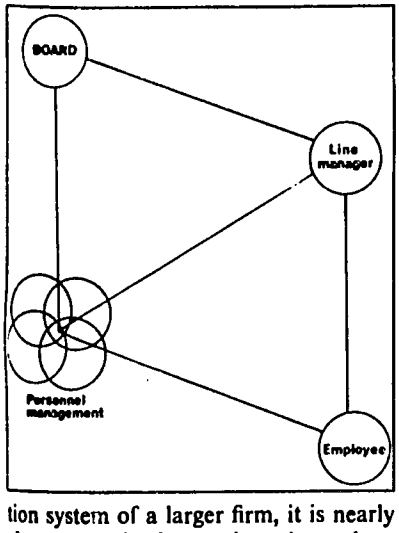
development, promotion, merit payments, manpower planning, welfare, safety and other personnel management areas. Additional information is needed by top management, the financial department and statutory bodies such as Industrial Training Boards.

What is the ideal personnel information system? The answer is, nearly always, one tailored to meet the needs of the particular company. Although off-the-peg records have their uses for very small or unsophisticated firms, and although they can sometimes, with minor alterations, fit into the information system of a larger firm, it is nearly always a mistake to introduce them before the information system as a whole has been considered in relation to the company's requirements.

Figure 1

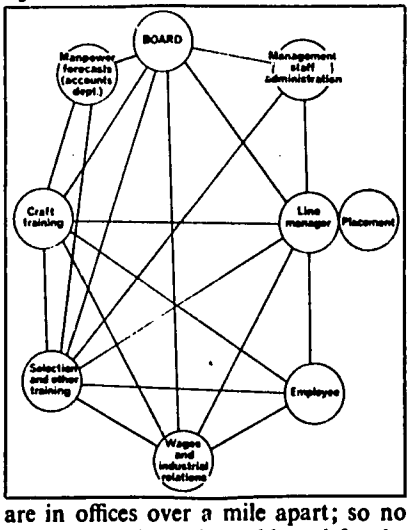


Why is this? Simply because companies differ from each other so enormously, and particularly because their needs for personnel information are so varied. Very small companies, for instance, may think they need no personnel records at all, because the managing director knows all the employees well and he hires, fires and makes all other personnel decisions himself. There may, however, be a case for personnel records even in such small companies: even the managing director's memory is fallible, and what is to happen if he is killed in a car crash? If such a company is to have personnel records they must be kept very simple, however. Another difficulty with very small firms is that it is uneconomic to have just a few forms printed and expensive to draw them up by hand; also there is probably nobody in the firm with the expertise to draw up a good form and no spare cash to pay someone else to do it. This is why off-the-peg forms and systems may be the right answer for small firms.

Large companies obviously have a wider range of needs for personnel information, so a more sophisticated personnel information system will be required, and this should certainly be made to measure. If the company has a complex organisational structure in the personnel field and particularly if this organisation is spread over a number of locations, the personnel information system will almost certainly have to be more complex too. For example, compare Figures 1 and 2, which both represent engineering companies we have worked with. The first is a fairly small company (it employs about 300 people), and one administrative manager is responsible for all aspects of personnel management; these aspects are indicated by the interlocked rings in Figure 1. The rest of the diagram shows the main relationships and lines of communication between this manager and the other people in the company who are concerned with personnel information. Because these people are near together spatially and organisationally, we were able to design a combined personnel, training and wages record card to form the basis of the information system.

Figure 2, by contrast, represents a company which is not only larger (about 4000 employees) but far more complex organisationally. The different personnel management functions are carried out by different people in different places, For example, training is split into craft training and other training, and the managers responsible are in offices over a mile apart; so no single record card could satisfy the needs of the training managers alone, let alone the other managers. Solutions to recording problems in a firm like this must, to be efficient, be as unique as the structure they must fit into.

Figure 2



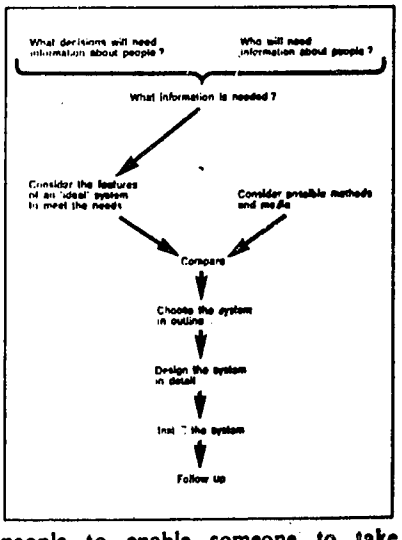
Other factors that make it important for a personnel information system to be made to measure include variations in the kind of personnel employed: highly skilled personnel, for instance, will give rise to different information needs from unskilled people, and more information will be needed for people who stay with the company a long time than for casual labour. And finally there are the enormous differences between companies in each kind of personnel procedure, all of which will give rise to different needs for information.

Designing a system

How can a made-to-measure personnel information system be designed? The NIIP recommends the following procedure, which is also illustrated in Figure 3. The starting point is indicated by the aphorism: "The purpose of a personnel information system is to store and communicate information about people to enable someone to take decisions." We therefore start by asking "What decisions will be taken?" and "Who will take them?" The first question can be expanded by considering what decisions will be taken about:

1. Selection, allocation and promotion
2. Training and development
3. Arranging conditions and rewards
4. Forecasting and planning
5. Other personnel functions, such as industrial relations, welfare, health and safety
6. Non-personnel functions that need information about people

Figure 3



By considering these decisions and the information needed for each, a list of the kinds of personnel information required can be built up. For instance, selection decisions may depend on the availability of the following kinds of information, depending on the firm, the type of personnel to be selected, the selection procedures, and so on.

- Information about the vacancy, the number of people required, etc.
- A job description; a personnel specification
- The advertisement; and initial data about people who respond to it
- Information about the success of advertisements inserted in different media, through agents, etc
- Information about the job, supplied

to applicants

- The applicant's personal details, his education, qualifications, previous employment, interests, etc.—usually contained in an application form
- The interviewer's assessment of all the characteristics of the applicant likely to affect success in the job
- Information about the applicant's performance in any other selection procedures that are used, such as tests or group discussions
- References; results of medicals

This is a rather complete list of the types of information required for selection: for many kinds of personnel, and for all personnel in many companies much less would be required. Also, when the lists of information for the different personnel and non-personnel functions are compared, it will be found that there is a great deal of overlap, so the combined list may not be very long, particularly for a small company with simple personnel procedures.

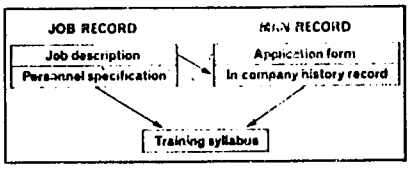
To this list should be added the information required by bodies outside the firm. The list can be checked by interviewing as many as possible of the people who will need personnel information. Allowance should be made for any changes in the requirements for information which can be foreseen.

The next stage is to build up a picture of an 'ideal' system to meet the needs. This involves considering possible sources for each kind of information, destinations and storage points, and also appropriate kinds of format for recording, storing and using the data. These together will give an idea of the requirements for communicating, storing and processing. During this stage it is important to bear in mind the other information systems in the company which the personnel information system will have to fit in with, such as wages, financial or production information.

Next, one should consider possible methods and media for meeting the requirements for communicating, storing and processing information. To take just one group of media for example—cards—these include ordinary index cards, visible-edge cards, edge-punched cards, slotted cards, feature cards and 40 and 80 column punched cards, and they may be kept in drawers, in trays, in chests, on card-wheels, etc. Another group of possibilities is offered by computers, with various programmes, input and output documents, etc. Files and filing systems should also be considered, and of course forms and the various ways of storing and reproducing them. Thought should be given to ways of recording and updating the information, and to ways of transcribing it from one document to another, or, preferably, avoiding transcribing it.

By comparing these possibilities with the 'ideal' system, a series of choices can be made to determine the system first in outline and then in greater detail, and this leads into the design of the details of the system. For example, the first stage of designing the various documents should be to decide how many of them are really needed; often one document can contain several kinds of information, e.g. a job description, personnel specification and job training syllabus might all go on the same piece of paper. Only

Figure 4



after deciding exactly what information is to go on each document should wording, layout and typography be considered.

Now the system can be installed. At first, a close check should be maintained to ensure that it is working as intended. Later, a follow-up should be carried out to see whether the system is satisfying the needs and whether the results are worth the cost. If so, the system is proved: if not, it may need modification.

Does this all sound rather complicated? It need not be. A personnel information system for a small or relatively unsophisticated firm can be designed in a few days, because the needs for personnel information will be few, and so will the possible methods and media. And the resulting information system is likely to be quite simple.

Application to health, social welfare, and family planning

Employers of white-collar workers are under pressure not only to increase efficiency, but also to prove to the public that they are equal opportunity employers. Rejecting patronage and employment-by-influence, the public is declaring it corrupt to exclude from employment those who are best qualified. Civil service systems, special employment commissions, and even citizens' action groups are demanding proof that the best people are being hired, that the most productive and effective persons are promoted and given higher pay, and that wasteful and ineffective people are discharged. Personnel record systems must provide the data with which an organization can prove that it is an equal opportunity employer (or discover that it is not). With a well-kept set of employee records, it is possible to prepare answers to the following questions:

(a) Are well-qualified women or members of low status groups being passed over for promotion to upper-level managerial positions in favor of males or employees with good family, political, or organizational "connections"?

(b) Are there pay differentials between women and men? Among districts? Among ethnic groups?

(c) Are some segments of the organization receiving special privileges which others are not, such as extra days off, additional sick leave, special fringe benefits such as automobiles, paid vacations, special allowances?

(d) Are new employees being hired at higher rates of pay than persons already employed for doing the same work? (During times of rapid inflation this injustice often occurs.)

(e) Are there employees filling jobs for which they really lack the education and other qualifications?

(f) How much consistency is there between the ratings given employees and the promotions and pay raises they receive? Do those rated most highly really get rewarded, or do they just get overlooked in bureaucratic across-the-board actions?

Personnel records have perhaps been used more rigorously to improve the productivity and quality of blue-collar workers than for white-collar workers. White-collar employees of public agencies have perhaps been the most immune of all; they may get to a point where they become indifferent to the needs of those they serve.

One corrective of this problem can be the maintenance of a personnel file on each employee, kept in accordance with the recommendations given above. This system need not be complex. It should be planned to contain the information that will be needed for periodic rating of the individual and for answering questions that may arise concerning his history of employment.

Questions for discussion and exercises

1. Suppose you were asked to answer, from personnel record files, all six questions posed above concerning equal opportunity employment, and that you planned to do this by extracting the information from the personnel files onto a special tabulation card for mechanical processing.

(a) Identify the items of information you would need to extract to answer these questions.

(b) Design the codes or categories that must be developed for analyzing the data for each item in the above list.

(c) Design a work form for collecting the above data and a punched-card form for punching these data onto data tabulation cards after they are collected.

(d) Specify the tabulations that you would need to answer each of the above six questions.

(e) Imagine that an organization made a poor showing on all of the six items. Write in fictitious percentages or rates into the tables which would illustrate this fact. Then write in fictitious data that would show that the organization was performing well on all six items.

2. Using the work forms developed in the above exercise, get permission to code 100 cases from the personnel files of a health, social welfare or family planning organization.

(a) How much of the needed data is completely missing from the files because it was not an item on any personnel data form?

(b) How much of the data you need is missing because personnel office employees failed to ask for the information or to record it?

(c) Using the data you are able to accumulate, and taking account of their limitations, how does the organization rate on each of the six questions?

3. On the basis of the above experience, what recommendations do you have for maintaining employee records of white-collar workers in this particular organization?

(a) What modifications of the record forms do you propose?

(b) What modifications of the instructions for use of the forms do you propose?

(c) What suggestions do you have for maintaining a summary work form for the employee that summarizes on one or two pages his entire personnel file? How often should these summaries be updated—continuously, monthly, quarterly, semi-annually or annually?

(d) How much do you think would be gained by computerizing the summary? Would the cost be worth it?

4. Visit an organization known to have an unusually good and complete set of personnel records. Study the procedures they follow for collecting, coding, tabulating, analyzing and interpreting data. What problems do they solve with these data that you had not previously thought about? What tabulations do they make that you think are needless?

5. Develop as many other important questions as you can that a personnel data system should be able to answer in order to improve efficiency, effectiveness, employee satisfaction, managerial decision making, and long-range planning.

6. It is claimed that maintaining complete files of personnel actions violates the human rights of individual employees. It gives easy access to detrimental information to persons who may be in a position to use it maliciously. The individual employee is given no warning that negative information is being placed in his file, and he has no opportunity to confront the charges and present counter-evidence. Some personnel officers may place a great deal of hearsay and unconfirmed accusations or gossip in the file. At the time the employee changes employers, the new employer may contact the former employer; he may refuse to employ the person because of the negative information which the file contains, but of which the worker may be innocent.

What is your position on this question? What compromise position might you suggest? Should an employee have a right to examine his file upon request and challenge allegations which it contains that he thinks are untrue? Should limits be placed upon the types of negative information that can be filed? Should files be purged periodically of all negative information that is more than a given number of years old?

Chapter Eleven

EVALUATION OF PERFORMANCE OF INDIVIDUALS AND GROUPS

The overall quality of the work force should be determined at periodic intervals. Persons who are doing outstandingly well should be identified and considered for increases in salary or promotion; persons whose work is below standard should be identified and scheduled for counseling or retraining. An employee rating procedure, wherein each supervisor rates each employee for whom he is directly responsible, is the vehicle by which this evaluation is performed. It may be done monthly, quarterly, semi-annually, or annually, depending upon the nature of the work, the qualifications of the employees, and organization policy. The rating may be called an efficiency report, performance rating, or job evaluation. The third reading reproduces a typical form used for such ratings.

A form for rating employees must be drawn up by the personnel manager in consultation with his superior officers. Factors that represent essential activities, skills, or qualifications in carrying out the particular job at which the person is employed are listed on the form. For each of these items, several degrees of performance (from outstandingly good to very bad) are indicated as possible ratings. Usually there are at least four and perhaps as many as ten degrees of rating for each item on which the employee is to be evaluated.

The more job-specific the items are, and the more clearly defined the items on which ratings are to be performed, the more precise will be the ratings. The items on which the employee is rated may cover quantity of work, quality of work, knowledge of his duties, supervisory capabilities, relations with

fellow workers, treatment of clients, and punctuality and absence from work. Usually the items on which the employee is rated are weighted and added to obtain a total score. If a standard rating form listing a large number of items is used, the weights may vary from zero (not relevant) to any predesignated number (usually not more than 5). If all items listed on the form are equally important, each item is simply scored as one.

Ideally, each employee should be rated on the items in his job specification or job description (Chapter 4) and the weights should reflect the relative importance attached to each item in the job specification. However, this is not possible. The various rating systems are a compromise with this ideal, in an effort to save time and effort and to attain comparability.

After each employee is rated, it is customary for his supervisor or employer to go over the ratings with him. This lets the employee know where he stands in the estimation of his supervisor and how his work compares with that of his fellow workers. It provides an opportunity for the supervisor to point out aspects of performance that need to be improved and to give recognition for unusually strong areas of performance.

The use of rating scales is beset with problems. Supervisors do not always fill them out with complete accuracy and correct judgment. Receiving poor ratings does not necessarily stimulate employees to improve their performance. The readings presented below, which discuss both sides of the question, are worthy of careful attention.

Group evaluation. The evaluation of individual workers tends to be relative; the supervisor compares each worker with other workers under his supervision. The average productivity of the entire group, however, may be higher or lower than that of other corresponding groups in the organization. For this reason, job evaluations should be paralleled with *group* evaluation. Objective records of group productivity and proficiency should be kept. The record of the group should be kept in mind when reviewing the ratings of individual group members.

An important consideration, not sufficiently emphasized in the readings below, is the danger of injustice, permanent damage to an employee, or deprivation of basic human rights. A vengeful, malicious, or neurotic supervisor may place hearsay, exaggerated, or fabricated information in a file which, if accepted, can haunt an innocent employee for many years. Personnel managers have an obligation to notify each employee of the existence of such information in his file, to permit him to read it, and to allow him to make whatever counter-statement or explanation he wishes. Unsubstantiated charges, made by persons no longer available to support them, should be removed from the file if there is no recent evidence to make them seem relevant. Improperly kept personnel files can be as vicious as the files of hearsay and gossip which secret investigators sometimes collect. Fresh information which would denigrate the character of an employee and make him ineligible for employment elsewhere

should be considered carefully before being placed on file. The "critical incident" method of evaluation is particularly subject to abuse or misuse. A senior officer of the organization should make a periodic review of the rating files being maintained by the personnel manager to make sure that basic human rights are not being violated.

Training for performance evaluation

Many of the weaknesses of performance evaluation can be greatly reduced by giving a brief training to managers and supervisors on the objectives, rationale, and procedures of evaluation. A one-hour session held once per year can do a great deal to make the ratings more valid and comparable. Such a training session can enlist cooperation, create understanding, and generate trust—in addition to imparting knowledge of the rating system itself. A small brochure or leaflet that explains the rating system—and its rationale and use—can also be helpful in training supervisors to perform this task better.

Make performance appraisal relevant

Winston Oberg

Foreword

The author's position is that performance appraisal programs can be made considerably more effective if management will fit practice to purpose when setting goals and selecting appraisal techniques to achieve them. He presents a catalog of the strengths and weaknesses of nine of these techniques; then he shows how they can be used singly and in combination with different performance appraisal objectives. He maintains that if management will undertake this matching effort, many familiar pitfalls of appraisal programs can be avoided.

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These frequently voiced goals of performance appraisal programs underscore the importance of such programs to any ongoing business organization:

- Help or prod supervisors to observe their subordinates more closely and to do a better coaching job.
- Motivate employees by providing feedback on how they are doing.
- Provide back-up data for management decisions concerning merit increases, transfers, dismissals, and so on.
- Improve organization development by identifying people with promotion potential and pinpointing development needs.
- Establish a research and reference base for personnel decisions.

It has been estimated that over three fourths of U.S. companies now have performance appraisal programs.[1]

In actual practice, however, formal performance appraisal programs have often yielded unsatisfactory and disappointing results, as the growing body of critical literature attests.[2] Some critics even suggest that we abandon performance appraisal as a lost hope, and they point to scores of problems and pitfalls as evidence.

But considering the potential of appraisal programs, the issue should not be whether to scrap them; rather, it should be how to make them better. I have found that one reason for failures is that companies often select indiscriminately from the wide battery of available perfor-

1. See W.R. Spriegel and Edwin W. Mumma, *Merit Rating of Supervisors and Executives* (Austin, Bureau of Business Research, University of Texas, 1961); and Richard V. Miller, "Merit Rating in Industry: A Survey of Current Practices and Problems," ILR Research, Fall 1959.

2. See, for example, Douglas McGregor, "An Uneasy Look at Performance Appraisal," HBR May-June 1957, p. 89; Paul H. Thompson and Gene W. Dalton, "Performance Appraisals Managers Beware," HBR January-February 1970, p. 149; and Albert W. Schrader, "Let's Abolish the Annual Performance Review," *Management of Personnel Quarterly*, Fall 1969, p. 203.

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mance appraisal techniques without really thinking about which particular technique is best suited to a particular appraisal objective.

For example, the most commonly used appraisal techniques include:

1. Essay appraisal.
2. Graphic rating scale.
3. Field review.
4. Forced-choice rating.
5. Critical incident appraisal.
6. Management-by-objectives approach.
7. Work-standards approach.
8. Ranking methods.
9. Assessment centers.

Each of these has its own combination of strengths and weaknesses, and none is able to achieve all of the purposes for which management institutes performance appraisal systems. Nor is any one technique able to evade all of the pitfalls. The best anyone can hope to do is to match an appropriate appraisal method to a particular performance appraisal goal.

In this article, I shall attempt to lay the groundwork for such a matching effort. First, I shall review some familiar pitfalls in appraisal programs; then, against this background, I shall assess the strengths and weaknesses of the nine commonly used appraisal techniques. In the last section, I shall match the organizational objectives listed at the outset of this article with the techniques best suited to achieving them.

Some common pitfalls

Obstacles to the success of formal performance appraisal programs should be familiar to most managers, either from painful personal experience or from the growing body of critical literature. Here are the most troublesome and frequently cited drawbacks:

☐ Performance appraisal programs demand too much from supervisors. Formal performance appraisals obviously require at least periodic supervisor observation of subordinates' performance. However, the typical first-line supervisor can hardly know, in a very adequate way, just what each of 20, 30, or more subordinates is doing.

☐ Standards and ratings tend to vary widely and, often, unfairly. Some raters are tough, others are lenient. Some departments have highly competent people; others have less competent people. Consequently, employees subject to less competition or lenient ratings can receive higher appraisals than equally competent or superior associates.

☐ Personal values and bias can replace organizational standards. An appraiser may not lack standards, but the standards he uses are sometimes the wrong ones. For example, unfairly low ratings may be given to valued subordinates so they will not be promoted out of the rater's department. More often, however, outright bias dictates favored treatment for some employees.

☐ Because of lack of communication, employees may not know how they are rated. The standards by which employees think they are being judged are sometimes different from those their superiors actually use. No performance appraisal system can be very effective for management decisions, organization development, or any other purpose until the people being appraised know what is expected of them and by what criteria they are being judged.

☐ Appraisal techniques tend to be used as performance panaceas. If a worker lacks the basic ability or has not been given the necessary training for his job, it is neither reasonable to try to stimulate adequate performance through performance appraisals, nor fair to base salary, dismissal, or other negative decisions on such an appraisal. No appraisal program can substitute for sound selection, placement, and training programs. Poor performance represents someone else's failure.

☐ In many cases, the validity of ratings is reduced by supervisory resistance to making the ratings. Rather than confront their less effective subordinates with negative ratings, negative feedback in appraisal interviews, and below-average salary increases, supervisors often take the more comfortable way out and give average or above-average ratings to inferior performers.

☐ Performance appraisal ratings can boomerang when communicated to employees. Negative feedback (i.e., criticism) not only fails to motivate the typical employee, but also can cause him to perform worse.[3] Only those employees who have a high degree of self-esteem appear to be stimulated by criticism to improve their performance.

☐ Performance appraisals interfere with the more constructive coaching relationship that should exist between a superior and his subordinates. Performance appraisal interviews tend to emphasize the superior position of the super-

3. See Herbert H. Meyer, Emanuel Kay, and John R.P. French, Jr., "Split Roles in Performance Appraisal," HBR January-February 1965, p. 123.

visor by placing him in the role of judge, thus countering his equally important role of teacher and coach. This is particularly damaging in organizations that are attempting to maintain a more participative organizational climate.

A look at methods

The foregoing list of major program pitfalls represents a formidable challenge, even considering the available battery of appraisal techniques. But attempting to avoid these pitfalls by doing away with appraisals themselves is like trying to solve the problems of life by committing suicide. The more logical task is to identify those appraisal practices that are (a) most likely to achieve a particular objective and (b) least vulnerable to the obstacles already discussed.

Before relating the specific techniques to the goals of performance appraisal stated at the outset of the article, I shall briefly review each, taking them more or less in an order of increasing complexity. The best-known techniques will be treated most briefly.

1. *Essay appraisal*

In its simplest form, this technique asks the rater to write a paragraph or more covering an individual's strengths, weaknesses, potential, and so on. In most selection situations, particularly those involving professional, sales, or managerial positions, essay appraisals from former employers, teachers, or associates carry significant weight. The assumption seems to be that an honest and informed statement—either by word of mouth or in writing—from someone who knows a man well, is fully as valid as more formal and more complicated methods.

The biggest drawback to essay appraisals is their variability in length and content. Moreover, since different essays touch on different aspects of a man's performance or personal qualifications, essay ratings are difficult to combine or compare. For comparability, some type of more formal method, like the graphic rating scale, is desirable.

2. *Graphic rating scale*

This technique may not yield the depth of an essay appraisal, but it is more consistent and reliable. Typically, a graphic scale assesses a person on the quality and quantity of his work (is he outstanding, above average, average, or unsatisfactory?) and on a variety of other factors that vary with the job but usually include personal traits like reliability and cooperation. It may also include specific performance items like oral and written communication.

The graphic scale has come under frequent attack, but remains the most widely used rating method. In a classic comparison between the "old-fashioned" graphic scale and the much more sophisticated forced-choice technique, the former proved to be fully as valid as the best of the forced-choice forms, and better than most of them.[4] It is also cheaper to develop and more acceptable to raters than the forced-choice form. For many purposes there is no need to use anything more complicated than a graphic scale supplemented by a few essay questions.

3. *Field review*

When there is reason to suspect rater bias, when some raters appear to be using higher standards than others, or when comparability of ratings is essential, essay or graphic ratings are often combined with a systematic review process. The field review is one of several techniques for doing this. A member of the personnel or central administrative staff meets with small groups of raters from each supervisory unit and goes over each employee's rating with them to (a) identify areas of inter-rater disagreement, (b) help the group arrive at a consensus, and (c) determine that each rater conceives the standards similarly.

This group-judgment technique tends to be more fair and more valid than individual ratings and permits the central staff to develop an awareness of the varying degrees of leniency or severity—as well as bias—exhibited by raters in different departments. On the negative side, the process is very time consuming.

4. *Forced-choice rating*

Like the field review, this technique was developed to reduce bias and establish objective standards of comparison between individuals, but it does not involve the intervention of a third party. Although there are many variations of this method, the most common one asks raters to choose from among groups of statements those which *best* fit the individual being rated and

4. James Berkshire and Richard Highland, "Forced-Choice Performance Rating on a Methodological Study," *Personnel Psychology*, Autumn 1953, p. 355.

those which *least* fit him. The statements are then weighted or scored, very much the way a psychological test is scored. People with high scores are, by definition, the better employees; those with low scores are the poorer ones. Since the rater does not know what the scoring weights for each statement are, in theory at least, he cannot play favorites. He simply describes his people, and someone in the personnel department applies the scoring weights to determine who gets the best rating.

The rationale behind this technique is difficult to fault. It is the same rationale used in developing selection test batteries. In practice, however, the forced-choice method tends to irritate raters, who feel they are not being trusted. They want to say openly how they rate someone and not be second-guessed or tricked into making "honest" appraisals.

A few clever raters have even found ways to beat the system. When they want to give average employee Harry Smith a high rating, they simply describe the best employee they know. If the best employee is Elliott Jones, they describe Jones on Smith's forced-choice form. Thus, Smith gets a good rating and hopefully a raise.

An additional drawback is the difficulty and cost of developing forms. Consequently, the technique is usually limited to middle- and lower-management levels where the jobs are sufficiently similar to make standard or common forms feasible.

Finally, forced-choice forms tend to be of little value—and probably have a negative effect—when used in performance appraisal interviews.

5. *Critical incident appraisal*

The discussion of ratings with employees has, in many companies, proved to be a traumatic experience for supervisors. Some have learned from bitter experience what General Electric later documented; people who receive honest but negative feedback are typically not motivated to do better—and often do worse—after the appraisal interview.[5] Consequently, supervisors tend to avoid such interviews, or if forced to hold them, avoid giving negative ratings when the ratings have to be shown to the employee.

One stumbling block has no doubt been the unsatisfactory rating form used. Typically, these are graphic scales that often include rather vague traits like initiative, cooperativeness, reliability, and even personality. Discussing these with an employee can be difficult.

The critical incident technique looks like a natural to some people for performance review interviews, because it gives a supervisor actual, factual incidents to discuss with an employee. Supervisors are asked to keep a record, a "little black book," on each employee and to record actual incidents of positive or negative behavior. For example:

Bob Mitchell, who has been rated as somewhat unreliable, fails to meet several deadlines during the appraisal period. His supervisor makes a note of these incidents and is now prepared with hard, factual data:

"Bob, I rated you down on reliability because, on three different occasions over the last two months, you told me you would do something and you didn't do it. You remember six weeks ago when I. . . ."

Instead of arguing over traits, the discussion now deals with actual behavior. Possibly, Bob has misunderstood the supervisor or has good reasons for his apparent "unreliability." If so, he now has an opportunity to respond. His performance, not his personality, is being criticized. He knows specifically how to perform differently if he wants to be rated higher the next time. Of course, Bob might feel the supervisor was using unfairly high standards in evaluating his performance. But at least he would know just what those standards are.

There are, however, several drawbacks to this approach. It requires that supervisors jot down incidents on a daily or, at the very least, a weekly basis. This can become a chore. Furthermore, the critical incident rating technique need not, but may, cause a supervisor to delay feedback to employees. And it is hardly desirable to wait six months or a year to confront an employee with a misdeed or mistake.

Finally, the supervisor sets the standards. If they seem unfair to a subordinate, might he not be more motivated if he at least has some say in setting, or at least agreeing to, the standards against which he is judged?

6. *Management by objectives*

To avoid, or to deal with, the feeling that they are being judged by unfairly high standards, employees in some organizations are being asked to set—or help set—their own performance goals. Within the past five or six years, MBO has become something of a fad and is so familiar to

5. Meyer, Kay, and French, op. cit.

most managers that I will not dwell on it here.

It should be noted, however, that when MBO is applied at lower organizational levels, employees do not always want to be involved in their own goal setting. As Arthur N. Turner and Paul R. Lawrence discovered, many do not want self-direction or autonomy.[6] As a result, more coercive variations of MBO are becoming increasingly common, and some critics see MBO drifting into a kind of manipulative form of management in which pseudo-participation substitutes for the real thing. Employees are consulted, but management ends up imposing its standards and its objectives.[7]

Some organizations, therefore, are introducing a work-standards approach to goal setting in which the goals are openly set by management. In fact, there appears to be something of a vogue in the setting of such work standards in white-collar and service areas.

7. *Work-standards approach*

Instead of asking employees to set their own performance goals, many organizations set measured daily work standards. In short, the work-standards technique establishes work and staffing targets aimed at improving productivity. When realistically used, it can make possible an objective and accurate appraisal of the work of employees and supervisors.

To be effective, the standards must be visible and fair. Hence a good deal of time is spent observing employees on the job, simplifying and improving the job where possible, and attempting to arrive at realistic output standards.

It is not clear, in every case, that work standards have been integrated with an organization's performance appraisal program. However, since the work-standards program provides each employee with a more or less complete set of his job duties, it would seem only natural that supervisors will eventually relate performance appraisal and interview comments to these duties. I would expect this to happen increasingly where work standards exist. The use of work standards should make performance interviews less threatening than the use of personal, more subjective standards alone.

The most serious drawback appears to be the problem of comparability. If people are evaluated on different standards, how can the ratings be brought together for comparison purposes when decisions have to be made on promotions or on salary increases? For these purposes some form of ranking is necessary.

8. *Ranking methods*

For comparative purposes, particularly when it is necessary to compare people who work for different supervisors, individual statements, ratings, or appraisal forms are not particularly useful. Instead, it is necessary to recognize that comparisons involve an overall subjective judgment to which a host of additional facts and impressions must somehow be added. There is no single form or way to do this.

Comparing people in different units for the purpose of, say, choosing a service supervisor or determining the relative size of salary increases for different supervisors, requires subjective judgment, not statistics. The best approach appears to be a ranking technique involving pooled judgment. The two most effective methods are alternation ranking and paired comparison ranking.

Alternation ranking: In this method, the names of employees are listed on the left-hand side of a sheet of paper—preferably in random order. If the rankings are for salary purposes, a supervisor is asked to choose the "most valuable" employee on the list, cross his name off, and put it at the top of the column on the right-hand side of the sheet. Next, he selects the "least valuable" employee on the list, crosses his name off, and puts it at the bottom of the right-hand column. The ranker then selects the "most valuable" person from the remaining list, crosses his name off and enters it below the top name on the right-hand list, and so on.

Paired-comparison ranking: This technique is probably just as accurate as alternation ranking and might be more so. But with large numbers of employees it becomes extremely time consuming and cumbersome.

To illustrate the method, let us say we have five employees: Mr. Abbott, Mr. Barnes, Mr. Cox, Mr. Drew, and Mr. Eliot. We list their names on the left-hand side of the sheet. We compare Abbott with Barnes on whatever criterion we have chosen, say, present value to the organization. If we feel Abbott is more valuable than Barnes, we put a tally beside Abbott's name.

6. *Industrial Jobs and the Worker* (Boston, Division of Research, Harvard Business School, 1965).

7. See, for example, Harry Levinson, "Management by Whose Objectives?" HBR July-August 1970, p. 125.

We then compare Abbott with Cox, with Drew, and with Eliot. The process is repeated for each individual. The man with the most tallies is the most valuable person, at least in the eyes of the rater; the man with no tallies at all is regarded as the least valuable person.

Both ranking techniques, particularly when combined with multiple rankings (i.e., when two or more people are asked to make independent rankings of the same work group and their lists are averaged), are among the best available for generating valid order-of-merit rankings for salary administration purposes.

9. *Assessment centers*

So far, we have been talking about assessing past performance. What about the assessment of future performance or potential? In any placement decision and even more so in promotion decisions, some prediction of future performance is necessary. How can this kind of prediction be made most validly and most fairly?

One widely used rule of thumb is that "what a man has done is the best predictor of what he will do in the future." But suppose you are picking a man to be a supervisor and this person has never held supervisory responsibility? Or suppose you are selecting a man for a job from among a group of candidates, none of whom has done the job or one like it? In these situations, many organizations use assessment centers to predict future performance more accurately.

Typically, individuals from different departments are brought together to spend two or three days working on individual and group assignments similar to the ones they will be handling if they are promoted. The pooled judgment of observers—sometimes derived by paired comparison or alternation ranking—leads to an order-of-merit ranking for each participant. Less structured, subjective judgments are also made.

There is a good deal of evidence that people chosen by assessment center methods work out better than those not chosen by these methods.[8] The center also makes it possible for people who are working for departments of low status or low visibility in an organization to become visible and, in the competitive situation of an assessment center, show how they stack up against people from more well-known departments. This has the effect of equalizing opportunity, improving morale, and enlarging the pool of possible promotion candidates.

Fitting practice to purpose

In the foregoing analysis, I have tried to show that each performance appraisal technique has its own combination of strengths and weaknesses. The success of any program that makes use of these techniques will largely depend on how they are used relative to the goals of that program.

For example, goal-setting and work-standards methods will be most effective for objective coaching, counseling, and motivational purposes, but some form of critical incident appraisal is better when a supervisor's personal judgment and criticism are necessary.

Comparisons of individuals, especially in win-lose situations when only one person can be promoted or only a limited number can be given large salary increases, necessitate a still different approach. Each person should be rated on the same form, which must be as simple as possible, probably involving essay and graphic responses. Then order-of-merit rankings and final averaging should follow. To be more explicit, here are the appraisal goals listed at the outset of this article and the techniques best suited to them.

Help or prod supervisors to observe their subordinates more closely and to do a better coaching job.

The critical incident appraisal appears to be ideal for this purpose, if supervisors can be convinced they should take the time to look for, and record, significant events. Time delays, however, are a major drawback to this technique and should be kept as short as possible. Still, over the longer term, a supervisor will gain a better knowledge of his own performance standards, including his possible biases, as he reviews the incidents he has recorded. He may even decide to change or reweight his own criteria.

Another technique that is useful for coaching purposes is, of course, MBO. Like the critical incident method, it focuses on actual behavior and actual results which can be discussed objectively and constructively, with little or no need for a supervisor to "play God."

Motivate employees by providing feedback on how they are doing.

8. See, for example, Robert C. Albrook, "Spot Executives Early," *Fortune*, July 1968, p. 106; and William C. Byham, "Assessment Centers for Spotting Future Managers," HBR July-August 1970, p. 150.

The MBO approach, if it involves real participation, appears to be most likely to lead to an inner commitment to improved performance. However, the work-standards approach can also motivate, although in a more coercive way. If organizations staff to meet their work standards, the work force is reduced and people are compelled to work harder.

The former technique is more "democratic," while the latter technique is more "autocratic." Both can be effective; both make use of specific work goals or targets, and both provide for knowledge of results.

If performance appraisal information is to be communicated to subordinates, either in writing or in an interview, the two most effective techniques are the management-by-objectives approach and the critical incident method. The latter, by communicating not only factual data but also the flavor of a supervisor's own values and biases, can be effective in an area where objective work standards or quantitative goals are not available.

Provide back-up data for management decisions concerning merit increases, promotions, transfers, dismissals, and so on.

Most decisions involving employees require a comparison of people doing very different kinds of work. In this respect, the more specifically job-related techniques like management by objectives or work standards are not appropriate, or, if used, must be supplemented by less restricted methods.

For promotion to supervisory positions, the forced-choice rating form, if carefully developed and validated, could prove best. But the difficulty and cost of developing such a form and the resistance of raters to its use render it impractical except in large organizations.

Companies faced with the problem of selecting promotable men from a number of departments or divisions might consider using an assessment center. This minimizes the bias resulting from differences in departmental "visibility" and enlarges the pool of potential promotables.

The best appraisal method for most other management decisions will probably involve a very simple kind of graphic form or a combined graphic and essay form. If this is supplemented by the use of field reviews, it will be measurably strengthened. Following the individual appraisals, groups of supervisors should then be asked to rank the people they have rated, using a technique like alternation ranking or paired comparison. Pooled or averaged rankings will then tend to cancel out the most extreme forms of bias and should yield fair and valid order-of-merit lists.

Improve organization development by identifying people with promotion potential and pinpointing development needs.

Comparison of people for promotion purposes has already been discussed. However, identification of training and development needs will probably best—and most simply—come from the essay part of the combined graphic/essay rating form recommended for the previous goal.

Establish a reference and research base for personnel decisions.

For this goal, the simplest form is the best form. A graphic/essay combination is adequate for most reference purposes. But order-of-merit salary rankings should be used to develop criterion groups of good and poor performers.

Conclusion

Formal systems for appraising performance are neither worthless nor evil, as some critics have implied. Nor are they panaceas, as many managers might wish. A formal appraisal system is, at the very least, a commendable attempt to make visible, and hence improvable, a set of essential organization activities. Personal judgments about employee performance are inescapable, and subjective values and fallible human perception are always involved. Formal appraisal systems, to the degree that they bring these perceptions and values into the open, make it possible for at least some of the inherent bias and error to be recognized and remedied.

By improving the probability that good performance will be recognized and rewarded and poor performance corrected, a sound appraisal system can contribute both to organizational morale and organizational performance. Moreover, the alternative to a bad appraisal program need not be no appraisal program at all, as some critics have suggested. It can and ought to be a better appraisal program. And the first step in that direction is a thoughtful matching of practice to purpose.

THE NATURE AND INTERPRETATION OF EMPLOYEE MERIT RATINGS*

Hawthorne Works, Western Electric Company

The system of employee merit ratings as discussed in the following manuscript was devised at Western Electric's Hawthorne Works, Chicago, and has been used at Hawthorne. Other Western Electric plant locations may use different systems of merit ratings.

THE NATURE OF EMPLOYEE RATINGS

First of all, it is necessary to keep in mind that a rating is a *record of opinion* about an employee. Much misunderstanding of the use and interpretation of ratings has grown out of failure to recognize this principle.

Interest in employee ratings involves, fundamentally, a recognition of the fact that most of our important decisions about employees are based, in part, on "intangible" factors—that is, on considerations which cannot be "measured" in the sense in which the number of piece parts in a pan can be counted. We know, for example, that, assuming that a man's output is up to standard, his versatility and dependability might weigh more heavily in his supervisor's estimate than would unusually high output. His ability to cooperate, to get along with people, to "fit" into the organization, will also count. Such factors as these receive consideration in all personnel adjustments, such as lay-off, transfer, promotion, and rate revisions.

These intangible factors are not measured as piece parts are counted, but this must not be interpreted as meaning that they are not "real." We are constantly making judgments, such as that Jones is more dependable than Smith, that he has more initiative, that he makes a better impression on people, that on the whole he is doing a better job. We have some confidence in these judgments, and we act on the basis of them.

That these judgments of intangible factors are not a figment of our own imagination is evidenced by the fact that *other persons who are in a position to judge Jones and Smith will agree with us reasonably well.* If this were not true, no group of supervisors could ever reach an argeement that Jones should be promoted, given a raise, or retained on the pay roll instead of Smith, whenever such a decision is required.

The fact that various competent judges will agree reasonably well in their judgments of intangible factors bears on the statement sometimes made, that "ratings are really a rating of the rater rather than of the person presumably being rated." Of course, such factors as personal prejudice and imperfect opportunity to observe a person color our ratings of him. However, we could not agree reasonably well with other persons, either in rating people or in making personnel changes,

* From Training Department, Personnel Service Branch, Chicago. Used by permission of the Company.

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if these purely personal peculiarities were the dominant factor in our judgments.

It is sometimes said that "it is wrong to pigeonhole people. People vary in such complicated ways, and the whole thing is so 'intangible' that we should not try to sum it all up and put them in fixed pigeonholes."

Actually, it is *inevitable* that people are pigeonholed. Their rates of pay pigeonhole them with respect to each other. Their level in the Company pigeonholes them. All the machinery for "maintenance of pay differentials" and for providing labor grades and supervisory levels points to the necessity of classifying, or "pigeonholing," people in a few broad ways.

It is management's concern simply to insure that the classification of people shall be done wisely rather than by chance, and that the classification shall be subject to frequent and careful revision. Ratings should be viewed, then, as a tool for use in the *revision of classifications,* rather than as a device which of itself tends to "pigeonhole" persons who otherwise would not or should not be pigeonholed.

The above presents some thoughts with regard to the nature of ratings. It is based on recognition of the fact that human judgment plays an important part in our classification of people; that judgment is dependable in that various qualified judges will agree reasonably well in their judgments of people; and that ratings must be interpreted as a *record of judgments or opinions.*

We may now turn to some precautions with regard to the use of ratings, keeping in mind the nature of ratings. Two precautions are of particular importance. These are:

1. A rating should always be interpreted as having a "zone of uncertainty."
2. No rating should be expected to tell the whole story with regard to an individual.

These two points are discussed in the following paragraphs.

• THE "ZONE OF UNCERTAINTY" IN RATING

We have so far focused attention on the fact that in our judgments of the intangible factors affecting the value of employees we agree reasonably well, so that records of judgment, or personnel adjustments based on judgment, will not be a matter of whim or chance. It will be obvious, however, that these judgments cannot be perfect, and that in consequence, no record of them can be expected to be 100% correct. For example, if there are 25 punch press operators in a department, a rating will show that one of them ranks 12th, another 13th. The "zone of uncertainty" is certainly wide enough that no important differential treatment should be accorded these two men on the assumption that one was really better than the other. On the other hand, the man who ranks first in such a group, and the one who ranks last, are almost certainly different. The "zone of uncertainty" would not be this broad.

The "zone of uncertainty" is affected by many factors. If we keep in mind that ratings are *records of a man's opinions,* it will be clear that we cannot expect the rating assigned by a man to provide direct comparisons of a type which the man himself is not in a position to make. His rating cannot tell you something which he himself does not even know.

For example, a man's highest ranking punch press operator is very likely better than his 25th operator. But is his best operator better than some *other* supervisor's 25th operator in some other organization? The rater himself does not know. We may say that in all probability the two organizations are reasonably comparable, so that the best man in one is likely to be better than the lowest man in the other. But our "zone of uncertainty" is greater than when the men being compared are both in the same organization.

It may be useful to list some of the major factors which affect the "zone of uncertainty."

1. The smaller the number of raters, the greater the zone of uncertainty.
2. The smaller the number of employees in similar work in the organization, the greater the zone of uncertainty. A rating of departmental stenographers, for example, where a rater may know the work of no other stenographers, has a wider zone of uncertainty than a rating of punch press operators in organizations employing a large number of people on such work.
3. Comparisons among men in different organizations have a wider zone of uncertainty than among men in the same organization.
4. Comparisons of men in somewhat different occupations have a wider zone of uncertainty than among men doing exactly the same work.
5. The longer the time since the rating was made, the greater the zone of uncertainty that it is true at the present time.

All these data are available on the individual personnel merit-rating record form and are kept in mind by the personnel organization in interpreting ratings.

• RATINGS DO NOT TELL THE WHOLE STORY

Disregarding the zone of uncertainty, it must be kept in mind that our judgment of a man's general effectiveness, for example, is not the only factor involved when he is being considered for transfer, upgrading, rate revision, lay-off, or other change in status. The promotion of the most "meritorious" individual is not always the most equitable or the most sensible action to take at a given moment. Some other individual may be peculiarly fitted for the particular job which is to be filled. Or some other individual may have broader Company experience which fits him for an immediate promotion over another who is, in one sense, doing a more effective job.

Ratings may thus be thought of as providing a *guide* or a *basis for discussion,* rather than as providing a cut-and-dried answer to all problems of personnel adjustment.

• RATINGS AS A CONTROL MECHANISM

The use of employee ratings as a guide in effecting personnel adjustments may be thought of as a control mechanism, much as labor grades and rate ranges are used as control mechanisms. Ratings in this sense may be used by *higher level supervisors* and by the personnel organizations. Here are some questions which a supervisor might ask, to which ratings would provide relevant information.

1. When promotions are recommended, are the men chosen generally those who have received high ratings? When this is

not the case, has it been agreed that other factors justify this choice?

2. Have we had an opportunity to look at outstanding men in other organizations before filling our promotional jobs? Have we reasonable assurance that the men we have looked at in other organizations are really outstanding?

3. At times of lay-off, are we tending to lose our best people, or are we improving the organization, consistent with proper consideration for service?

4. In taking people from other organizations which are reducing their force, have we obtained a reasonable cross-section of their people, or have we been asked to take more than our share of the employees receiving low ratings?

5. In determining pay increases, are we giving proper attention to our most effective people, consistent with their service and their type of work? If pay increases are recommended for employees who have received low ratings, has it been agreed that other factors in the situation justify this action?

6. In rehiring, are we giving proper preference to those whom we had previously considered to be most effective?

From the standpoint of the Personnel Placement organization, ratings might be involved in answering the same questions as those listed above, with emphasis on coordinating the personnel activities of the various organizations. Placement people could assure themselves, for example:

1. That outstanding people in each organization are not overlooked in considering promotions, either in that organization or elsewhere in the Works.

2. That in large-scale transfers from one organization to another, a fair cross-section of people are transferred.

3. That in lay-off and rehiring, improvement of the personnel is brought about to as great an extent as possible.

It should be clearly understood that this control function of ratings, like most control mechanisms, rests on the needs of a reasonably large company. It is not possible for the immediate supervisor of an operating unit, for example, to know what outstanding persons there are in other parts of the Works, who might be well fitted for work in his unit. Nor is it possible for him to locate opportunities for his own outstanding people, which may be better than any position available in his own unit. In a large organization, it cannot be expected that outstanding people will be placed to their own and the Company's best advantage simply as a result of the routine contacts among hundreds of supervisors. Systematic procedures for locating these outstanding people may be expected to improve placement from the over-all Company standpoint.

DO RATINGS HELP OR HAMPER THE IMMEDIATE SUPERVISOR?

Still viewing ratings as a control mechanism, chiefly used as information for supervisors and for personnel organizations, does this mechanism help or hamper the personnel activities of the immediate supervisor? There is undoubtedly some hesitancy on the part of some supervisors to put down in black and white their opinions of their people, for fear that this record may upset some personnel change which they may later wish to recommend.

This is a crucial point in the evaluation of the usefulness of employee rating procedures. Two observations occur in connection with it.

If ratings are *rightly used*, they do not

tend to hamper the supervisor in any action which is to the best interest of the Works *as a whole.*

If he wishes to transfer an employee with a low rating, he will be hampered in doing so by virtue of the rating which shows that the man has a low rating. However, another supervisor who might have that man "wished" on him may be grateful for the record. The proper placement of this employee then becomes, as it should, a matter of serving best the interests of the employee and the Company as a whole, rather than a matter of immediate advantage to any one organization.

If a supervisor wishes to hold on to an outstanding man for whom better opportunities exist elsewhere in the Works, he will be hampered by the record, which may mark that man for special attention. However, if a supervisor has a spot for an outstanding man, his work will be facilitated by the existence of records which provide him with candidates throughout the Works who were not put forth simply by organizations having someone to "sell."

Of course, it is not meant to imply that supervisors customarily follow selfish or unfair tactics in giving information for a particular purpose to other organizations. It is only meant that *unless* a purely selfish action is contemplated, which is not in line with over-all Company interests, ratings, if properly used, should tend to facilitate the action rather than hamper it.

If ratings are *improperly used*—that is, without regard for the cautions outlined—then a supervisor may be hampered in taking an action which, everything considered, is reasonable. If higher supervisors or personnel people should require all personnel changes to be strictly in accordance with ratings, without proper regard for other factors in the individual situation, then it is not to be expected that the action thus required will be necessarily correct, and the individual supervisor may feel that ratings have hampered him rather than helped him in carrying on his work.

It is thus essential that those who maintain controls on personnel changes, in part through the use of ratings, must recognize:

1. The "zone of uncertainty" in ratings.
2. That ratings do not tell the whole story and should be used only as a guide or a basis for discussion in determining proper personnel adjustments.

Assume, for example, that a supervisor wishes to promote or upgrade an employee. He will prepare the necessary forms and requisitions, and will state, probably in written form, the basis upon which he is recommending this particular action.

These forms will then go to the proper line executives and personnel organizations for approval. These persons have been given the responsibility, as a part of their job, of taking a broad look at all personnel readjustments in their territory, and of assuring themselves, before approval, that the action is in line with Company policies and practices and that it will serve the best interests of the Company and the employee.

If the person being recommended differs radically *in any respect* from the type of person who would normally be chosen for upgrading, this difference will flag the attention of those who are responsible for approvals. If he has unusually short service, for example, they may wish to be informed, in some detail, as to whether longer service employees with

similar experience were given consideration, and as to the reasons why such employees were not chosen.

Assume that the person being recommended has a very low rating. Neither this, nor any other single consideration, should be used as a basis for disapproval of the proposed action. It should simply give rise to discussion along these lines:

1. Have we looked at Jones, who received the highest rating in this line of work in our organization? What were our reasons for not upgrading him?
2. What of the others who were rated considerably above the man who has been chosen in our organization?
3. Have we looked at men with similar experience in other organizations who rated higher than this man? What were our reasons for rejecting them?
4. Can we give some evidence, in spite of this man's low rating, for our belief that he can handle the work to which we are recommending his promotion?

If the answers to such questions as these indicate that the action being recommended has been given proper thought and that no important considerations have been overlooked, then the unusual factors, such as a low rating, would not be expected to stand in the way of approval of the recommendation.

POSSIBLE ADVANTAGES OF EMPLOYEE RATINGS OTHER THAN AS A CONTROL MECHANISM

Certain arguments are sometimes advanced in favor of employee ratings, which may be listed here.

1. That employees would prefer to be rated, since it gives them a feeling that the Company is trying systematically to provide opportunities and recognition for them. There is less chance of being "lost in the shuffle."

The extent to which rating procedures are being suggested by labor organizations, and appear in labor contracts, would seem to bear this out. Doubtless, outstanding employees would welcome rating procedures more than less competent ones. It is difficult to evaluate the extent to which employees are concerned about the matter. In some cases, they may not even know that they are being rated.

2. That it is desirable for supervisors to be impressed by this evidence that the Company considers employee recognition and mobility to be important and worth attention. The extent to which ratings do foster this feeling among supervisors is unknown.

3. That supervisors benefit, in handling their people, from having taken the time to think over and evaluate their employees as is necessary in rating them. This appears reasonable, although the extent to which ratings improve the supervisor's thinking in this way is, of course, difficult to evaluate. Comments from a number of supervisors indicate that the time they have devoted to rating their people has been helpful.

4. That the ratings themselves give the supervisor *new information* about his people—tell him something he did not know before.

This is quite improbable, if we recall that the ratings are records of his opinions about his people. It does not appear likely that the immediate supervisor will find much need for consulting the ratings in determining the standing of his own people.

5. That there is an educative value in ratings for the person being rated, since it is possible, on the basis of ratings, for the supervisor to point out an employee's strong and weak points to him and thus assist him in developing himself. This is possibly a very real point, as far as a detailed analytical rating of a man is concerned.

The procedures to be used in getting a good rating for control purposes are quite different from those which should be used if the educational value to the employee is to be emphasized. It is confusing if these two objectives are mixed. Present emphasis at Hawthorne is on obtaining good ratings for over-all control purposes.

6. The ratings may also be used to counsel and aid the employee in his personal development.

USE OF RATINGS AT HAWTHORNE

As stated above, ratings at Hawthorne are now serving largely as a control mechanism. Continuous and systematic use of them is being made by the personnel organization. Instances could be given of the use of ratings as a basis for discussion in connection with practically every question listed earlier in this report under the heading Ratings as a Control Mechanism.

Use of ratings by the line organizations, on the other hand, has been increasing. As a result of their experience in making ratings and in using them, supervisors have indicated their confidence in the ratings and the need for them when considering personnel changes. Some organizations feel the importance of ratings so strongly that they would carry on rating programs for their own use even if the Works as a whole were not doing so. Other organizations use the ratings chiefly when the matter is brought up in their dealings with personnel people.

SUMMARY

The chief points covered in this statement are:

1. That ratings must be recognized as *records of opinion.*

2. That ratings should be interpreted with two particular precautions in mind. These are:

   (a) A rating should always be interpreted as having a "zone of uncertainty."

   (b) No rating should be expected to tell the whole story with regard to any personnel adjustment. Ratings should be used rather as a basis for discussion of proposed personnel changes.

3. That the use of employee ratings as a guide in effecting personnel adjustments may be thought of as a control mechanism, much as labor grades and rate ranges are used as control mechanisms. In this sense, ratings are chiefly used by higher level supervisors and by personnel organizations in connection with their responsibilities for approval of personnel adjustments.

4. That this use of ratings as a control mechanism, if properly administered, should not tend to hamper a supervisor in making any personnel adjustment which is to the best interest of the Works as a whole.

5. That there are certain possible advantages of employee ratings other than as a control mechanism. These points have been discussed briefly.

Personnel Evaluation Rating Scale

JOSEPH P. CANGEMI

THE objective assessment of personnel is always a difficult task. Such assessment usually leads to promotions, salary increases and other types of rewards, or to the converse, including sometimes involuntary separation.

Many types of psychological instruments can be involved in an assessment program when a company is willing to provide such services. If none are used, then the assessment is done on a verbal, face-to-face basis. In either case, an instrument which has great utility and practicality and which is economical in terms of both time and money is a rating scale. Rating scales consist of judgments of how and to what degree an observed characteristic is associated with a given individual. As such, they are not meant to substitute for other forms of measurement and assessment; rather, they are intended to supplement them. Certainly an evaluator would not want to form a general opinion of a particular individual solely on the basis of the results of a rating scale, especially when the results, if negative, could be damaging.

Labeling the Rating Scale

In order for a rating scale to appropriately assess a given trait or characteristic, such as emotional stability, some brief guidelines should be used rather than merely the numbers 1, 2, 3, 4, and 5, with 1 signifying that the performance is inferior, 3 signifying the performance is average, and 5 indicating that the performance is superior. The use of a series of unaccompanied, unexplained numbers in a rating scale leaves far too much room for individual interpretation as to the varieties of different conduct each evaluator has contemplated under each number in the scale. If even brief explanations accompany the numbers, then at least a common reference has been spelled out for each evaluator to follow. And this, we must admit, is better than having plain numbers before an evaluator, with absolutely no guidelines to follow, leaving him to guess what behavior is included under each of the numbers. Short, simple explanations are generally recommended as being the most useful.

Four Errors to Avoid

When using a rating scale, the evaluator should be careful to avoid the following common errors: (1) personal bias, (2) central tendency, (3) halo effect, and (4) logical error. Personal bias errors are those that result when the evaluator rates consistently all individuals too high or too low. The error of central tendency signifies that the evaluator seldom ever gives ratings at the extremes of the scale. Because of some personal weakness, he prefers to stay near the middle or average part of the rating. The halo effect usually is found in those operating under the presence of strong personal biases toward the individual. That is, the rater rates a person the same or nearly the same on all characteristics. (The halo errors appear in ratings which the rater

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gives to a single individual, while personal bias and central tendency errors appear in ratings which the rater gives to a number of individuals.) The fourth error, the logical error, which is quite common, results from a misunderstanding of the characteristic to be rated. The rater rates an individual on *his* narrow conception of the trait he is measuring. The logical error can be expected with high frequency when no definitions are found regarding the characteristics being rated. Like all measurement instruments of human conduct, the rating scale has some inherent weakness, maximized or minimized by the objectivity of the evaluator.

Professional-Supervisory Rating Scale

Below is a rating scale developed for industrial use, which can be of some value to management in making evaluations of personnel, on both the executive and non-executive level. This particular scale has a built-in advantage in that it is self-explanatory and offers the opportunity of letting an individual rate himself. Management rates an individual, and the individual is then allowed to rate himself using the identical scale. After a comparison of both scales and a discussion of any discrepancies between them, the opportunity for growth and development on the part of the employee is enormous. A section at the end of the scale labeled Observations was included to permit the evaluator to elaborate on anything he might wish. Also, space was provided between traits so that notes might be kept.

PROFESSIONAL-SUPERVISORY RATING SCALE

Employee's Name .....

Supervisor's Name .....

Purpose: The purpose of the Professional-Supervisory Rating Scale is to offer an objective approach to the task of employee rating. Although only a judgment, a rating scale such as this presents valid additional data to those in supervisory and management positions whose responsibility it is to judge employee performance as well as select appropriate, deserving individuals for promotion.

Directions: Below are several areas considered to be of concern to the organization. Accompanying each area are rating numbers assigned to represent the degree of positive or negative strength possessed by the employee in the area in question. A rating of "1" strongly indicates *inferior* quality; a rating of "3" indicates *average* achievement; a rating of "5" represents *outstanding* accomplishment. Ratings of "2" and "4" represent "in-betweens." Employees with consistent ratings under "3" should have their cases and records investigated in detail. They should be investigated to determine to what extent they are contributing to the organization. Employees with consistent ratings over "3" should be considered, along with other appropriate data, for possible future promotion. *You should circle your choice.*

	1	2	3	4	5
1. Cooperation	Uncooperative				Very cooperative
2. Responsibility	Unreliable				Very responsible
3. Honesty	Dishonest				Meets every situation squarely

	1	2	3	4	5
4. Emotional Stability	Very emotional		Well Balanced		Exceptionally stable
5. Seriousness of Purpose	Purposeless				Purposeful
6. Leadership Ability	Poor, Incapable				Exceptional, Inspiring
7. Job Achievement	Poor				Excellent
8. Industry	Works Seldomly				Seeks additional work
9. Concern for Others	Antisocial				Very concerned
10. Appearance	Very poor				Unusually neat
11. Job Interest	Little or no interest				Strong interest
12. Self Discipline	A frequent discipline problem A trouble maker				Good behavior No problem
13. Desire to Learn	Unconcerned				Very interested
14. General Ability	Poor ability, Inadequate				Very talented, bright
15. Tardiness, Absenteeism	Very Often Tardy				Little or none

Additional Comments or Explanations:

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_____

A NEW LOOK AT PERFORMANCE APPRAISAL: THE SPECIMEN CHECK-LIST

Barry M. Cohen

The specimen check-list represents a breakthrough in appraisal because its format minimizes appraiser-errors common in rating, ranking, and essay appraisal methods. The specimen check-list requires the appraiser to diagnostically report behavioral incidents observed, based upon prompted recall.

The valid appraisal of job performance is a serious and perplexing problem. There appears to be no one universal approach to it and appraisal scales now in existence vary markedly. They include these four methods:

Ranking methods: the rater summarily judges competence by ranking persons from top to bottom, presumably by comparing the worth of each rater to all others;

rating methods: the rater summarily judges competence by rating persons along a theoretical standard sometimes denoted by a line or series of boxes;

essay methods: the rater summarily describes the competence of ratees by recalling past performance;

check-list methods: the rater diagnostically reports the competence of ratees by identifying those behaviors he has observed from amongst a large domain of behaviors representing competence.

The key to understanding the appraisal is not the scale per se, but the way the appraiser responds to the scale, to following format and completing the scale. Without understanding how the appraiser "appraises," it is impossible to interpret the validity of his appraisal. It is exactly in this area that there are serious defects in these four most prominent methods. In both ranking and rating methods, the appraiser judges a man's competence by estimating it on a scale from "high-to-low." The *limits* of "high-to-low" are determined in the ranking method by the level of the actual competencies of the persons being rated, and the top-bottom limits presumably vary from one work group to another. In the rating method, the limits of "high-to-low" are predefined by a theoretical range; presumably, regardless of how variable the actual competencies of differing work groups are, any group should fall within the theoretical range.

Consider the possibilities for appraisers to err using these two methods. The appraiser may not judge competence accurately because he is 1) personally prejudiced against some personal attribute of the ratee; 2) untrained or inexperienced in appraisal, and tends to commit such common rater errors as leniency error; 3) unable to translate valid competence estimates to a scale whose limits high-to-low are too narrow or wide, given the actual competencies of those rated, and 4) similarly, unable to trans-

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late, because the limits of the scale are not adequately defined, so that it is unclear what scale points represent various judgments of competence. Research has well demonstrated that ranking and rating methods have been subject to these various errors.[1]

The essay method was developed to avoid many of the difficulties above, since the appraiser does not have to judge competence nor interpret it along a scale. He simply has to describe competence sometime after performance is observed. However, research shows that this method also has serious inherent difficulties.[2] Raters vary markedly in their ability to write; some raters have better powers of free recall of past performance than others; and all raters are subject to losses in recall over long periods of time. Raters may vary the length and breadth of content written, even after observing the same performance. Finally, raters tend to become confused because there usually are no guidelines as to what content should and should not be included in their essays.

The check-list method of appraisal requires the appraiser to admit that he has observed specific behavioral incidents in his working interactions with a ratee. He does not have to judge the value or importance of these incidents, nor does he have to summarize his observations descriptively or numerically as a rating. He simply reports these incidents in such a way that the combination of incidents reported represents the essential structure of an essay, but is an improvement over the essay in that the report is free of stylistic errors inherent in essay writing. The check-list method, however, is not free of error. Such error is best evaluated by considering the three most important types of check-lists:

1. FORCED-CHOICE CHECK-LIST—This check-list forces the appraiser to choose between pairs of behavioral incidents, attributing one incident in each pair as more typical of the ratee. Incidents in each pair are pre-matched so that they appear equally favorable or unfavorable to the appraiser. In actuality, however, only one incident in each pair differentiates successful employees from unsuccessful ones. The intended purpose of the check-list format is to reduce leniency rater error. Unfortunately, research suggests that informed raters can "see through" the format and bias their appraisals.[3] The construction of the forced-check check-list itself also causes unique errors. Many raters, for example, object to the intended secrecy of the format and frequently bias their appraisals to fight the system. Also, in many cases both paired behavioral incidents are equally typical of the ratee, but the ratee cannot be cited for both incidents. Finally, since only behavioral incidents paired for favorability can be used in this method, incidents that cannot be successfully paired cannot be utilized, and the ratee who commits such incidents cannot be cited for them.

2. CRITICAL INCIDENTS CHECK-LIST—This scale was originally developed to maximize rater objectivity. It requires the appraiser to record on standard forms those behavioral incidents he observes immediately after the ratee performs them. The appraiser, however, has to use his judgment as to what behavioral incidents to record because he is given only the guideline to record incidents which he considers "outstandingly effective" or "outstandingly ineffective." In some ways, the format is subject to errors associated with writing (recording the incidents) as in the essay method.

A major difficulty is that outstanding incidents tend to be committed so *infrequently* by ratees that in any two periods of time, ratees can vary markedly in their appraisals. At the Delco-Remy Division of General Motors, about one-fourth of the employees had neither positive nor negative incidents recorded after the critical incident format was begun.[4] Other problems occur because the appraiser is reluctant to record behavioral incidents, possibly because other job demands often do not permit immediate record keeping. Also, the guideline to record only outstandingly effective and outstandingly ineffective incidents precludes recording incidents that are salient but not outstanding. It is also possible that some workers will view this method as a constant surveillance system and an immediate threat. In support of the method, however, is the fact that such common rater errors as leniency error are reduced and that, unlike the forced-choice check-list, equally favorable or unfavorable incidents may be reported.

3. SPECIMEN CHECK-LIST—This scale is a modern version of the critical incidents check-list. The format was originally conceived in 1956 and subsequently researched in the 1960's.[5] The appraiser checks those behaviors he has witnessed in his association with a ratee in a specified time period.

The behavioral list from which his selections are chosen is constructed by interviewing or surveying those persons (superiors, peers, subordinates, or any combination thereof), who have come in association with workers occupying a given job and are required to appraise their performance. One is asked to serially consider each worker he knew who had performed the job, and then recall at least one incident which caused him to feel the worker was particularly effective or ineffective at the time. Behavioral incidents are collected until *no one* can submit a new incident. For the average job, listings usually consist of 100-200 distinct behaviors, about evenly divided between effective and ineffective specimens. The finished listing is then used for appraisal. Figure 1 illustrates 30 incidents from a 141-item check-list for the appraisal of lower management personnel in a large processing plant.

The specimen check-list differs from the critical incidents check-list because its use and construction involve *recall* of behavioral incidents, rather than immediate report. The saliency of the incidents may range from outstanding performance, as in the critical incidents check-list, to a much lower psychological point, below which are only "neutral" incidents, that is, incidents that lack sufficient impact to be recalled as effective or ineffective when the specimen list is constructed.

Errors common to the critical incidents check-list are virtually eliminated by the specimen check-list. Appraisers no longer can make writer-errors because they do not write incidents. Appraisals can be done at a specified and planned time and location, independent of job pressures, and without promoting the surveillance atmosphere of immediate report.

The reliability of the specimen check-list has been consistently high. The major advantage of the method is that it results in as full a report of performance as the appraiser can recall. In comparison with the essay method where appraisal is based upon free recall, specimen check-list appraisal is based upon *prompted* recall—that is, the appraiser must review all behavioral incidents on the check-list, thus prompting memory of incidents observed. It is conceivable, nevertheless, that some rater error due to memory loss will occur, but the extent of this error should be minimal if the specimen check-list is extensive. Moreover, memory loss error appears much less serious than rater errors due to the immediate report appraisal of the critical incident method.

It is even feasible that future research may confirm either of two hypotheses: 1) that appraisers do not experience specimen check-list memory loss because its incidents have sufficient impact to be recalled, as evidenced in the construction of the scale, or 2) that appraisers do experience specimen check-list memory loss, but forget effective incidents as often as ineffective incidents, thus cancelling the loss out for scaling purposes.

A more serious problem confronting the specimen check-list is that appraisers must be motivated not to consciously distort their appraisals—that is, it is possible *not to admit* to observing incidents witnessed, particularly if those incidents reflect negatively on an appraiser's prior developmental efforts with a ratee or reflect negatively on the productive status of the work unit the appraiser supervises. When appraisers perceive a situation where there is more to gain or less to lose from distortion than from honesty, appraisals of *all* types are in difficulty. Only a management assurance—that positive, not negative, consequences will follow honest appraisal—can minimize distortion error.

Applications of the Specimen Check-list

The specimen check-list has been successfully used to appraise job performance for technical, supervisory, and teaching personnel.[6] Two recent developments include the use of the specimen format to appraise human relations skill, and the use of a modification of the format to appraise employee morale. Even more traditional rating methods of appraisal are beginning to "anchor" their theoretical continuums of competence (e.g., superior-inferior) in terms of behavioral incidents—that is, incidents are used to exemplify varying degrees of competence.[7]

Future applications of the specimen scale might include its integration into on-going appraisal programs, employee development activities, and internal selection systems.

A Management-By-Objectives (MBO) appraisal program supplemented by a specimen check-list could permit an evaluation of both what a manager accomplishes and what work behaviors he attempts

FIGURE 1

Sample Items from a Managerial Check-List

..... Refused to make an unpleasant decision or reprimand in his own name; named his superior as the responsible one.

..... Resisted pressure to start a job without sufficient advanced thought and planning.

..... Refused to accept job instructions without a prolonged discussion or argument.

..... Reported findings on a problem in a fashion which expedited an effective solution.

..... Failed to consider alternate ways of performing a job when available information indicated he should.

..... Apologized to subordinate when wrong.

..... Performed ineffectively on a project because of failure to plan sufficiently.

..... Demonstrated the ability to place proper priorities on jobs.

..... Planned for long-range requirements and coming developments with unusual effectiveness.

..... Acquired thorough knowledge of equipment for which he was not responsible, but which related to his job.

..... Made unrealistic demands of his group in terms of time and effort.

..... Studied a current operating procedure and made effective recommendations for improvements.

..... Required prodding on jobs outside of his major responsibilities.

..... Displayed ingenuity in cutting corners to meet a deadline.

..... Placed the blame for his own mistakes on his subordinates.

..... Demonstrated inability to get along with other employees on the same level.

..... Misinformed his superior concerning an important matter.

..... Failed to prepare requested report on time.

..... Recognized the abilities and weaknesses of his subordinates and made job assignments accordingly.

..... Insisted on using equipment that could not be justified economically.

..... Failed to keep superiors informed about important job developments affecting other departments or divisions.

..... Refused to accept substandard work from subordinates who were capable of better performance.

..... Refused to follow instructions, even though they were clearly spelled out.

..... Made excellent and reliable reports on important matters.

..... Performed a difficult task which was outside his regular duties without being told to do so.

..... Ignored the results of a study revealing defects in a proposal he submitted.

..... Appropriated the good ideas of subordinates as his own.

..... Ignored important facts in giving merit increases or promotions.

..... Instituted effective procedure for controlling expenses in his department.

..... Failed to clearly communicate the duties and responsibilities of a job to his subordinates.

towards the goal of accomplishment. Unfortunately, it is possible to reach accomplishments in spite of one's ineffectual behaviors or fail to reach them in spite of one's effectual behaviors. By means of a specimen check-list, it would be possible to understand what *responsibility* a worker has for his own accomplishments.

Such employee development activities as appraisal interviewing and vocational counseling are based upon the process of providing accurate behavioral feedback to employees. Rating, ranking, and essay appraisal methods typically describe employee performance in terms of trait or type, e.g., the employee is extroverted, close-minded, and overbearing. Only the check-list format specifies those work behaviors which presumably lead appraisers using other appraisal methods to trait- or type-terms in describing employee competence. Thus the check-list is the more useful format for employee development.

The specimen scale may also be of some value in

the internal selection of employees for promotion. Certainly, it can be used to determine eligibility for promotional consideration based upon present job competence. It may also be used as a predictor of future job competence to the extent that some present work behaviors on the specimen scale are correlated with future job competence. For example, an employee whose specimen scale is marked by effective work behaviors of an interpersonal nature may be most successful in a higher level position where interpersonal demands are critical.

In conclusion, the specimen check-list represents a breakthrough in appraisal because its format minimizes rater and scaling errors common in rating, ranking, and essay appraisal methods. The process by which the appraiser "appraises" is the key to understanding valid appraisal. The specimen check-list requires the appraiser to diagnostically report behavioral incidents observed, based upon prompted recall.

FOOTNOTES

[1] Thomas L. Whisler and Shirley F. Harper (Eds.). *Performance Appraisal*. New York, Holt, Rinehart, and Winston, 1962.

[2] M. Joseph Dooher and Vivienne Marquis (Eds.). *Rating Employee and Supervisory Performance*. New York, American Association, 1950.

[3] James R. Berkshire and Richard W. Highland. "Forced-choice Performance Rating: A Methodological Study." *Personnel Psychology*, 1953, Vol. 6, pp. 355–358.

[4] J. C. Flanagan and Robert K. Burns. "The Employee Performance Record: A New Appraisal and development tool." *Harvard Business Review*, Sept.–Oct. 1957, pp. 95–102.

[5] G. H. Whitlock. "Performance Evaluation Through Psychophysics." Unpublished manuscript, University of Tennessee, 1956. See also "Application of the Psychophysical Law to Performance Evaluation." *Journal of Applied Psychology*, 1963, Vol. 47, pp. 15–23.

[6] Whitlock, 1956.

[7] P. C. Smith and L. M. Kendall. "Retranslation of Expectations: An Approach to the Construction of Unambiguous Anchores for rating scales." *Journal of Applied Psychology*, 1963, Vol. 47, pp. 149–155.

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Application to health, social welfare, and family planning

Perhaps no aspect of health, social welfare, or family planning personnel management is more worthy of careful attention than a careful periodic review of the work performance of its employees. Many of these programs have been launched in great haste, with hundreds of employees recruited and hired in a very short time. Often there is a very high turnover, with jobs remaining vacant for long periods of time and being filled in desperation with employees of weaker qualifications. Weak and nonproductive employees should be retrained or replaced. Outstanding employees should be given an opportunity to undergo special training in order to become supervisors. One major problem for these programs is that performance ratings by a substantial proportion of supervisors will be unreliable; low competence among the supervisory ranks is also commonly present. Where conditions are truly serious, it may be necessary to rescreen the entire work force, employing the procedures used in testing and employing persons originally hired.

In developing countries, where many employees may be relatives or special friends of important political figures or influential families, supervisor's ratings may be unusually unreliable. There may also be a tendency for weak supervisors deliberately to downgrade their strongest worker, who may be aspiring to a supervisory post. Under such circumstances, group ratings based upon objective measures of performance (number of new acceptors recruited, number of clients served per hour of clinic service, cost of recruiting one client, total cost of one clinic visit, clinic discontinuation rates, etc.) are unusually helpful. By identifying groups which have overall low performance ratings it is possible to identify units which need management evaluation in addition to supervisory level evaluation.

Assessment Centers. The assessment center approach to the selection of lower and middle level supervisors and managers (officers at local, district, and provincial levels) is tremendously important for family planning. Most national health, social welfare, and family planning programs are of sufficient size to warrant the establishment of such centers. The effect on worker morale, the training benefits for the assessors, and the gain in the quality of supervisors recruited could be very dramatic. Rules requiring that supervisors be processed through such centers could also help protect against weak patronage appointments.

Questions for discussion and exercises

1. Working in teams and using the job descriptions for the following standard positions, develop an evaluation procedure that is both valid and practical:

(a) Caseworker in a welfare agency
(b) Public health nurse assigned to home visiting
(c) Home visitor for family planning

(d) Physician in a clinic
(e) Nurse in a clinic
(f) Supervisor of caseworkers

2. Discuss the procedures that would be used in evaluating positions of which there are only one or two in an organization—department heads, chief supervisors, receptionists, technicians, librarians, etc.

3. Which of the nine methods of performance appraisal, described in the first reading, do you think is most effective for evaluating social workers? clinic nurses? family planning field workers? Give reasons for your choices.

4. Go to the personnel officer of an organization and get permission to examine the personnel files of a sample of ten white-collar workers. On the basis of the information contained in the files write a brief evaluation of each worker. Write a report on the adequacy of the rating system in effect at that office and make recommendations for improving it.

5. As a follow-up to Exercise 4, go to the supervisors of the ten workers and ask them to fill out the rating scale reproduced in the reading by Cangemi. Prepare a new evaluation on the basis of this information. Compare your results with the results of Exercise 4.

6. Repeat Exercise 5, using the checklist in the article by Cohen. Compare your results with the results of Exercise 5. Which of these approaches do you think works best in this particular situation?

7. Arrange for a personnel trainee to hold an interview with each of the ten employees and form an independent assessment of his work on the basis of the interview. Compare the results with Exercises 4, 5, and 6.

8. Hold a field review with the supervisors of these workers, as described by Oberg, to try to reconcile the discrepancies among Exercises 4–7. Write a report on the degrees of justice and injustice that the ratings of this particular sample manifest.

9. Draw up plans for a one-hour training course to train supervisors to evaluate their employees more fairly and validly. Include the text of a leaflet on rating procedures that would be handed out.

Chapter Twelve

PAY, PROMOTION, AND FRINGE BENEFITS

The evaluation of employees discussed in the preceding chapter provides the basis for three types of negative administrative action: (a) discharge from employment, (b) assignment for retraining, or (c) demotion to a lesser position. It can also lead to two types of positive administrative action: (a) the awarding of increases in pay or (b) selection of employees for promotion to a higher level of technical or supervisory responsibility. In theory these two actions should be based on different sets of criteria. Merit increases should be based on superior productivity in a given job, but should have no implications for promotion. Promotion to a new position should be based on an assessment of qualifications to occupy a different job. Outstanding performance on a given job is no guarantee that an employee will excel if assigned to a new job. This is reflected in the recommendation of the previous chapter that assessment units be installed to evaluate the eligibility of workers for new positions. The present chapter takes a closer look at the process of awarding pay increases and of selecting candidates for promotion.

The "human relations approach" to personnel management outlined in the first three chapters of this book has caused a great deal of confusion over the management of pay. Traditional theory had held that pay (measured in terms of present salary, fringe benefits, and anticipated pay to come from promotion and/or pension) was the major element determining employee job satisfaction. In Chapter 3, however, it was argued that although pay below expectations results in job dissatisfaction, pay in excess of expectations leads only to absence of dissatisfaction, not necessarily to satisfaction. According to this theory, personnel managers should pay only a sufficient amount to minimize dissatisfaction, while seeking to provide satisfaction by means of

recognition, job enrichment, and greater democracy in setting goals, policy, and supervision. Promotion to a higher level job is the highest order of recognition and self-development which can be given an employee, and hence is a form of reward which contributes most to job satisfaction. Because no universally or even widely accepted principles of pay and promotion now exist, the readings selected are somewhat academic and theoretical in nature. The objective is to prepare the reader to see these problems from a variety of viewpoints.

The articles have one common element: they assume that it is important for the personnel manager to understand how his employees interpret the pay, promotion and fringe benefits program of the company. The materials presented illustrate that employees may have priorities that are very different from those which management might anticipate, and that these priorities may not always represent the maximum in monetary benefits. This concern for understanding employee perception of pay must include, as the readings emphasize, not only absolute levels of pay, but perceived comparison with other groups, both within and outside the organization. Another important element of the pay and promotion problem is job security, which may be viewed by employees as a fringe benefit of great priority.

Psychological Research on Pay: An Overview

MASON HAIRE, EDWIN E. GHISELLI
AND LYMAN W. PORTER

IT IS A STRANGE THING that there is so little psychological research on pay. The basic assumption—that it motivates people to work—is a psychological one. The details of wage and salary systems—e.g., decisions about the size of increments—demand further assumptions about the way people see pay and its structure. The papers that follow are, with one exception, part of a series of studies at the Institute of Industrial Relations at Berkeley designed to explore this area.

In addition to the fact that a host of everyday decisions have to be made about pay, it has a special social relevance that justifies the research. Pay, in one form or another, is certainly one of the mainsprings of motivation in our society. The drive for private money gain—the profit motive—provides the main ideological cleavage in the world today. Deep down, everyone assumes that we mostly work for money. The most evangelical Human Relationist insists it is important, while protesting that other things are too (and are, perhaps, in his view, nobler). It would be unnecessary to belabor the point if it were not for a tendency for money drives to slip out of focus in a miasma of other values and other practices. As it is, it must be repeated: pay is the most important single motivator used in our organized society. As a motivator, it becomes part of general psychological problems.

It might help, first, to identify some of the psychological problems underlying pay. First, there is the most basic assumption that pay acts as an incentive. It may seem to be *a priori* given that this is so, but the very fact that it operates as an incentive and the manner in which it operates still leave large questions open to test. For example, we know very little about when pay is an incentive. If one is to get a raise, is this an incentive before the raise? Long before? Just afterward, as many rewards seem to be? In retrospect? Or all equally? The second big class of problems has to do with the

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way pay is seen by the recipient. How big a step is perceived? How does my pay look to me? How does my boss's (or subordinate's) pay look to me? This group also includes fringe benefits—what trades would one make, or what are the indifference points, between, say, pay and pension? The third big class of psychological problems raises the question of social comparison. How does my pay look in comparison with his? With whom do different groups compare their pay? An *equitable* wage usually demands a standard of comparison. What group provides the standard?

The three classes of problems cannot be kept strictly separate. Clearly, the incentive character of pay depends on what one sees, and that may in turn be influenced by one's comparison with others. The separation, however, may be useful, in that it points to three relatively distinct theoretical and methodological areas of psychology: motivation, perception, and social psychology.

Incentives

It has been suggested that pay is not symmetrical on either side of satisfaction. Below satisfaction, pay can be a dissatisfier. Above a satisfactory level, it sometimes seems to add relatively little. Consequently we might look at the studies for the correlates of satisfaction.

One of the studies indicates a clear and consistent dissatisfaction with present pay among those who anticipate a large increase in pay over the next five years in comparison with those who anticipate a small increase. We are immediately brought up short by one of the perplexing contradictions in the incentive-satisfaction complex. It is quite possible that dissatisfaction with *present* pay in anticipation of a large increase is exactly what is meant by an incentive. It is at least possible that those anticipating small increases and satisfied with present pay lack the incentive. Unfortunately, productivity data for the two groups are not available to help us understand whether either is spurred by incentive.

Since a large part of executive compensation is in the form of so-called incentive pay of one form or another, it is a shame that we have very little data on the degree to which it is an effective incentive—i.e., the degree to which it furthers behavior promoting the companies' objectives. Some recent studies have suggested that salaries correlate better with sales than with profits, suggesting a failure in proper salary administration. The other administrative phenomenon—the yearly incentive that loses its incentive character because of its regularity—is too well known to need elaboration. They all suggest the need for research on what form of pay acts as an incentive, and what behavior it spurs.

Another of the studies . . . shows that the somewhat surprising tendency, at a given level of management across a widely diverse group of companies, to agree, relatively speaking, on what one ought to get—whether one gets it or not. Each level studied showed the same phenomenon—all groups agreed remarkably closely on what the salary ought to be; however, a graded series of groups fell away from the levels, each feeling, apparently, that its pay departed further and further from what was appropriate. Again, we have a measure of dissatisfaction—and here a very regular and lawful one—but, lacking performance data of some sort, no measure of incentive. The degrees of dissatisfaction shown are large and clear. If they are the dissatisfactions associated with a striving for something more, they should be recognized and harnessed toward company objectives. If, on the other hand, they are the dissatisfactions that lead to informal, unannounced resignations, we are losing a tremendous potential spur.

Only one of the studies . . .

. . . bears directly on productivity. Here it is clear that the feeling of being overpaid is a real incentive to more and better productivity. It is a kind of drive to balance the books, to make up for a felt deficit, to make the man whole, psychologically speaking. It is not suggested that overpayment is a practical suggestion for raising productivity, but the study does more than most to illuminate the internal psychodynamics of pay and its meaning to the person.

Perceptions of Pay

One of the studies reports part of a series of measurements of indifference points between fringe benefits and pay. How much of a possible wage increase would you give up for an increased pension? Shorter hours? Longer vacation? Better hospital insurance? In this way specific values of each part of the package can be determined. There are also large differences in the value of a particular benefit from group to group, depending, for example, on age, marital status, and the like. It is not surprising that these demographic variables influenced the evaluation of benefits—though their importance must be discussed a little later—but one other variable yielded surprising results. The groups were asked morale questions such as, "What do you think of the company?" ". . . of your boss?" and the like. Defined by these questions, the low morale group tended to prefer pay to benefits. The high morale group was willing to let its money ride with the company in various forms of deferred pay-out (pension, hospital, vacation, etc.). The most important aspect of this is that we see, for the first time, the close relationship between the kind of management practices employed and the

kind of wage payment plan required. In one sense the contract negotiated becomes an indirect measure of morale; in another, it becomes a kind of cost accounting of the effects of various managerial styles.

The wide variations in preferences for benefits as a function of age emphasize one point. Both management and labor often use as an argument, "What labor wants." These data suggest that it is impossible to say what labor wants, unless a careful study is made of the demographic characteristics of the group, its attitudes, the neighborhood, and the plant history. In fact, neither side knows what labor wants. This is particularly unfortunate since the techniques for finding out are easily available. The argument over the other person's desires could easily be based on fact instead of fancy. A somewhat similar situation exists with regard to the perception of salaries. Most companies have implicit or explicit weightings of a list of factors which determine pay and raises—successful performance, seniority, job knowledge, labor market, and the like. The list is a long one. Most employees have some weighting of these factors in their perceptions of pay and of what they are paid for. It is at least a horrible possibility that these weightings do not agree. If they do not, then what happens to incentive? If a man is promoted for successful performance and he (or others) sees it as simply the result of a tight labor market in his specialty, what becomes of the spur? Again, it is relatively simple to determine the perceptions of executives in this regard. As in the case of benefits, it would seem much more useful to base salary as well as wage administration on empirically determined fact rather than a fancy which may be slipping further and further away from the truth over the years.

The existence of wide differences in evaluation of various fringe benefits as a function of age, marital status, and the like, appear in two of the studies of both wages and salary earners. These differences suggest that a single benefit package may be difficult to tailor to suit all. It is at least possible to consider a kind of free-choice, cafeteria-style benefit program with equal cost items available as one's life situation dictates. The administrative problems are considerable; wage and salary administrators will almost surely reject such a notion if only because it is not neat. Yet, if the company's basic view of pay is to give the man what he wants in return for what the company wants (work), might it not be better to let him choose what he wants rather than giving him a benefit that may fit others but not himself? If the objective is to maximize the return in motivation for each dollar spent on pay and benefits, these data suggest that present benefit packages may not do it. The very freedom and autonomy of a cafeteria-style benefit plan, in addition to the spur of enlightened self-interest, might provide an extra motivational return.

We also have very little information on lifetime compensation histories of executives. A series of studies, though not reported in this symposium, is presently under way on this topic. The problem fits under the general heading of perception. For many an employee there comes a time when he realizes that he is on a particular lifetime curve—a big leaguer, a minor leaguer, or an also-ran. To the extent to which this is true, a variety of problems flow from it: at what stage does the employee come to realize this and what are the sufficient cues to the realization? How does he settle with his acceptance of a lesser curve of progression than he may earlier have hoped for? What becomes of incentive? Should the company recognize this and bargain within a curve, or hold out a perhaps doubtful possibility of a more rapidly accelerated one? Does he shift comparison groups at this time in judging equity? All these and many more relevant problems seem wrapped in the examination of career compensation curves.

Social Comparisons

One of the knottiest problems, methodologically, is the determination of the people with whom one compares one's pay. And yet it is absolutely essential to an understanding of either satisfaction or equity. Some of the studies reported here cast a little light on this problem.

In a study of managers, middle and lower managers tended to compare themselves with groups inside the company. An in-between classification—lower-middle—clearly chose outside groups for comparison. Two general lines run through this problem. First, with the growing professionalization of many positions, there is an increasing feeling of membership in broad horizontal groups outside the company and a tendency to seek equity in outside comparisons. Second, it seems possible that at the two extremes of the hierarchy—the hourly paid worker and the chief executive—there is the clearest awareness of being a member of a broad extracompany group. The path to success for many middle managers is to sink themselves further and further into the company, accepting its goals, practices, and traditions. This may well be associated with a tendency to accept internal comparison groups. To the extent to which this immersion within the company is a negative indicator of executive potential, the development of inside comparison groups may be a useful, if negative, diagnostic sign.

In line with growing professionalism, the same study shows an increase in the use of outside comparisons as education increases. There is also, unfortunately, some tendency for increasing education to be associated with less satisfaction. This kind of finding has appeared in other social surveys. With increasing education one tends to accept a broader reference group and to

be less satisfied with the state of things. In social terms this may well be healthy. In terms of managerial problems, with increasing educational levels in management, it promises new and special difficulties.

Finally, the study of inequity shows us some of the inner workings of comparison groups. If one accepts that one is less able than one's colleagues—and hence, in this case, overpaid—it sets up powerful psychological mechanisms to redress the balance. The author interprets this in terms of a broad theory of dissonance—an attempt on the part of the person to reduce the disparity between input and outcome (pay), between evaluation and performance, between self-esteem and the esteem of others, and so on. The study of the effects of felt overpayment is interesting in terms of pay. The potential leverage of such a finding for dealing with a variety of behaviors in industry may be even more so.

Conclusion

Few other areas of industrial practice have the layers upon layers of traditional thinking that characterize wage and salary administration. We are in danger of being trapped in a kind of institutionalized way of dealing with the problem simply because we have done so for so long. We have made the same assumptions and not tested or questioned them. Practices have developed and become fixed simply by past practice. If only for these reasons, we badly need the fresh air and light let into the field by new lines of empirical research and by other facets of theory. When one adds to the problem the tremendous role that is given to pay as an organizer and motivator of much of society, it becomes doubly important to review again and question our habitual modes of thought about compensation.

Pay and Benefit Preference

STANLEY M. NEALEY*

UNION-MANAGEMENT CONTRACT negotiations are frequently concerned with the question of whether increases in compensation should be granted in terms of pay raises or fringe benefits.[1] Both management and union leadership must be to some extent responsive to the desires of employees in this matter. But, information about the relative compensation preferences of employees is the very thing we do not have in these situations. In lieu of direct information on the desires of employees, how are bargaining positions decided upon? One management approach is to follow an industry pattern or to decide on some outside philosophical grounds that employees ought to have life insurance, or would abuse sick leave, etc. The union leadership may be governed by long- or short-range goals set on the basis of their own estimates of the needs of their members. Both sides rationalize these doubtful methods on the grounds that workers don't know what they want anyway.

Let me pose two fundamental questions. Can employee preferences in regard to pay and benefit options be measured in a meaningful way? If so, can we identify the determinants of these expressed preferences?

Inferences about employee preferences have sometimes been made on the basis of employee-attitude surveys. These surveys are usually conducted with the goal of finding out which job features are most "important" to employees. For these purposes, compensation is sometimes considered in its broadest sense and sometimes it is broken down among pay and other benefits, such as vacation and life insurance. In either case, compensation items are often compared with other features of the job, such as security or opportunity for advancement. For instance, the National Industrial Confer-

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[1] Parts of this project were supported by the General Electric Company and the Institute of Industrial Relations, University of California, Berkeley. Thanks for financial support and cooperation is also due the staff and members of Local 1245 of the International Brotherhood of Electrical Workers (AFL-CIO). This research owes much to Dr. J. Stacy Adams, Consultant, General Electric Company, for parts of the project were conceived and carried out under his skilled direction. Finally, my thanks to Professor Mason Haire for his continuing help and concern with this research topic.

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ence Board had workers rank 71 morale factors.[2] Job security was ranked first in importance, compensation was third, and vacation and holiday practices were ranked seventh. Pay sometimes shows up very poorly in these surveys. In a 12-year series of employee surveys by Sears, Roebuck and Company, rates of pay ranked fourteenth among elements related to high morale.[3] Can we then assume that pay rates can be ignored at Sears? Unfortunately, the attitude survey gives us little information about how urgently the expressed attitudes are felt. The attitudes can thus offer scant guidance in the design of employee compensation and benefit programs.

Leaving aside for the moment the question of whether preferences can be measured, let us approach the second question posed above, that of identifying the determinants of preference.

Various motivational theories have something to say on this issue. The "economic man" conception would lead us to expect that man will try to maximize his gain in dollar terms. This gives us little guidance in predicting whether the maximizing will take the form of pension or pay, but it would presumably lead him to frown on a frivolity like vacation. On the other hand, the concept of hierarchical needs, a very influential one in some management circles, would predict that a given need will cease to motivate once it reaches a certain level of satisfaction. If we could only determine the need hierarchy involved and the satisfaction functions for each of the needs we would be in a position to predict preferences directly. Even without this kind of precision we might argue that as pay becomes higher more interest will be shown in benefits such as sick leave (which may satisfy a security need). The findings that emerged from the Hawthorne studies have been influential partly because they seemed to offer a way out of the difficult problem of understanding compensation. For, if we can attain good results by attention to good human relations, perhaps we can just beg the question of economic compensation.

The intention here is not to chronicle or evaluate all the attempts that have been made to understand the structure and significance of employee reaction to compensation and benefits, but to show that the problem is a vital one which remains not just unresolved, but largely unapproached.

Over the last 30 years we have seen a vast proliferation of fringe benefit plans in American industry. Presumably they have answered a need. The fact remains, however, that little has been done to measure this need in terms of the direct expression of employee preference. We know even less regarding what variables may be related to these preferences. The present

[2] National Industrial Conference Board, *Factors Affecting Employee Morale*, Studies in Personnel Policy No. 85 (New York: 1947).

[3] M. S. Viteles, *Motivation and Morale in Industry* (New York: Norton, 1953).

paper is an introduction to a family of methods for measuring and identifying the determinants of worker preferences among pay and benefits.

Methods of Measurement

In the present project, two different methods have been used to measure preferences among pay and benefits:

1. *The Pair Comparison method.* The form of presentation is exactly the same as in the standard psychophysical experiment. Each pay and benefit option is compared to every other one by considering only two options at a time. The subject must indicate the preferred option in each pair. Time-order error is avoided either by presenting each pair twice, first in one order, then in the other, or by presenting the pairs in one order to half the group, in the other order to the remaining half.

2. *The Game Board method.*[4] Each subject was given a hypothetical increase in compensation of $190 and was asked to indicate the manner in which he would "spend" this money on pay and benefits. Preferences were indicated by distributing monetary tokens among the various pay and benefit options. A subject could use all his money on pay raise or one benefit, or he could purchase lesser amounts of several benefits. Subjects were furnished cost tables that listed the amount of each benefit that could be purchased for given amounts of money. For instance, $60 would buy five days of sick leave a year, while $50 would provide for a year of family dental insurance. This method differs from the general technique of the first method in one other important respect: the cost of some of the benefits vary with the ages of the subjects. For instance, a subject under 30 years could purchase a $20 a month pension increase for $50, while this much pension would cost $125 for a subject between 45 and 49 years of age. The subjects were provided with cost tables appropriate to their own ages.

A third method, the *Raise Fill-in method*, has also been used in a limited way, although no results from this method will be included here. This method forces the subject to evaluate each benefit option in terms of its perceived equivalent in pay raise. If the option to be evaluated is a vacation plan, the question takes this form: "If I were offered three weeks' paid vacation a year in addition to my present vacation, it would take a pay raise of ..... per cent to equal it." For each of the benefit options the subject must fill in the amount of pay raise felt to equal that benefit. The results from this method were difficult to interpret because the method seemed to invite calculation of the dollar value of the options. This in turn clouded the issue of prefer-

[4] Dr. J. Stacy Adams provided the original idea from which the Game Board method was developed.

ence, making it hard to compare the results from this method with other methods.

The Pair Comparison method and the Game Board method were applied either separately or together in three separate studies. The three studies will be described briefly together with the pay and benefit options utilized.

Study I used the Pair Comparison method. It was carried out in a West Coast local of the International Brotherhood of Electrical Workers. Questionnaires were sent by mail to union members and were returned anonymously by mail to the union. From nearly 8,300 sent out, 1,133 completed questionnaires were returned. All subjects were male union members and most were public utility employees.

Six compensation options were presented in Study I. A listing of the abbreviated pair comparison options follows:

1. Six per cent pay raise.
2. Pension increase of $50 a month.
3. Reduction of normal workweek from 40 to 37.5 hours; no reduction in weekly earnings.
4. Full hospital insurance for employee and family (no hospital plan was then in effect).
5. Three weeks of paid vacation each year to be added to present vacation.
6. Union shop observance, i.e., all regular employees must be union members.

Study II was conducted in a manufacturing plant of the General Electric Company on the West Coast. The Pair Comparison method and the Game Board method were applied together. Each of 132 male, hourly employees responded to both methods. Subjects were tested in groups of about fifteen.

Eight compensation options were presented in Study II. For pair comparison evaluation they were as follows:

1. Pay raise of $190 a year.
2. Pension increase of $45 a month.
3. Eight days of additional paid vacation per year.
4. Family dental insurance ($50 deductible for each person).
5. Medical care for retired employees.
6. Twenty days' paid sick leave per year.
7. $8,500 additional life insurance.
8. Long-term disability pay (supplements Social Security).

For the Game Board method, these same eight benefits were used, but of course the amount of each benefit depended on how much of the hypothetical $190 each subject was willing to spend on it.

Study III was conducted in six manufacturing plants of the General Electric Company in the eastern states. Only the Game Board method was

applied in this study. Males and females were sampled separately within plants. The resulting sample was composed of 635 males and 206 females; all were hourly employees. Testing was carried out in groups of 15 to 20.

The eight options listed above in Study II were also offered in Study III. In Study III, however, two additional options were presented:

1. Short-term unemployment assistance (supplementing state unemployment benefits for short layoffs).
2. Long-term unemployment assistance (paid after six-month layoff or at retirement).

These two unemployment benefits added to the eight above bring to ten the total number of options presented in Study III.

Results and Discussion

Reported in full, the results of these three studies would grow to proportions far out of line with the present aim of introducing a family of methods. Therefore, only a sample of results will be presented here. Group

FIGURE 1
GROUP PREFERENCES. STUDY I

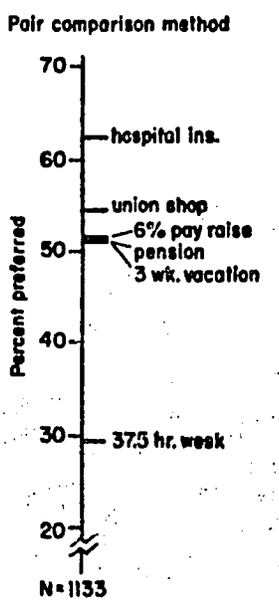
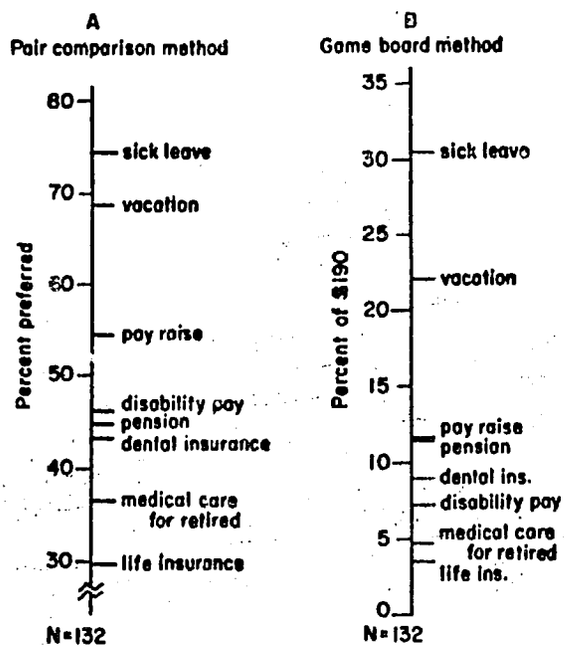


FIGURE 2
GROUP PREFERENCES. STUDY II



preferences will be reported in a first section. A second section will deal with the problem of determinants of preference.

The group pair comparison preference judgments from Study I are presented in Figure 1. The results are expressed in terms of per cent of preference (the ratio of the number of positive choices of a given option over the total number of presentations of the option). The 1,133 subjects showed

highest preference for hospital insurance. (Group hospital insurance was a major issue in the union at that time.) The union shop proposal was second in preference. The six per cent pay raise, the pension increase, and the three-week vacation were all of nearly equal preference. The shorter workweek was a very poor last in preference; it was chosen less than 30 per cent of the time.

A problem of interpretation arises with the union shop proposal because we have no idea what it would cost or gain management or the union. The other five options were designed to be of about equal economic cost, although the amount it would cost to provide "full hospital insurance" cannot be precisely estimated. As a general rule, interpretation of pair comparison preference is simplified by options that are of equal economic cost.

The group preference results from Study II are reported in Figure 2. The pair comparison scale (Figure 2a) is again in terms of per cent of preference. By this method, the sick leave plan was highest in preference (preferred 74 per cent of the time). Vacation was second and pay raise third in preference. Life insurance was least preferred.

Again this pair comparison scale of preference can be interpreted only on the basis of the relative economic cost of the various options. These estimated costs are listed in Table 1. It is clear that the options are not valued by our subjects on purely economic grounds. The sick leave plan has an estimated yearly cost of $105, yet it is preferred over the four higher cost plans. Dental insurance, the cheapest plan of the eight, is preferred over life insurance, which costs nearly four times as much.

TABLE 1

ESTIMATED COSTS OF THE STUDY II BENEFIT PLANS

Benefit	Cost per year
Eight days' additional paid vacation	$190
Pension increase of $45 a month	190
Pay raise of $190 a year	190
$8,500 additional life insurance	190
Twenty days' paid sick leave a year	105
Medical care for retired employees	60
Long-term disability pay	60
Family dental insurance	50

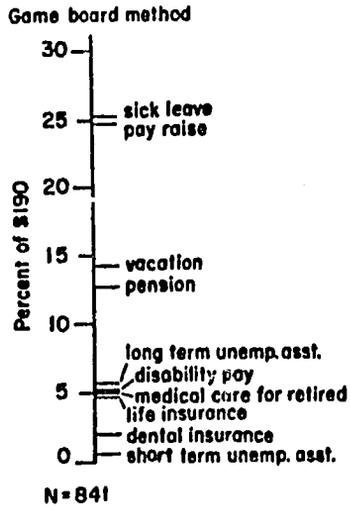
The results from the Game Board method as used in Study II are displayed in Figure 2b. The scale of preference is in units of percentage of the total $190. The group spent an average of 30.5 per cent of the money on sick leave, again making this option the most preferred. Vacation accounted for about 22 per cent of the total. Pay raise and pension are nearly tied at about

12 per cent, while the life insurance plan in last place accounts for less than 4 per cent of the total $190.

Since the units of the two scales presented in Figure 2 are not the same, the two scales should not be compared in terms of interval differences in relative preference magnitude. Figure 2 shows, however, that the rank order of group preference from the Pair Comparison method and the Game Board method were quite similar. The rank order correlation of preferences from these two methods equals +.93, significant beyond the .01 level.

Figure 3 shows the combined preferences of the 841 males and females from the six plants sampled in Study III. Sick leave and pay each account

FIGURE 3
GROUP PREFERENCES. STUDY III



for about 25 per cent of the money expended, while vacation and pension account for about 15 per cent and 13 per cent, respectively. These four options taken together account for over 75 per cent of the $190; clearly the other six options do not have very wide appeal. The interest shown in the dental plan and short-term unemployment assistance is so slight as to justify ignoring these two options.

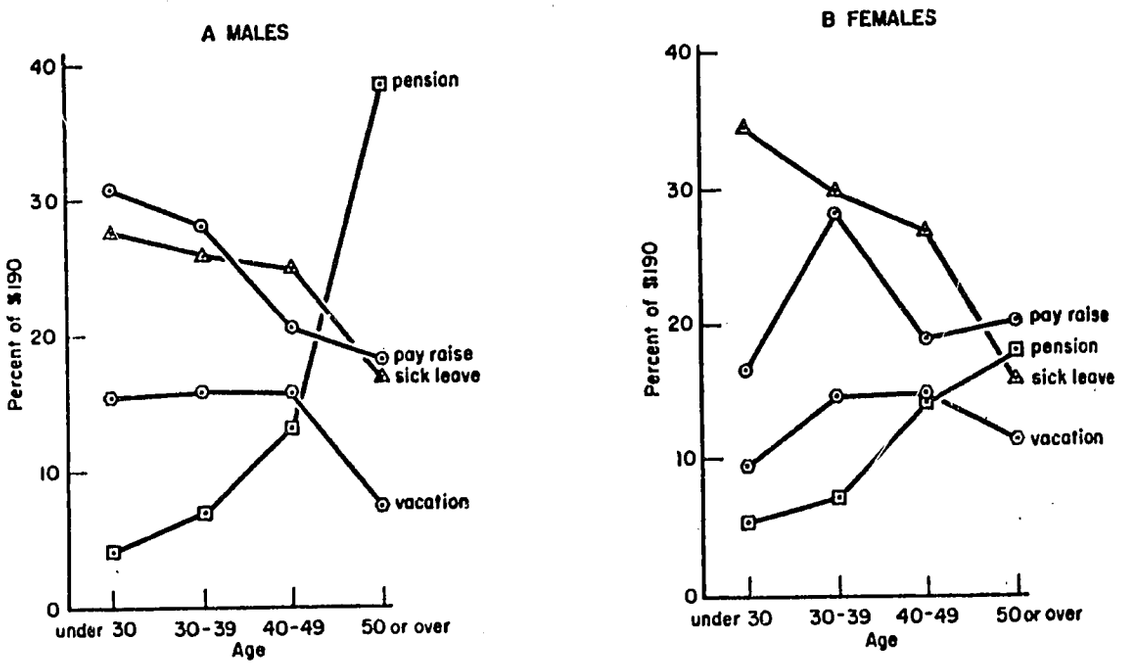
As might be expected, the order and degree of preference for the ten options differ somewhat from plant to plant. At three of the plants sampled in Study III, more money was spent on pay than on any other option. Sick leave was most preferred at two plants, while one plant showed highest preference for the pension increase. The six low-preference options identified in Figure 3 were almost without fail low in preference at all six plants.[5]

The first question in the introduction asked whether or not employee preferences could be meaningfully measured. Success in obtaining group

[5] The question of preference scaling as it relates to the two different methods of preference measurement is dealt with in an appendix to this article.

preference scales such as those above points toward an affirmative answer. Further confirmation of this hopeful view is obtained when scaling techniques are applied to these data (see appendix). Under certain circumstances, group scales of preference such as have been so far presented may be of central importance. For instance, either labor or management leaders may desire to pretest a set of options before going into contract negotiations. Generally, however, they are not data of broad scientific interest. Being dependent on a host of variables specific to the individual and to the situa-

FIGURE 4
PREFERENCE BY AGE, STUDY III



tion, such preference orderings will surely not generalize to other groups in different situations. Unless we can identify at least some of the determinants of compensation preferences, the goal of predictive generality will remain wholly unattainable.

Our search for determinants of pay and benefit preferences started with the simple hypothesis that these preferences would be related to demographic variables. The extent to which this is the case can be illustrated by dividing the group of respondents according to various demographic categories and plotting preferences as a function of these categories. This technique has been used with a fairly wide set of demographic variables in each of the three studies reported here. While space permits the inclusion here of only a few examples of the relationship of pay and benefit preferences to demographic variables, it should become clear that demographic variables are important.

Figure 4 shows how preferences for the four most popular options of Study III were related to age. The preferences of males and females have

been presented separately. Among males, preference for pension increased dramatically with age. The youngest age group spent less than 5 per cent, while the oldest group spent nearly 40 per cent of their money on pension. This finding is all the more striking when it is considered that the younger employee could buy much more pension for a given amount of money than could an employee near retirement age. Preference for both pay and sick leave fell steadily as age increased, while vacation preference remained at

FIGURE 5
PREFERENCE BY INCOME. STUDY III

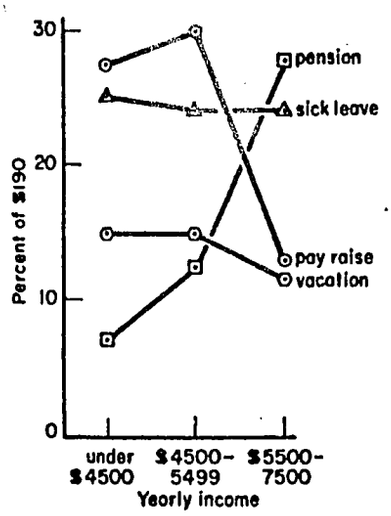
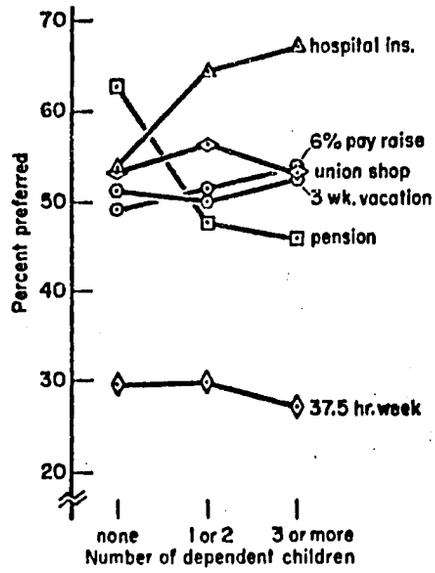


FIGURE 6
PREFERENCE BY NUMBER OF DEPENDENT CHILDREN. STUDY I



the same level for all but the oldest age group, where it too fell in popularity. Figure 4a indicates that the males near retirement age were willing to make real sacrifices to obtain more pension, but that this need became predominant only beyond 50 years of age.

The preferences of the females in Study III are shown in Figure 4b. They also demonstrated rising preference for pension as age increased. But this trend is much less pronounced than is the case with the males. The females were apparently unwilling to sacrifice either vacation or pay to buy increased pension. Sick leave, however, was considered expendable for it lost popularity rapidly as age increased.

Length of company service was investigated as a demographic variable in each of the three studies. Since it is correlated somewhat with age, it was not surprising that in each study the preference curves for the two variables of age and service were very similar.[6]

[6] In Study III the relationships of age to preference and service to preference were isolated by holding service constant while age varied and then holding age constant while service varied. The effects of these two variables in isolation were similar; together they were additive.

Figure 5 shows the relation between income level and preferences for the four most preferred options of Study III. These data are for males only. Preference for pension increased sharply as income level increased. Preference for sick leave and vacation were virtually unrelated to income level, but preference for pay raise was dramatically lower in the highest income group. An expected correlation between age and income helps to explain why preference for pension was positively related to income. Why the highest income group, in order to buy pension, was willing to forego pay raise but not sick leave or vacation is less easily explained.

FIGURE 7
PREFERENCE BY TYPE OF JOB. STUDY I

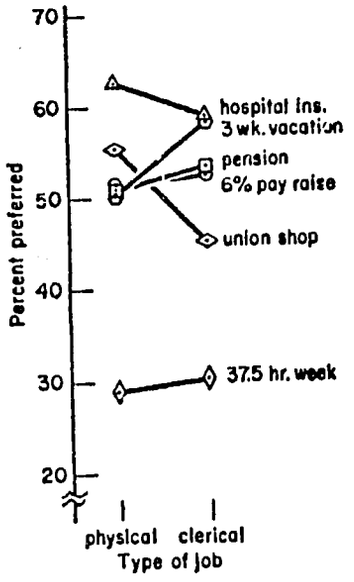
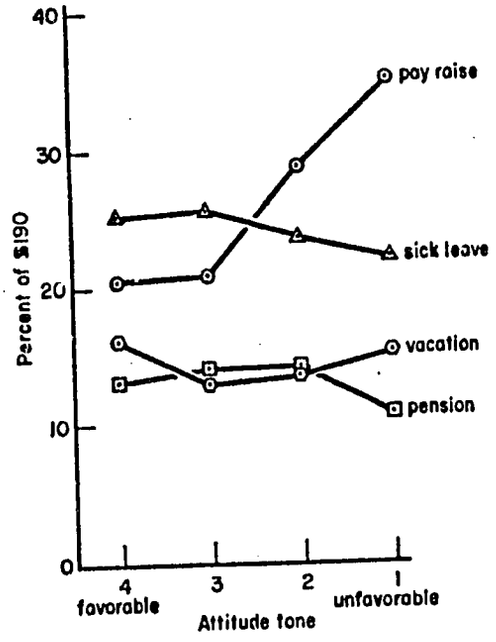


FIGURE 8
PREFERENCE BY ATTITUDE TONE. STUDY III



Still another demographic variable that shows some relation to preference is the number of dependent children an employee has. Figure 6 illustrates this relationship. These paired comparison data are from Study I. The group with one or two children showed about the same preferences as the group with three or more, but both these groups wanted more hospital insurance and less pension than the group with no children. Preference for the other four options was not noticeably related to the variable of dependent children.

Figure 7 compares the preferences of clerical workers with those of employees having jobs classified as physical (blue collar). Again the data are from Study I using the paired comparison method. The clerical workers preferred the three-week vacation somewhat more than the physical workers, while the latter group showed more preference for the union shop proposal. All the subjects from both groups were male union members.

Among the other demographic variables examined, but not to be reported here, were: marital status, rural or urban place of residence, work status of spouse, home ownership, and incentive as opposed to daywork job type.

A second class of preference determinants, that of job attitude, was examined briefly in Study III. Subjects were asked to respond on a five-point scale to seven questions designed to measure attitudes in four areas: promotion, employment security, wages, and supervision. On the basis of the answers to these seven questions, each subject was placed on a four-point attitude scale. The resulting four groups differed in the degree to which their attitudes were generally favorable. The pay and benefit preferences of these four attitude groups also differed. Figure 8 presents the relevant preference curves of the males from Study III. As can be seen, the preferences of the two groups with more favorable attitudes hardly differed. As attitudes became unfavorable, however, more and more of the additional $190 in compensation was demanded in the form of pay raise. The women in Study III showed a similar relation between attitudes and preference for pay raise. The investigation of attitudes in the present project has been very modest. More research along this line may produce additional data of wide significance.

In conclusion, it appears that the determinants of preferences for pay and benefits are of at least two kinds: demographic and attitudinal. Further research will doubtless turn up other variables as well, for preference determinants probably involve a rather complex set of interrelated variables.

Explaining Salary Programs to Salaried Employees

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Division of Personnel Administration

IT WAS about 1940 — twenty-one years ago — that what is today known as salary administration began to emerge as a new management function. Since that time it has gained broad recognition and stature.

The history of salary administration is tied directly to the development of formal job evaluation. Although a few scattered plans were developed in the 1920's, job evaluation really got its start in the 1930's. In those early years, the accent was on the evaluation of hourly rated production jobs, with only a few pioneering companies extending the newly developed technique to salaried positions.

In 1940, THE CONFERENCE BOARD published its first comprehensive study on the progress being made in the area of job evaluation. In that study, the status of job evaluation as it then existed was reported as follows:

"A considerable number of companies have employed formal job evaluation successfully over a period of five years or longer in establishing wage differentials. Fewer companies have gained long-term experience in dealing with salary differentials, but successful applications affecting wage earners are being extended in many companies to include salaried employees."[1]

RESISTANCE TO JOB EVALUATION

Job evaluation did not win ready acceptance. There were the nonbelievers and the scoffers. In early 1944, at a Conference Board meeting on the principles and application of job evaluation, there was considerable emphasis on the obstacles yet to be overcome. Among those obstacles cited were:

- Resistance of the employees—they had to be sold on the idea.
- Resistance of foremen and supervisors—they had to be convinced that job evaluation would not hinder them and rob them of authority.
- Resistance of the union steward—he had to be assured that job evaluation would not undermine his status.
- Resistance of the evaluation committee—its members had to be absolutely convinced of the soundness of its objectives and the need to arrive at a plan which was sufficiently simple to be understood.
- Resistance of management—management had to be convinced that job evaluation was worth the cost not only of installing the plan, but of making the pay adjustments which inevitably followed. Moreover, there were many executives who were skeptical of the need for evaluation; they tended to view it as a gimmick which could not replace the methods long used for determining wage and salary rates.

Despite resistance, job evaluation continued its growth, receiving great impetus from the imposition of wage and salary controls at the time of World War II. Companies with established wage and salary ranges based on some form of evaluation found themselves in the most advantageous position. Many others rushed "to get their houses in order."

From an historical bird's-eye view, the use of job evaluation for production workers became widespread by the late 1940's, while job evaluation of salaried positions lagged behind. Gradually, however, job evaluation was extended to salaried employees, first through the classifications of clerical employees, and then into the ranks of managerial and professional personnel. Today some companies carry formal evaluation up through the position of chief executive officer.

REVEALING WAGE AND SALARY RANGES

During the twenty-year development of job evaluation a great many problems in addition to resistance were encountered. One was the extent to which employees should be informed of the precise rates of pay established for their own jobs and the jobs of others. On this question there are no statistical data upon which to base a firm conclusion on company practice. It would appear, however, that companies have been steadily moving in the direction of revealing established rates of pay.

To some extent rates of pay have been *forced* into the open. As late as the 1930's many companies still considered their wage rates for production workers con-

[1] "Job Evaluation—Formal Plans for Determining Basic Pay Differentials," *Studies in Personnel Policy*, No. 25, p. 4.

Reprinted by permission from *Management Record*, Vol. 23, Nos. 7–8 (July–August, 1961), 15–17.

fidential information. But with the growth of collective bargaining, wage rates more and more frequently became a part of written labor agreements and were circulated by unions, if not by companies. Those who feared repercussions as a result of the disclosure of wage rates found that some of their fears were justified because disclosure of rates was often followed by a rash of claimed inequities. After an initial period of stress and adjustment, however, the clamor subsided.

For clerical employees it would appear that the trend has also been in the direction of disclosing pay rates, but to a lesser degree. Some companies have done so "as a matter of principle." Others have been inclined to follow suit because of the belief that if they did not provide the information voluntarily, pressure would be brought to bear. Still others, however, are firmly convinced that in their own circumstances it would be unwise to reveal pay ranges, believing that possible advantages would be outweighed by the disadvantages. In addition, some companies have not established pay ranges, or the ones they have established are so flexible that the firms would not be able to disclose them even if they desired.

STATUS OF EXEMPT SALARIED

While it is reasonably clear what has happened in the case of production and clerical workers, little information is available on the extent to which companies now reveal salary ranges of managerial, administrative and professional employees who are exempt under the provisions of the federal Wage Hour Law. For this reason, THE CONFERENCE BOARD asked fifty-five companies to what extent they informed salaried employees about the company salary program, in general, and about the employees' salary ranges, in particular.

The companies selected are not typical or representative. Instead, they are known to have been active in the field of salary administration over a period of years and for that reason are more representative of the pace setters than the average. The findings, of course, should be considered in that light.

Each cooperating company, in reporting its practices, was asked to visualize a hypothetical salaried employee who is in the lower or middle exempt class (such as a supervisor, engineer or accountant) and who is working on a job for which a salary range has been established. If practices in the company vary, each cooperator was asked to select a hypothetical employee who is most representative of that company. In this way THE CONFERENCE BOARD endeavored to avoid the confusion that might arise if either salaried clerical employees or top executives were included. A review of the information provided by the cooperating companies indicates that the intended level of the hypothetical employee had been properly interpreted to include the bulk of exempt employees, but not those at high management levels, for whom different practices might apply.

Of the fifty-five companies included in this study, fifty-two companies, or 95%, do explain their salary administration program to the hypothetical employee. Of these, forty-three explain orally, three in writing and six both orally and in writing.

When the explanation is oral, the usual practice is to have the salary program described by the individual to whom the employee reports or by the head of the department in which he works. In either event, the person making the explanation is generally provided with a written guide or procedure manual which suggests what the explanation should include. Typically, it is suggested that employees be advised of the company's desire to pay salaries which are as high as those generally prevailing, and which properly reflect the position requirements as well as the performance of the individual. In this connection, it is usually explained that the salary structure is based upon a system of evaluation to assure proper internal relationships, that there are ascending levels of grades or classes, that salary surveys are conducted periodically to assure proper relationships with the salaries other companies are paying, and that the progress of the individual is periodically reviewed. Some explanations also include a general description of the evaluation process, along with a listing of the factors—such as knowledge and experience—which are taken into consideration in the evaluation.

Several of the companies making oral explanations concede that those who actually describe the programs may go into considerable detail or just hit the high spots, depending upon the people involved and the circumstances. These companies, however, look upon this more as an advantage than as an objection to the oral presentation.

Who Explains Salary Program?

In a few of the companies the salary program is described by "an outsider," such as a member of the salary administration staff. In one company, for example, a salary administrator meets regularly with a group of new employees and newly promoted employees for the purpose of giving them an understanding of the company's salary program, with charts and slides used liberally to assist in the explanation. In another company the salary administrator holds occasional meetings to which salaried employees are invited and at which they are encouraged to ask any questions they may have concerning the program.

As already noted, of the fifty-two companies that inform employees of their salary program, three explain it in writing only, while six make the explanation both orally and in writing. Written explanations range from a concise statement defining the company's intent to a more comprehensive description of the salary structure and the use of ranges, surveys and other procedures by the company to assure equity.

Most Reveal Maximum Rate

Of the fifty-five cooperating companies, thirty-nine, or 71%, tell the employee the maximum salary for the position he currently occupies. Of these, fifteen give this information to the employee as a matter of course, while twenty-four give it only at his request. One company that does not explain its salary program is, nevertheless, willing to tell the employee his maximum rate, while five companies that explain the program do not disclose the maximum rate. Only one company indicates that at one time it had disclosed the maximum rate, but no longer does so.

While the companies are preponderantly in favor of informing employees of the general nature of the salary program, a lesser number reveal the maximum rate. Obviously there is more divergence of opinion on the wisdom of revealing the maximum rate than on informing employees of the general nature of a salary program.

Some of the companies do not reveal the maximum rate because they believe it tends to place a ceiling over the employee and, in that way, diminishes motivation. They also point out that individuals are frequently promoted before they reach a maximum; therefore, as far as these individuals are concerned, the maximum rate does not really apply. Furthermore, some companies say, the maximum rate may be adjusted, usually upward because of economic change, which means that the employee must either be told of the new maximum or remain misinformed. They question the wisdom of informing each and every salaried employee whenever there is a change in the salary structure.

Those who disclose the maximum rate support their position with equal conviction. As a matter of principle, they believe that if there is a maximum applicable to the employee's position, the employee is entitled to know of it. They contend that an informed employee is more likely to be a good employee, the fewer secrets the better. They believe that anything kept under cover is likely to be viewed with suspicion, adding that if the salary structure is sound and if it is true that the company is living up to its pledge to pay competitive salaries, then the employee can be motivated constructively by giving him the facts. Several companies say that they are proud of the salary ranges available to their employees and they are eager to have employees share this knowledge.

Of the fifty-five companies, forty-seven, or 85%, tell the employee when he is at or near the maximum, but some give this information only when the employee requests it. Included in the forty-seven companies are eight who do not tell the employee the maximum rate under ordinary circumstances. Thus, precisely half of the companies (eight out of sixteen) that don't ordinarily inform the employee of the maximum rate, nevertheless do so when he is approaching the maximum.

Of the fifty-five cooperating companies, twenty-four, or 44%, will tell the employee, on request, the range of another salaried job, if he is not on a "fishing expedition." Without exception, companies give such information only when the other job is one to which the employee might logically seek promotion. Some of these companies further specify that such information is revealed only when a promotion is impending and is actually being discussed with the employee. Several companies also report that if the promotion is into the higher ranks of management where ranges either do not exist or are flexible, then obviously a maximum rate for the higher position could not be discussed.

Application to health, social welfare, and family planning

In many parts of the world, white-collar workers, including health, social welfare and family planning workers, have employment characterized by:

(a) Low rates of pay
(b) Fixed schedules for pay with only limited provisions for salary increases
(c) Great job insecurity
(d) Little promotion from within

Under such circumstances, job evaluation will lead almost exclusively to negative administrative action, and theory would predict that job dissatisfaction would be high and job satisfaction low. Personnel managers in such circumstances may be tempted to instititute highly autocratic systems of supervision in an effort to "force" production from the workers. This may take the form of extremely close and strict supervision, externally-set quotas, payment on a piece-rate basis, and elaborate (daily) reporting of work performed. According to the readings of this chapter, such actions should have little positive and probably a negative effect. Thus it is very important that such programs reexamine thoroughly their entire systems of pay, promotion, and fringe benefits. The following policies might lead to great increases in productivity.

(a) Pay increases granted for high productivity, based on annual ratings. These increases may include salary and fringe benefits, as determined from studies of employee pay preferences.
(b) Promotion from temporary to regular status for sustained high productivity for a period of three to five years.
(c) Promotion, after further training, to higher level positions in the system.
(d) Provision of important fringe benefits most urgently desired by the employees. Such fringe benefits may be given in lieu of salary.

Research of the type illustrated by the readings in this section could be most worthwhile in improving the pay and promotion policy. A careful review of the policy by a panel of experts, drawn from both the public and private sectors, could also be valuable.

Questions for discussion and exercises

1. What fringe benefits do you think health, social welfare, or family planning workers would like most to have? Make arrangements to interview 25 such workers, and compile a list of the benefits they would like to have. Write a report of your findings.

2. Draw up a set of alternatives described in the article by Nealey. Select the options in such a way that the conclusions reached in Exercise 1 can be tested. Administer combinations of salary and fringe benefits to a group of

workers by the method of paired comparisons. Tabulate the results. Do the data support or refute the results of your group discussion? Do different categories of employees have different preferences, or do they concur regardless of occupation or salary level?

3. Study the policy of pay currently in effect in the organization which employs the persons interviewed in Exercise 2. On the basis of your findings of Exercise 2, construct a tentative set of recommendations to the personnel manager for revising the pay policy.

4. For each major category of worker identify higher levels of work to which he could be promoted. How compartmentalized are the various levels of employment in particular health, social welfare, or family planning organizations? How much and what kinds of training would be required at each level to make promotion feasible for each position? What proportion of employees could be promoted if this were done?

5. Make a study or production records of people who have voluntarily quit a health, social welfare, or family planning organization and compare them with records of persons who have remained. Is the organization losing workers who, in their first year, were above average in production, as well as workers who were below average? Try to find out why above-average workers left. If no information exists, draw up a questionnaire for a confidential exit interview that would provide this information.

6. Discuss again, in the light of the readings of this chapter, the advantages and disadvantages of paying field workers for health, welfare and family planning programs on a "piece rate" basis—a small basic salary plus an "incentive" for each additional case. What effect do you think this has on quality of performance? On noneconomic aspects of job satisfaction? Conduct an interview with administrators, supervisors and employees in an organization where an incentive system is used. What is their opinion of incentives?

7. In the process of conducting the interviews of Exercise 6, also make inquiries about *relative* pay rates—the pay the worker receives in comparison with other occupational groups within the organization and with similar occupational groups in other organizations. To what extent is discontent with pay rates related to the absolute level of pay and to what extent does it seem to be related to perceived relative inequality? Try to link these differences to employee evaluations—are the most dissatisfied employees those who are rated highest or those rated lowest by their supervisors?

Chapter Thirteen

PERSONNEL PROBLEMS

In the course of administering a large number of employees, personnel managers encounter many vexing problems pertaining to the personalities and personal lives of the individual workers or to group behavior that is dysfunctional from the point of view of the organization, as well as to their work. Among these problems are:

(a) Emotional instability and mental illness
(b) Abrasive relations with fellow employees.
(c) Chronic tardiness and absenteeism
(d) Loafing, excessive conversation, needless delays
(e) Alcoholism, drug addiction
(f) Dishonesty, falsification of records, cheating
(g) Mindless bureaucracy and use of rules to reduce productivity rather than promote it
(h) Race, religious, ethnic prejudice or tension
(i) Low worker morale, unrest, or discontent with the organization
(j) Hostile relations among supervisors, among workers of various departments, or among cliques within the same department.

The origin and development of these problems can often be explained by the failure of the organization to follow the principles of good personnel management, as outlined in previous chapters of this book. In other cases, problems and tensions which infect the local community are brought into the organization by the employees, and the work situation becomes another arena for their expression. Once they have emerged, however, the task of the personnel manager is to deal with them. Locating the root causes and correcting them is an obvious first step, but this will not always be enough.

The articles in this chapter take up some of these problems and discuss them. The articles are not intended to give a fixed set of rules for handling these situations. Instead, they are intended to help the personnel manager gain greater insight into the problems and the factors which may cause them. These articles all have one theme in common: the problem employees should not be treated as delinquents who must be punished for their wrongdoings, but as persons with serious problems who must be helped to resolve their problems. Often the help required is specialized counselling or treatment by specialists. The responsibility of the personnel officer is not to attempt to provide these special services himself or through his office, but to help the employee accept the fact that he does have a problem, that he does need help, and to arrange for the specialized help needed.

Another problem, imported into the organization from outside, is race and ethnic prejudice and hostility. There is a growing tendency for governments to enact legislation making it a civil offense to discriminate in employment along the lines of race, class, religion, or ethnicity. Nevertheless, employees still harbor attitudes and prejudices which favor such discrimination. This makes the employer a cutting edge in social change—to make tolerance a condition of continued employment. The personnel manager and his department reap the whirlwind of unrest, tension, and hostility which the enforcement of the laws entails. Many times minority employees form committees or unions within the organization to fight discrimination and prejudice, and personnel managers are confronted with the problem of dealing with the demands of these groups.

The first reading seeks to provide a popularized set of psychological and psychiatric concepts which can be used for understanding deviant behavior on the job. The second article takes a more sociological perspective and treats deviancy as alienation—with the resulting self-concepts of inadequacy or powerlessness—arising from maladjustment of the individual to the groups in which he works and lives. The remedies involve therapy both for the individual and for the organizations or groups that generate the alienation responses. Because it is a problem of such epidemic proportions, a special reading on alcoholism has been included.

Understanding Frustration-Instigated Behavior

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To begin with, the manager who is faced with disruptive behavior on the part of an employee must recognize that frustration-instigated behavior is exhibited by all people on various occasions. In trying to eliminate frustration-instigated behavior, the manager must identify the barrier which blocks the subordinate's way. This article studies some ways in which the barriers may be recognized and removed.

SUCCESSFUL MANAGERS ARE CONSTANTLY looking for ways to motivate and direct their subordinates, recognizing that the human element is an integral part of any organization. In order to accomplish the "motivational" aspect of management, it is necessary to gain a clear understanding of why people behave as they do in given situations. And to understand human behavior, the many forms it takes must be recognized.

GOAL-DIRECTED BEHAVIOR

The vast majority of behavior is basically goal-directed. It is this type of behavior that the manager will encounter most of the time when dealing with subordinates. Goal-directed behavior exists when the individual can proceed toward goal attainment with a minimum of barriers to impede his progress.

The normal behavior pattern is depicted in Figure 1. The individual first perceives the existence of some unsatisfied need. As the awareness of this need increases, tension is created. This tension develops a motive or a reason for the person to seek need-satisfaction. As a result of the tension, the individual searches the environment for an appropriate way to satisfy the perceived need deficiency. Based on past experience and knowledge of the

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Goal-directed behavior exists when the individual can proceed with a minimum of barriers to impede his progress.

present situation, the individual interprets the needs in terms of a want. A want can be viewed as something which is the result of environmental conditioning. In other words, needs are basic to all individuals; wants, however, determine the specific way the needs will be satisfied. For instance, two individuals may perceive hunger (a basic physiological need). One individual may *want* a hamburger, while another individual may *want* fish. Although both types of food will act to satisfy the need, the different wants are a result of the environmental conditioning which has taken place for each individual. Having perceived a need and interpreted it in terms of a want, the individual then engages in behavior aimed at the attainment of a specific goal. The specific behavior is determined in one of two ways:

1) If the individual has previously satisfied this need through a certain type of behavior, he will have developed an *evoked set*. An *evoked set* comes about through the accumulation of knowledge which is stored in our memory. In other words, if a certain type of behavior resulted in need satisfaction in the past, this information will be stored in our memory. When the individual once again perceives the existence of a certain need, he may evoke the previous behavior pattern from his memory and attempt to satisfy the need by engaging in the same type of behavior as before.
2) If the individual is encountering a new or unique situation, he will not have past performance to rely upon. In this case, the individual may engage in a rational decision-making process in the following manner:
   a) Determine alternative courses of action.
   b) Determine the utility of alternative courses in satisfying the need.
   c) Determine the probability of need-satisfaction resulting from each alternative.
   d) Select the alternative with the highest probable utility.

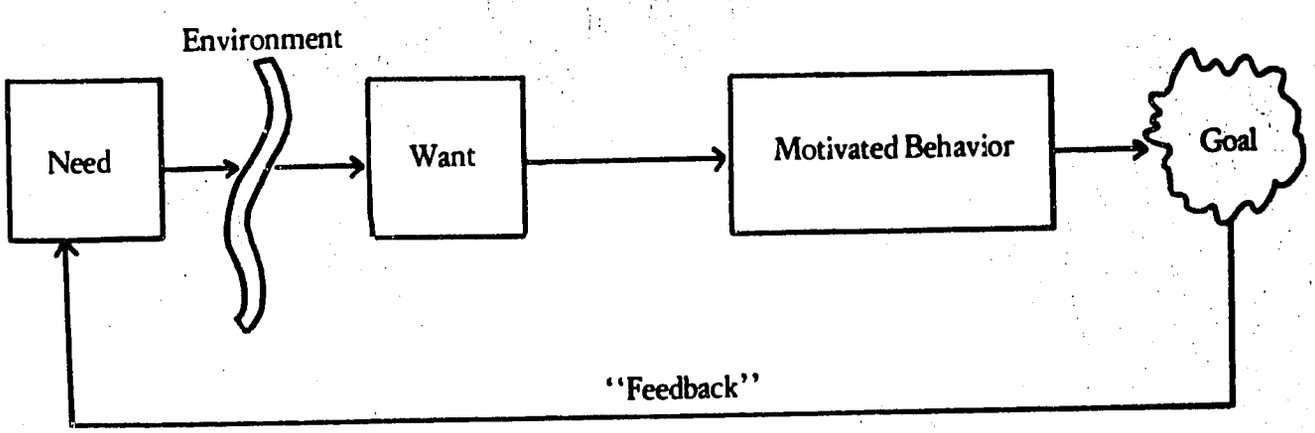
Having selected the specific behavior, the individual then works toward the attainment of a specified goal. This goal is something which can be clearly defined by the individual—such as the consumption of specific goods and/or services. When the individual has attained a sufficient amount of the desired goal, this information will signal that the basic need is being satisfied. He will continue to work toward goal attainment until the tension created by the need deficiency is reduced. At this point, another need deficiency is perceived to be most important and the motivational process continues. An example of this total process would be when an individual experiences thirst (a basic physiological need). He enters a restaurant and asks for a Coke(a want);pays for the Coke and begins drinking (specific behavior). He continues to drink until the Coke is consumed(goal) or the goal is reached (i.e., his thirst is quenched and need satisfaction has occurred).

FRUSTRATION-INSTIGATED BEHAVIOR

Unfortunately, not all behavior follows the normal motivational pattern described above. At

FIGURE 1

Goal-Directed Behavior Model



Different types of defense mechanisms have been identified by psychologists. Each represents a type of frustration-instigated behavior.

times, individuals engage in frustration-instigated behavior. This occurs when the individual perceives that the path toward reaching his goal is blocked in some manner.[2] (See Figure 2) As with goal-directed behavior, the individual experiences a need deficiency. This deficiency is interpreted as a want, and the individual in engages goal-directed behavior aimed at satisfying the need deficiency. However, unlike the normal pattern, a barrier arises which tends to thwart his efforts. Barriers can take many different forms—physical, financial, or even psychological (or emotional) in nature. For example, an individual with a psychological barrier might be a person who has convinced himself that goal-attainment is impossible.

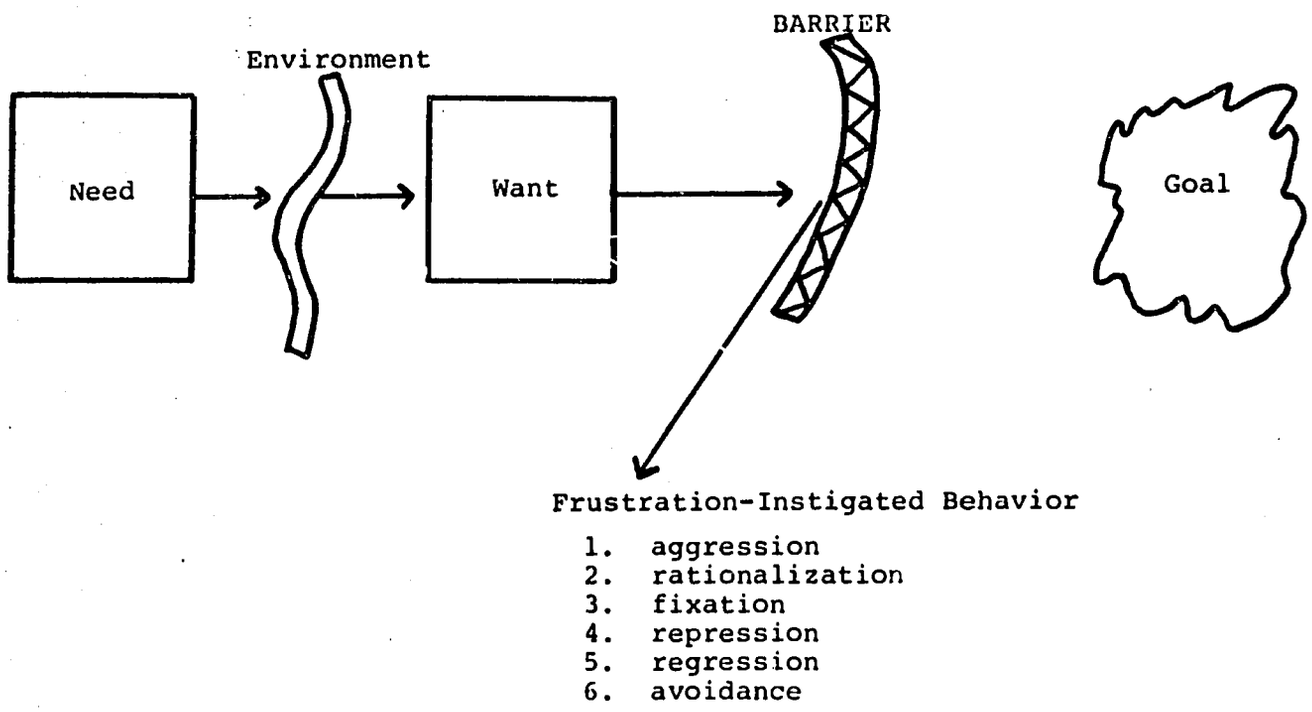
3) Engage in frustration-instigated behavior.

The first two choices are normal adjustments which often place the individual back on a path to goal attainment. Human beings are very adaptable and in the vast majority of cases they will change their behavior or goal when they encounter a barrier. It is the third possible reaction to the barrier which should be of concern to the practicing manager.

When an individual perceives that he is unable to satisfy his needs because of a barrier, he is unable to reduce tension and, as a result, he experiences frustration.[3] A student who studies conscientiously every day, only to flunk out of college at the end of his first year, would, indeed, be quite frustrated. Reaching his goal, a college degree, would have resulted in the satisfaction of many needs. However, his inability to achieve this goal means that tension is not reduced (and may even increase), and the individual becomes increasingly frustrated because of his inability to cope with the barrier. People react to frustration in many different ways.

FIGURE 2

Frustration-Instigated Behavior Model



Despite the nature of the barrier, the alternatives available to the individual are rather limited. Three possible choices exist:

1) Change behavior in attempt to reach the goal.
2) Change the goal itself.

TYPES OF FRUSTRATION-INSTIGATED BEHAVIOR

There are many different types of defense mechanisms which have been identified by psychologists.

A major aspect of effective management is the creation of a climate conducive to goal attainment.

Each of them represents a type of frustration instigated behavior which may involve the following.

AGGRESSION

Frustration may increase to the point where an individual engages in aggressive behavior. Aggression can lead to hostility and a striking out in destructive behavior. One type may be directed against the object or person that is the perceived barrier. For example, the angry worker who hits his supervisor may be expressing aggressive behavior toward the perceived barrier. Another form of aggressive behavior is "displaced aggression." This form is directed at a person or object other than the source of frustration. The worker who is verbally reprimanded by his boss, and then goes home and starts an argument with his wife, provides an example of displaced aggression. Aggression is one of the most common forms of frustration-instigated behavior.

RATIONALIZATION

Rationalization occurs when an individual makes excuses for his failure to cope with the barrier. For example, the worker who is unable to accomplish a specific task might blame this shortcoming on poor supervision, poor working conditions, cheap materials, or worn-out tools, rather than admit his own shortcomings which, in reality, may represent the barrier to need satisfaction. This, too, is a fairly common example of frustration-instigated behavior.

FIXATION

This type of behavior occurs when an individual continually repeats unsuccessful attempts to reach a particular goal. He exhibits the same behavior pattern over and over again, although experience has shown that it has previously accomplished nothing. According to J.A.C. Brown, common symptoms of fixation in industry are "the inability to accept new facts when experience has shown the old ones to be untenable, and the type of behavior exemplified by the manager who continues to increase penalties" even when this is only making the conditions worse.[4]

REPRESSION

Individuals sometimes repress unpleasant experiences or feelings from their conscious awareness in order to deny their existence. A worker, severely criticized by his supervisor, may be able to "conveniently forget" the experience because it is too painful to remember. Such a reaction enables the individual to temporarily relieve tension by forgetting the existence of a barrier.

REGRESSION

This type of behavior occurs when frustrated individuals give up pursuing constructive attempts to overcome their barriers and regress to more primitive and childish behavior. One of the more common forms of regression, of particular concern to the manager, is horseplay on the job. Although a certain amount of regressive behavior may help to relieve tension in stressful work situations, immoderate horseplay interferes with productivity and may well lead to accidents and injuries.[5]

AVOIDANCE (NONINVOLVEMENT)

Avoidance occurs when, after a period of frustration, the individual loses hope of accomplishing his goal and wants to withdraw from reality and thus the source of frustration. This is a common characteristic of people in boring, routine jobs. Often the frustrated individuals resign themselves to the fact that there is little hope for improvement. Specific signs of avoidance are excessive absenteeism or tardiness, a high sick call rate, and high turnover.

It is important to note a couple of points concerning frustration-instigated behavior. When an individual is engaging in this type of behavior, he has stopped trying to make the necessary adjustments which could lead to goal attainment. In other words, *frustration-instigated behavior is not goal-directed and will not result in need satisfaction.* From the perspective of the individual, frustration-instigated behavior helps to relieve some of the tension which has developed as a result of the individual's inability to cope with specific barriers to his need satisfaction. From the standpoint of the individual, frustration-instigated behavior may help to relieve tension brought on by his frustration.

CHALLENGE TO THE MANAGER

The knowledge that frustration-instigated be-

havior is exhibited by all people on various occasions provides the manager with a starting point. Unfortunately, all too often in the past when a supervisor noticed disruptive behavior by one of his subordinates, his typical reaction was, "Joe's irrational behavior is creating so much difficulty in our department that I'm afraid we'll have to let him go." This view of Joe's actions is obviously inadequate. The manager is simply shunting off any responsibility for analyzing the problem and helping Joe to solve it.

In trying to eliminate or at least to minimize frustration-instigated behavior, the manager must first try to identify the barrier which is blocking the subordinate's way. In some cases, this may be easy; in others, especially where the barrier exists primarily in the worker's mind, thorough investigation may be needed.

In many cases, talking privately with the employee may enable the manager to pinpoint the barrier and find ways to overcome the difficulty. Informal discussions with those who are close to the employee may also give some valuable clues for handling the situation.

The next step is to classify the barrier in terms of its potential solution. Some barriers may be removed solely through the efforts of the manager involved, while others may call for a coordinated effort with various staff members.

The final challenge to the manager is the actual removal of the barrier. This is quite possible if he exercises some control over it. For example, counseling with an employee who appears to be non-involved (avoidance) with his work since having been passed over for promotion, may lead to a number of solutions. To remove this barrier, special training may be arranged which would put the employee in a much stronger position for consideration when the next promotional opening occurs. Another possibility would be to look into the chance of a lateral transfer to an area that will have promotional opportunities in the near future. This will not only help the employee return to goal-directed behavior, it will also benefit the organization through increased productivity and better morale.

A major aspect of effective management is the creation of a climate which is conducive to goal attainment. Employees have needs which must be satisfied, and it is important that they have the opportunity to reach both the intermediate and long-range goals which they have set for themselves. When they exhibit frustration-instigated behavior, they are doing so because barriers exist which prevent them from achieving those goals. By identifying, analyzing and removing the barriers, the manager can help to create an environment which allows the employee to work toward his goals and at the same time toward organizational objectives.

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Alienation-Counseling Implications and Management Therapy

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Numerous articles have erupted recently lamenting the growing number of corporate dropouts and the mass exodus of bored and frustrated managers. There is a persistent and gnawing theme in these accounts that contemporary man is a helpless and unhappy victim of alienation. Are we taking it for granted that alienation has its primary origins in our institutions and organizations? This article challenges that assumption and suggests that there may be a strange cause-effect relationship within man himself that may be worth exploring.

FROM a management-employee relations standpoint, alienation is a far more serious problem than poor morale or job dissatisfaction and other symptoms of frustration and unrest. Alienation is an insidious and crippling social attitude towards one's self and others. The alienated person in the work situation may reject the corporate environment in its totality—his job, fellow employees, his boss, and his company. By definition, alienation may range in degree from temporary hostility towards others to insanity. However, when the news media and sociological reporters use the term *alienation,* they are not necessarily talking about psychopathology. They are more likely describing a widespread attitude of disenchantment with the established order of things. Research on public opinions (Harris Survey, 1966, 1972) for example, indicate that 41 percent of the people in the U.S. feel largely alienated toward the system under which they live. Evidence is given that the mood of disenchantment is still running deeply in the nation:

(1) 64 percent of the public still agree with the statement that "tax laws are written to help the rich and not the

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average man."

(2) 61 percent agree with the statement that "the rich get richer and the poor get poorer."

(3) 46 percent of the people still feel that "what I think doesn't really count much in politics."

(4) more than one person in three or 36 percent feel that "people with power are out to take advantage of me."

(5) 18 percent say they feel "left out of things around me."

SYMPTOMS, CAUSES AND PREDISPOSITIONS

Analysts and writers of business conditions are generally placing the responsibility and blame for employee disenchantment upon organizations and institutions, while suggesting that the quality of corporate life styles is deteriorating and growing steadily worse. To help support this position, observations are made that absenteeism, turnover, unemployment, mental illness, alcoholism, drug abuse and unionism are increasing at a fast rate. Further indexes that frustration and discontent with corporate life are on the upswing are suggested by unfulfilled needs for involvement and participation in the decision-making process; the lack of communications and direction from topside; restlessness due to the inability to fully utilize one's aptitudes and capacities; loss of job security; and a general uneasiness and disenchantment with the highly bureaucratic and authoritarian superstructures in business.

IDENTITY AND THE NEED TO ACHIEVE ARE KEY FACTORS

The individual's sense of personal identity and his continuing struggle to achieve his goals and implement his self-concept are vital needs that must be considered if we are to obtain a clear and reliable definition of the problem that we rather loosely refer to as alienation. These needs are an integral part of career values and decisions. The individual will feel frustrated if his perception of opportunities for achievement, self-development and personal rewards appear to him to be lessening, or if he feels convinced that striving is futile and his goals for self-fulfillment are unattainable.

By definition, alienation may range in degree from temporary hostility toward others, to insanity.

Consider the limitations and restrictions that have made some minority groups and women feel ineffectual and stereotyped in their vocational pursuits. Alienation may be only a step away. In the business world the individual's immediate supervisor is in a very strategic position to either preserve the status quo or to encourage and stimulate individual growth and development.

The nature and quality of interaction between (a) the individual, (b) his manager, and (c) other significant and influential people in the organization will determine how well or how poorly their mutual needs and expectations are being processed. For example, if the manager relates to the individual by assuming either too much or too little responsibility; i.e., controlling and dominating versus relinquishing and sidestepping, the individual may either withdraw or become aggressive. When individuals feel powerless and unable to cope with situations and conflicts in their jobs over which they have little or no control, they may react with apathy, indifference, anger and resentment. Finally, the net results of feelings of alienation and disenchantment may lead to serious economic consequences through loss of interest in work and decreased levels of productivity. Telltale signs and symptoms of alienation are also usually indicated by the following characteristics:

(1) No goals; no striving or future plans.

(2) Lack of communication. Out of touch with others and a tendency to avoid close relationships.

(3) A poorly defined self-concept.

(4) Apathy and boredom.

(5) Resistance to change.

(6) A limited exercise of alternatives, choices and decisions.

ALIENATION ROOTED IN SELF-ESTEEM

No respecter of persons, experience or age, alienation has its roots deeply embedded within the self-esteem of its victims. A high school dropout who quits school to avoid failure and frustration may be motivated to the same degree as an employee who quits his job to look for greener pastures. Either one or both may be alienated from a particular association or all associations. There are many explanations and one of these is that the harmful effects of autocratic or paternalistic styles of leadership, whether in schools or in factories, are very similar when the use of power leads to controls that are coercive. A steady diet of coercion that controls and manipulates others may result in either hostility or aggression in the form of retaliation or withdrawal and apathy. The inability of individuals to cope with situations and conflicts over which they have little or no control is bound to have a deleterious effect on their growth and development. In other words, if the individual is deprived of free choice and independent judgment to direct his own life, he may unwittingly surrender his individual distinctiveness by finding refuge and deliverance from the meaningless burdens of his individuality. He may simply give up the responsibility and the struggle to develop himself into the person that he is capable of becoming.

THE SELF-CONCEPT—AFFIRMS OR NEGATES INDIVIDUAL RESPONSIBILITY

The individual's desires for self-actualization, his sense of personal worth and esteem are bound up within his self-concept which may be regarded in four dimensions. The individual chooses to affirm or deny opportunities for self-direction and to confirm or disclaim the responsibility for his own growth and development in each of the following areas:

1. The Achievement Self-Concept
2. The Emotional Self-Concept

Frustration and discontent with corporate life are on the upswing.

3. The Social Self-Concept
4. The Ethical Self-Concept

The self-concept, as a whole, is a product of the individual's relations with others and his own internal criteria for developing his identity. A brief summary of each of these self-concepts follows:

1. *The Achievement Self-Concept*
The achievement motive varies considerably between people. Individuals with accurate self-assessments may be expected to perform in such a manner that their interests, aptitudes and accomplishments are relatively consistent. They project a healthy self-acceptance, an adequate self-esteem and confidence. It is the "I can. . . ." type of statement that discloses the individual's conceptualization of himself. Persons with a low achievement motive, on the other hand, may lack self-respect because of their inability to live up to expected standards of behavior. Their self-concept, or expression of abilities and talents may be expressed by the "I can't. . . ." type of response to assigned tasks. The individual's experiences with acquired knowledge, skills, intellectual capacity, mechanical and general aptitudes, specific abilities and interests are incorporated in formation of the achievement self-concept. The competent individual feels potent and worthy of being taken seriously by himself and others. The person who lacks the attitude of competence may not dare to hope or to achieve. The competent person may experience conflict, disappointment, and frustration, but he is not likely to think of himself as bored or defeated.

2. *The Emotional Self-Concept* implies that the individual understands and is aware of his feelings and attitudes. Emotions of love, fear, worry, shyness, anxiety, etc. can be a meaningful index to a person's attitudes and personality. Moods and perceptions may have positive or negative consequences in

No respecter of persons, experience or age, alienation has its roots within the self-esteem of its victims.

terms of how the individual copes with job-related conflicts and stresses.

The emotional self-concept is translated into what the individual does to balance spontaneity and control of his impulses and attitudes. The ability to express and control emotions also projects impressions that affect interpersonal relationships, judgments and appraisals from others. Tolerance for ambiguity and risk-taking behavior also has emotional and attitudinal origins. They may either help to facilitate or hinder achievement. Early child-parent relationships may often preordain feelings and attitudes towards others. Models of authority, rivalry, reward and punishment in childhood may be duplicated in adulthood associations.

3. *The Social Self-Concept* is a by-product of our relations with others. Group status or holding a secure position in a group is usually an essential element of the employer-employee contract. Prestige or acceptance and recognition by others furnishes affirmation of a self-concept that signifies worthiness and success. The ability to meet people, mix with others and handle feedback from them reveals one's social self-concept.

Some people naturally enjoy working with groups, i.e., sales, advertising and managerial work, whereas others prefer working as individuals, with other individuals, i.e., artists, writers, engineers, scientists, etc.

The individual's choice of occupation and career aspirations provides social and self-actualizing roles. Unfortunately, we know of too many instances where young people may respond more to family pressures than to self-actualization needs in decisions affecting their educational and occupational choices. By the same token, adults may also be responding to external social pressures and artificial status desires at the expense of their own self-actualization needs by pursuing or accepting positions of higher rank in the pecking order. Perhaps the most significant point of the social self-concept is the nature and quality of interaction between the individual, his peers and his immediate supervisor. These relationships may very well determine the individual's level of acceptance, success or failure, and his prospects for advancement in any formal organization. With all due respect to the emphasis being placed upon the importance of results and accomplishments, many managers are still measuring their subordinates and other supervisors on the basis of personality traits and chemistry.

The personal preferences of an individual's manager may or may not be mutually understood. The individual may never really know of or be sensitive to any differences between his own assumptions about himself and his manager's perceptions of his behavior. If the individual is in the dark about his manager's expectations and is deprived of feedback on his performance, there is a good chance that a serious discrepancy will exist between his own self-assessments and appraisals by others. Such disparity may seriously affect achievement and emotional stability.

4. *The Ethical Self-Concept* is the individual's appraisal of himself as a moral and ethical person. His sense of personal integrity and commitment to values and principles has a unifying and integrating effect upon his total self-concept.

Propriety as a professional manager, a sense of duty and responsibility to others, use of authority and power over others are all functions of the ethical self-concept. Expressions of "I ought. . . ." or "I should. . . ." are reflections of intentionality in various situations that call for decisons involving organizational goals, values and ethical considerations affecting the security and welfare of others.

The credibility and trust that employees feel towards higher management are a reflection of their confidence in management's ethics and integrity.

Preoccupation with personal status and

position by managers is often the cause for suspicion, while a greater concern for the needs of others and organizational goals is more apt to project unselfishness, confidence and trust.

Another important element of ethics is the professional obligation that the manager has to his associates, peers, and superiors to maintain a human relationship with them.

The self-concept is a product of the individual's relations with others and his own internal criteria for developing his identity.

These four self-concepts are the individual's picture of himself with special meanings that are acquired and subject to change with experience. Each component is organized around some particular status or role which may involve functional or social expectations.

Unexpected or undesirable changes and disruptions to these self-concepts may cause personal problems and difficulties that require the attention of managers or in-depth counseling and guidance.

Problems are inevitable if the individual finds his work inadequate to his self-image or if he feels unable to measure up to his assignments.

COUNSELING IMPLICATIONS

The alienated person is apt to feel powerless and unable to implement or affirm his self-concepts. His sense of identity may be weakened. He may feel lonely and isolated —cut off from the main stream of management activity. He will most likely manifest protective symptoms including withdrawal or aggressive behavior, doubt, boredom and frustration. In problems of this sort, the counselor is apt to be confronted with ambiguous and poorly defined self-concepts. He will find it difficult to traverse the pathways of self-concepts troubled and confused by disparities with reality and experience.

COUNSELING GUIDELINES

1. The role of the counselor in dealing with alienation is to attempt to identify and define the underlying problem. This kind of problem is usually centered around distortions between the individual and his outside references.

2. The counselor should be careful not to confuse interpersonal conflicts, criticism and disagreements with alienation. *Not everyone who is dissatisfied with himself, his boss or his company is necessarily alienated.* It is important to make a careful distinction between destructive and constructive criticism. Individuals may be critical of their managers and still remain extremely loyal to their organizations. They may be outwardly dissatisfied in general, yet be able to produce desired results. *The person who is truly alienated is probably non-productive.*

3. The counselor's primary responsibility is to provide the alienated individual with support, understanding and encouragement.

4. He should explore the individual's self-concepts and search for clues that may help to define the problem. By carefully examining his own self-concepts, the individual may be helped to discover his needs for social *acceptance* and *belonging; meaningfulness* in his work; *self-identity;* and the importance of his associations and *relatedness* to others.

One's self-concept tends to be both consistent and persistent. There may be a tendency to conform to it with considerable obstinacy and to deny contradictory feedback. Hence, insight and change are not acquired overnight and may take a long time to materialize.

5. The role of the counselor is to help the alienated person to retrieve his lost sense of freedom and autonomy. This suggests that the individual is capable of finding his own solutions to his problems with the assistance and guidance of others.

6. The counselor should try to help the alienated person express how he perceives his situation and his self-concept. That is, he should encourage the person to become reacquainted with his feelings and attitudes.

7. The counselor should encourage the

individual to take some initiative and positive action, i.e., writing a resume; applying for a transfer; taking a course; completing an overdue assignment; pursuing a hobby more seriously; undertaking a civic and community responsibility, etc.

The counselor should *listen* and encourage the individual to talk out his problems without censure or approval. He should refrain from the temptation to prescribe for the person, but assist him in developing his own solution. Finally, the counselor should encourage and assist the individual in carrying out his own plan of action. The closer we get to understanding the other person's motives and values, the closer we are to understanding and knowing him.

The individual's choice of occupation and career aspirations provides social and self-actualizing roles.

MANAGEMENT THERAPY

Despite the evidence suggesting that middle and upper echelons of management are becoming increasingly more dissatisfied with corporate life, the managers themselves have not, up to this point at least, taken positive steps to reduce alienation in their organizations. Despite all the talk about participative management, traditional management controls and authoritarian methods are still going strong.

Ironically, the manager is both villain and victim of alienation. He is inescapably implicated and involved in helping to create the conditions that make alienation endemic. He is simultaneously its carrier and antidote. How then can organizations counteract or at least minimize alienation within their ranks?

First, they must recognize that managers are their principal agents of change and that they are responsible for helping to set the climate in their organizations.

Second, they must realize that human growth and development do not occur in a vacuum. Development is an interactive and dynamic process requiring the mutual support and cooperation of the individual and his manager. If individual differences in intellectual, social, emotional and ethical needs are continually ignored, there will be unfavorable repercussions. A manager who is not interested in contributing to the effectiveness and profitability of his organization would not be tolerated for too long. What about the manager who is disinterested in the development of his human resources, who is timid about setting goals or reluctant to plan and communicate priorities, who is loathe to assess his own performance and help others to appraise theirs, who prefers to play it by ear, who is inclined to keep others in the dark, or who is suspicious and distrustful of others? We may speculate not only on his performance, but even more importantly upon how he affects others.

No one likes to be kept in the dark. Employees in general and professionals in particular become very uncomfortable when they feel uninformed and uncertain about their future. They have a real need to be in full control of their jobs and to have a greater influence in their environment and in their work. The sense of professional identity may have a strong pull on many individuals to become more closely associated with the intentions and purposes of their organizations. The organization may default if its own sense of identity and direction is too hazy and ambiguous. Some individuals may not be able to tolerate an organization whose goals are obscure and incomprehensible. Others, of course, may delight in the freedom and opportunities for independent action and innovation offered by the same conditions.

It is not enough to dwell on human behavior. Attention should also be given equally to the work itself and on how it impacts on

The alienated person is apt to feel powerless and unable to implement his self-concepts.

people before an accurate evaluation and diagnosis can be made.

TWELVE PRACTICAL SUGGESTIONS FOR ASSESSMENT, DIAGNOSIS AND IMPROVEMENT

1. Audit objectives, goals and priorities on a continuing basis.
2. Periodically analyze all functions. Identify essential and nonessential tasks.
3. Eliminate nonessential work and, if possible, combine functions where duplication of effort is apparent.
4. Determine if and how performance appraisals are conducted. Are they used more as a tool for communicating plans and goals? to stimulate performance improvement? or to control performance? Are performance appraisals used to assist individuals to connect their personal career goals to the needs and objectives of the organization? Or does the manager play Simon Legree by using performance appraisals to coerce, threaten, criticize, praise and decide instead of listening, guiding, advising and encouraging his subordinates to develop their own abilities and potential?
5. Audit manpower on a continuing basis to identify individual levels of performance and individual development needs.
6. Identify managers who have reached their peaks in their present assignments and make appropriate plans.
7. Hold managers responsible for meeting the organization's criteria for career planning and individual development.
8. Identify high potential and low potential people. Plan and take action accordingly.
9. Find out what the needs, aspirations and development goals are for individual managers. If his needs and aspirations are incompatible with those of the organization, he should be encouraged to either change his goals, negotiate new organizational objectives or give serious thought to quitting.
10. Provide professional counseling services for career planning and development.
11. Find out why dissatisfied people are dissatisfied and, if possible, help them do something constructive about their problem.
12. Explore opportunities for implementing a job enrichment program to provide opportunities for self-improvement and increasing productivity. Although job enrichment is more common at lower levels, it may also be installed for management functions. Any other program by any other name that facilitates the individual's participation in goal setting and performance evaluation may also be used to achieve the desired results, i.e., MBO, Career Development Planning, Self-Appraisal, Coaching, Job Rotation, etc.

Large scale organizations are responsible for turning people against the systems designed to serve human wants and needs.

THE NEED FOR MANAGEMENT DEVELOPMENT

To foster a healthy climate and an atmosphere of organizational vitality, higher management levels should be involved in determining the needs and objectives of a development program designed to optimize its human resources. They should actively participate in every stage including determination of needs, setting objectives, actively participating in the learning phases, evaluating and reinforcing its effects.

Management models, motivational theories and leadership techniques abound. We are also reminded by a steady flow of literature that large-scale organizations, institutions and corporations are responsible for turning people against the very systems that were designed to serve human wants and needs. Mysterious forces with corporate and executive powers referred to as "they" are held accountable for individual failures, disappointments and unrealized career plans.

If in the face of all this man feels helpless, is it because he believes himself to be helpless

and imprisoned without a sense of purpose and of personal achievement? He cannot help but feel helpless if he is uninformed and unable to participate in the planning and decision-making activities of his organization. In this sense, alienation is equivalent to quitting. The alienated person may choose, however, to remain on the payroll in a job that is stripped of vitality without any opportunity for fulfillment and accomplishment. Who can calculate the losses, both organizational and human, in this kind of coexistence?

The most important needs of organizations, synonymous with basic human needs, are *survival, profit* and *growth*. The individual who gives up and renounces his needs, therefore, alienates and loses himself. The individual who chooses not to relinquish but to struggle to the best of his abilities is more apt to satisfy both his needs and the needs of others. He may even find the struggle itself a rewarding and fulfilling experience.

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The Alcoholic Employee

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Evidence is mounting that alcoholism is fast becoming our Number One health problem. It is becoming obvious, also, that firing is not the solution. Rather it is an irritant. Termination is expensive and wasteful of human resources. Here are some thoughts on how to detect and appraise the disease and what to do about it.

IN THIS "enlightened era" of personnel administration, it is surprising that the answer to the question, "What does your organization do about the alcoholic employee?" is often the unabashed, "Why, we fire them, of course."

There are many reasons why such action is shortsighted and unwise. First, and foremost, alcoholism is a disease—and a complex one. Scientific opinion indicates that it may be caused by a combination of elements involving (1) physical, chemical or organic factors, (2) psychological, psychosomatic or emotional difficulties, and (3) causative factors in the environmental situation. It would be just as logical, or illogical, depending on the point of view, to fire the employees with ulcers, diabetes or heart disease as to discharge the alcoholics.

It is possible that one of the reasons why an employer singles out the alcoholic for dismissal, as opposed to those employees with other illnesses, is that the alcoholic does not consider himself to be "ill." One of the most frustrating characteristics of alcoholism is the inability of the problem drinker at any stage of his illness to accept or recognize that he/she is in serious trouble despite overwhelming evidence to the contrary. This can serve to tax an

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employer's patience to the breaking point.

A popular myth, namely that alcoholism is an untreatable disease, may also contribute to the plight of the problem drinker. A clear distinction should be made between "untreatable" and "curable." True, alcoholism cannot be cured, but it can be arrested.

A popular myth—that alcoholism is an untreatable disease may contribute to the plight of the problem drinker.

The process of arresting the disease involves systematic treatment, something that is being successfully carried on by a number of hospitals and agencies in this country. Lutheran General Hospital in Park Ridge, Illinois, for example, claims that between 70 and 80 percent of the alcoholics who enter its program come out recovered, with the disease arrested.[1] More than 1200 alcoholics go through this program each year, a program that involves a 28-day in-hospital treatment and a 10 week follow-up period. There are many other institutions and agencies that boast of successes similar to that of Lutheran General. Unfortunately, many hospitals refuse to admit and treat patients as alcoholics. Although the evidence is clear, we are still not admitting that alcoholism is fast becoming our Number One health problem, and that increased services must be made available to provide treatment for more of this country's alcoholics, now estimated to number 9.6 million.

Sound business practice would indicate taking another look at the policy of discharging problem drinkers. A company that fires employees discovered to be alcoholics is only discharging those in the last stages of the disease. This promotes concealment by all other employees with the same problem. In addition, the company is abandoning a considerable investment. The average alcoholic employee has more than 10 years experience with his company.

[1] *Chicago Tribune*, October 5, 1972, p. 2.

Companies that do not have some sort of policy or program to deal with and help the alcoholics on their payroll are saying, in effect, "We will pay an economic premium for the successful concealment of alcoholism. When an employee can no longer hide his condition from the attention of management, his employment will be terminated."

When a program to deal with the problem is proposed, the reaction is often that it would be too expensive, or that the company is too small to justify the time and trouble it would take. Both of these claims are groundless. An alcoholism program is relatively simple and inexpensive. The smallest company can have a program that is just as effective as that of a large corporation. In fact, the effort involved in the small company is geometrically less than that required in a large one where countless levels of supervision are involved. And the results can be just as gratifying.

If you are asking, "How do I establish a program for dealing with alcoholic employees?," the first, and probably the most important single step is to accept the fact that the alcoholic is a salvagable human resource. Something can be done to return him/her to a state of productivity.

The second step involves establishing top-level policy and procedural guidelines. A definite statement of the company's policy should be made in writing and should state that:

1. the company believes that alcoholism is a disease that can be treated.
2. every case will be handled with the utmost confidentiality.
3. the company's only purpose is to help in the rehabilitation and recovery of the employees.
4. no one will be forced to accept treatment under the company's program if he/she shows evidence of solving the problem by other means.

The third step involves the training of supervisory personnel in the policies and procedures adopted. Particular attention should be paid to how to identify the alcoholic. (A guide for supervisors, which has been developed through interviews with them and with alcoholic employees, is shown in

Table I.[2]) The progressive nature of alcoholism, and the need for firm action to motivate employees to seek help if they cannot solve the problem on their own, should also be emphasized.

TABLE I
IDENTIFYING THE ALCOHOLIC EMPLOYEE
Signs of Developing Alcoholism as Ranked by Supervisors of Alcoholics and Alcoholics Themselves

Supervisors' Ranking	*Alcoholics' Ranking*
1. Leaving post temporarily	1. Hangovers on job
2. Drinking at lunch time	2. Morning drinking before work
3. Red or bleary eyes	3. Absenteeism: day or half day
4. Mood changes after lunch	4. Increased nervousness/jitteriness
5. Lower quality of work	5. Drinking at lunch time
6. Absenteeism: day or half day	6. Hand tremors
7. More unusual excuses for absences	7. Drinking during working hours
8. Loud talking	8. Late to work
9. Longer lunch periods	9. More unusual excuses for absences
10. Hand tremors	10. Leaving post temporarily
11. Lower quantity of work	11. Leaving work early
12. Hangovers on job	12. Avoiding boss or associates
13. Drinking during working hours	13. More edgy/irritable
14. Avoiding boss or associates	14. Using breath purifiers
15. Flushed face	15. Longer lunch periods
16. Less even, more spasmodic work pace	16. Red or bleary eyes
17. Increase in real minor illnesses	17. Mood changes after lunch time or other drinking
	18. Lower quantity of work
	19. Lower quality of work

Finally, channels for proper referral to treatment and supportive sources should be provided. It is preferable to have the program administered by the Medical Department, or in smaller companies by the Personnel Department. The actual treatment should, of course, be left to the professionals—physicians and/or psychiatrists—in hospitals and public agencies.

Programs are best developed and installed quietly and without fanfare. If programs become a crusade, you may find that supervisors are looking behind every door and under every workbench to find an alcoholic. An overly-zealous approach can simply cause the problem drinker to become more defensive and secretive.

The most expensive way to handle the problem drinker is to fire or ignore him.

Responsibility for taking remedial action always remains with the employee. He/she has to be motivated to establish a goal of retention of his job and the arrest of a serious illness. The program which is most successful is the one that establishes administrative integrity. Be honest and firm with the alcoholic employee. Being a "nice guy" and accepting the alcoholic's "promise" to reform does him no favor. Alcoholics seldom, if ever, can single-handedly arrest their disease. Provide the avenue for rehabilitation, but if the employee does not respond with improved behavior, it is time to take corrective action. The latter need not be discharge, but it should involve a more concentrated effort to get the alcoholic to recognize that he is ill and needs treatment. One point worth noting is that an employee is much more apt to admit his illness if it is not labeled Alcoholism.

Corrective action should concentrate on such factors as poor attendance record, tardiness, low production, poor appearance, faulty judgment, etc. It has been found that an alcoholic's job is extremely important to him. By zeroing in on the fact that poor performance may cost him his job, he may be more easily guided to accept the professional help he needs to arrest his illness.

A well planned, soundly administered alcoholism program is one of the yardsticks by which management's concern for the welfare of the employees can be measured. According to studies, the most expensive way to handle the problem drinker is to fire or ignore him. The most profitable and effective way is to provide the help he needs to regain his place as a valued employee.

[2] Harrison M. Trice, "New Light on Identifying the Alcoholic Employee." (Reprinted from PERSONNEL Magazine, September/October, 1964. Copyright 1964 by the American Management Association, Inc.)

Application to health, social welfare, and family planning

White-collar employees are said to have a much greater tendency than blue-collar workers to identify themselves with their occupation—to modify their personalities to fit the job and its behavioral role expectations. If this is true, all of the phenomena discussed in the first three articles of this chapter are particularly relevant for health, social welfare and family planning workers. It could be expected that group norms could be more clearly formulated and enforced by group pressure. The opportunities for conflicting cliques to form and for personality clashes to interfere with work performance are greater. Frustration, with its attendant modifications of behavior, can be very intense and unsettling. As the third article emphasizes, the result can be a substantial number of alienated employees. Personnel managers of health, social welfare and family planning organizations find the morale-alienation problem to be one of their most common—and one which strikes some of their best employees hardest.

The last two readings of this chapter deal with two of the most common white-collar personnel problems which seem to arise from the employee's total life situation, rather than simply from the work situation. The employee who is emotionally disturbed or alcoholic usually can ill afford to stop working; his need for income to pay for medical or psychiatric treatment is greater rather than less. Yet such workers probably are more glaringly inadequate in their jobs than would be the case in factories. The seriously maladjusted white-collar worker functions in a "fishbowl" environment, in which not only co-workers but clients observe and react to his maladies. Yet, as the readings suggest, simple discharge is regarded as inhumane and anti-social today; the employers as well as the families of such persons have an obligation to help the person seek help and rehabilitate himself—at least up to a critical point where further functioning on the job becomes impossible.

Questions for discussion and exercises

1. In most health, welfare and family planning organizations, the top management positions are filled by professionals who are drawn from the elite stratum of society. At the bottom, the foot soldiers of the organization—the field workers and clinic workers—tend to come from the lower or upper-lower strata. To what extent do you think this promotes alienation between management and workers?

2. "Mindless bureaucracy" is one of the most frequent and most plagueing problems of health, social welfare and family planning organizations. Yet it is not dealt with directly in any of the readings. Suppose you were asked to write an essay on this topic, to be included in a book of readings such as this. Outline such an essay and write it.

3. Another frequent personnel problem of health, social welfare and family planning organizations is hostile relations between employees or departments which should be communicating and cooperating freely with each other. Write

an essay on this topic, as in Exercise 2.

4. Go to a personnel officer of a health, social welfare or family planning organization. Ask him to rank the personnel problems which he encounters, in order of frequency (excluding mass duties such as hiring, pay, promotion, etc.). What items are on his list which are not mentioned in this chapter? How many of them can be subsumed under the norms-frustration-alienation sequence?

5. As a follow-up to Exercise 4, ask the personnel officer how he usually deals with these issues. Then go to personnel officers of four other health/social welfare/family planning organizations and ask them how they usually handle these problems. Compare their usual procedures with the procedures recommended in the readings of this chapter. To what extent do you think personnel officers may need special training in meeting the individual problems of their employees?

6. The readings of this chapter clearly suggest that much of the blame for personnel problems—loafing, hostile relations, dishonesty, absenteeism, tardiness, low morale, and mindless bureaucracy—must be laid upon the organization itself and its policies for personnel management. It is implied that the employing organization may be frustrating or alienating the workers. Yet it would be naive to assert that every case of such deviant behavior is the fault of management. There is, within the society, a thin layer of persons with deviant personalities who would be socially maladjusted or alienated in any normal work situation. How can the personnel manager decide when his organization is at fault and when it is innocent of wrongdoing in particular cases involving employees with deviant behavior?

7. Sometimes employees who are incompetent—who lack the intelligence, the skill, or the temperament to perform their assigned work adequately—are unable to acknowledge the fact that they are incompetent and behave in deviant ways on the job. Which of the psychological concepts presented in the first reading do you think would explain such behavior? What action should a personnel manager take under such circumstances?

Chapter Fourteen

ORGANIZATION-WIDE ACTIONS TO DEAL WITH PERSONNEL PROBLEMS

Personnel problems can be dealt with in two principle ways: (a) on a one-at-a-time basis in terms of individual evaluation, counselling, promotion, etc.; or (b) on an organization-wide policy basis. The preceding chapters have discussed the one-at-a-time actions in full detail. The present chapter discusses four types of organization-wide action which the personnel manager can take in order to improve overall productivity, job satisfaction, morale and efficiency.

(a) *Employee attitude surveys,* an action that is based on the human relations orientation presented in Chapter One.
(b) *Job enrichment,* an action that flows from the theories of work motivation presented in Chapter Two.
(c) *Objective indexes* of employee relations, based on personnel records.
(d) *Post-employment interviews,* designed to avoid personnel administration mistakes committed in the past.

A separate reading is reproduced which describes each of these actions in detail. All four actions represent special projects or policies which the personnel manager may initiate in his organization and which promise a good reward in improved employee performance.

How a survey of employee attitudes can give management the facts for decisions and policy

by Eileen Goodman

EARLIER THIS year an official of the Montreal Board of Trade tried to round up a panel of speakers to discuss employee attitude surveys. He found that so little had been done in Canada in this area that he was unable to get enough people together to form a panel.

Canadian Business queried a number of large companies, asking if they had conducted attitude surveys or anticipated doing so. All but four of 26 respondents stated they had never carried out a formal survey of this nature and the majority added they were not planning to do so in the immediate future.

This apparently negative approach with regard to employee attitude surveys contrasts strongly with the experience in the United States. There it is claimed that about one in five companies employing 100 or more are now making employee surveys on a regular basis.

Since the first systematic one was carried out by a West Coast company in 1921, growth in the U.S. has been relatively slow. According to the findings of the National Industrial Conference Board, few U.S. companies had made surveys prior to 1940. In 1947, it was found that 7% of 3,500 companies queried had conducted attitude surveys. In 1954, the percentage had more than doubled—in that year 14.5% of the co-operating companies said they had made surveys among their hourly paid employees and 20.5% among their salaried employees.

reason for surveys

Significant, in the generally negative reaction shown by many Canadian companies to employee attitude surveys, is the fact that so few have conducted them. However, Bell Telephone Company of Canada and several others who have carried out attitude surveys have been sufficiently satisfied with the results to repeat the experiment periodically.

Canadian firms tend to be more conservative about such innovations due principally to their cost. Smaller Canadian firms must budget more carefully for such programs. It is interesting to note that the first Canadian companies to conduct employee attitude surveys are those that are following the example of a parent or affiliated company in the U.S.

One comment made by a Canadian personnel manager was, "I imagine much can be said for and against. My concern has always been to secure the adoption of sound business principles and practices which in themselves will result in high employee morale."

On the other hand asked why his company decided to make a survey, a U.S. company president put it bluntly: "When I begin to itch, I scratch." The itch in his case was caused by a budget top-heavy with costly programs of communications, training and fringe benefits. Turnover at the supervisory level seemed too high. The technicians were also leaving at a costly rate. The scratching was done by means of a thorough survey of employee opinion, including management up through the department head level.

"Before we made the survey I'd

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had a lot of advice on what was causing our troubles. It was mostly wrong and, when it wasn't, the remedies were expensive. That survey showed me exactly what I needed to do to keep my employees — a matter of loosening up a bit with information about the company, giving more recognition in certain matters, and a correcting of a few little misunderstandings."

A less confident appraisal is made by a Canadian personnel manager who pointed out that the use and effectiveness of attitude surveys is a topic of considerable discussion and controversy amongst personnel and management people. He says, "Properly used, I believe they have a limited value . . . often the results can be either misinterpreted or erroneous conclusions can be reached based on invalid assumptions."

American firms may have shared this view a decade ago but today they are much less skeptical about the value of the survey. For example, the president of an electrical company in Atlantic City says the purpose of his company's survey was ". . . to secure reaction, opinions and ideas which will assist us in reaching the right decisions concerning the operation of our company."

Another company president says that two things led him to investigate the possibilities of attitude surveys. First, it seemed that he and the executive vice-president were called upon for too many decisions in personnel difficulties. Secondly, there was the feeling that the employees weren't putting a fair amount of effort into their work. The turnover rate was low, but the production line was just not performing as well as it should.

"We made the survey," he says, "and as a result we were able to cure a lot of difficulties that we did not even know existed. We improved supervision and morale scientifically instead of by guesswork."

The cautious approach of most Canadian companies interviewed by *Canadian Business* to employee attitude surveys can best be summed up by A. J. Langley, Industrial Relations Manager, Computing Devices of Canada Limited.

He says, ". . . we have considered a possibility of having an attitude survey made, particularly in the event we grow much larger, in order to indicate whether our present methods remain adequate. We feel that such surveys must be made by outside experts and must be extremely carefully prepared and thought-out if they are to be of real value. This costs a good deal of money.* Like psychological tests, they can be quite misleading, if not done correctly, and unless they are interpreted by experts."

attitude survey techniques

While the employee attitude survey may vary from company to company, it is basically a paper-and-pencil measuring device that is given to groups of employees and is designed to produce complete frankness in employee responses. It usually takes from 30 to 45 minutes for a group to complete a form. It comprises a number of statements, each with several possible answers, such as "Strongly Agree", "Agree", "Undecided", "Disagree" and "Strongly Disagree". Employees check their opinions in boxes adjacent to the answers. Several open-end questions are usually included in which the employee is encouraged to give his honest comments. These give additional depth or intensity measurements over and above his check responses to the written questions.

Usually a company tries to have a survey made during a period of normal employee relations. It is inadvisable to conduct it during strenuous contract negotiations or a labor dispute.

It's important, too, to have the passive co-operation of the union. Union officials should be informed of the survey well in advance and management should confer with the union on the results of the survey.

In a study of 55 employee surveys, it was found that the subjects covered: jobs, company and management, supervisors, quality of supervision, working conditions, wages and salaries, employee bene-

* Employee attitude surveys cost approximately from $2 to $6 per employee.

SOME QUESTIONS ASKED IN ATTITUDE SURVEYS

Questions asked in surveys usually cover the following areas:

physical working conditions, supervision, personnel plans and policies, merit reviews.

Here is the kind of questions which companies ask when they conduct an attitude survey:

Do you feel the company takes a real interest in you as a person?

(a) Company takes a *real* interest
(b) Company takes *some* interest but not much
(c) Company is *not* interested.

Considering everything my present job is: (Check the appropriate qualification) excellent, good, fair, poor, very poor.

I am told ahead of time of changes that affect my work: (Check the appropriate qualification) strongly agree, agree, undecided, disagree, strongly disagree.

Who in your opinion is usually to blame when there are misunderstandings between management and employees?

Do you feel your job is important to the company's ability to produce a good product?

As a place to work how do you think your company compares to others in this city?

Do you feel the company does a good job in creating a friendly atmosphere among the employees?

Is there anything which you would like to bring to our attention?

Here some of the most interesting opinions come to light. While grievances are often aired one typical comment is: "I appreciate the privilege of being able to complete this questionnaire. None of my previous employers considered it important to know how I, or anyone else, felt about conditions."

fits, promotion opportunities and methods, job security and specific information as to communications and company publications.

A good way to introduce a survey is to call a preliminary meeting of all employees on company time. This permits the presentation of a uniform explanation of the purpose behind the poll as well as uniform replies to employees' questions. Supplementary data including copies of the questionnaire, instructions as to its use and an explanation of its purpose should be posted on bulletin boards simultaneously with the meeting. Whatever form of announcing the poll is used, management should give employees frank and complete explanation of the purposes of the poll, the spirit in which to treat the questionnaire and the use to be made of the information obtained.

Executives, supervisors and rank-and-file employees are tested separately. The room where the survey is administered is usually on company premises. It may be a clean, well-lighted conference room. Chairs and tables should be provided and so spaced that no employee can talk with another employee conveniently or see the answers of others.

The administrator emphasizes that the employee is requested not to sign his name. He assures him that all replies are strictly confidential. It's explained that there are no right or wrong answers and the employee is given an opportunity to raise any question he desires. Those who do not wish to co-operate are not obliged to do so. It is found that the refusal rate is only a fraction of 1%. When a questionnaire is completed it is usually deposited in a ballot box.

While most companies give advance notice regarding a survey, the Bell Telephone Company of Canada prefers to spring a survey on the employees because they are looking for "top of the mind thinking." However, Bell uses the survey for supervisory personnel only.

interview vs query

Over the years survey techniques have changed. The interview approach was widely used at first. Advantage of the interview is that it yields the kind of information that can be accurately interpreted by suitably trained people and which can form the basis of effective remedial action. As a technique, however, it has the disadvantage of slowness, expense and the need to use specially trained interviewers.

Another method that is gaining favor is the combined oral-written survey. This technique is presently being used by one Canadian company in a survey it is conducting this year covering workers below first level supervision. A preliminary questionnaire is prepared and a small sampling of employees is interviewed individually. From these interviews any revising or rewording of the questions that seems desirable is made. Then the final questionnaire is prepared for about 10% of all the employees in that category.

Written questionnaires are now used in approximately 80% of the surveys made, according to U.S. reports. Written and combination written-oral surveys, it is reported, amount to 93%.

standardized forms

In the United States standardized forms are now available. The form called *SRA Employee Inventory* was developed in 1952 by the Industrial Relations Center of the University of Chicago and is now distributed by Science Research Associates, Inc. Another standardized form *Employee Attitude Scale* is available through the Industrial Relations Center of the University of Minnesota.

Arguments can be made for and against the use of the prepared form. Its availability influences a number of companies to make surveys that might otherwise not be made; the form is expertly prepared by specialists; because it is standardized it offers a good basis of comparison with other companies in the same industry.

Critics of the prepared form point out it is preferable to make up a specific questionnaire adaptable to a company's situation. However, when standardized forms are used, often brief supplementary questions are prepared and given in conjunction with it to cover special problems. For example, in one American department store an eight-question insert was included with the regular employee attitude survey to check employee reaction to a proposal that the store be open two nights a week. Such supplementary surveys add to the costs but may be worth the additional expense for analysis of specific trouble spots.

management consultants

There are also two schools of thought regarding the use of management consultants to conduct an opinion survey.

In the United States a big majority of companies, about 90%, have some help from outside con-

Why companies conduct employee attitude surveys

- To measure the level of morale
- To compare present employee attitudes with those revealed by earlier surveys
- To promote better communications with employees
- To determine the climate for company expansion
- To find out what's on employees' minds
- To uncover weak spots in the organization
- To promote upward communication
- To ascertain the attitude of its scientific personnel and to compare it with that found in other companies
- To prevent personnel problems from occurring
- To demonstrate management's sincerity of purpose
- To make employees receptive through feeling of participation in having been consulted

Benefits gained by employee attitude surveys

Clarified and sharpened awareness of existing problem situations

Revealed the wish of employees to be kept better informed

Gave an endorsement of specific company policies and procedures

Revealed maladjustments

Enabled the company to correct such things as salary inequities

Have reduced costs of programs for supervisor training

Enabled the company to improve physical working conditions

Better productivity resulting from improved employee morale

Obtained facts needed to build better teamwork

Material provided for supervisory and executive development

Better understanding of supervisors attitudes

Attitude toward supervisors revealed and reasons for it.

sultants — especially in regard to planning the survey and the questionnaire and in analyzing and interpreting the results. Benefits cited by these companies were:

Objectivity, impartial approach, greater confidence among employees and a general skill and experience in conducting these surveys. Often a company will use outside help for its first two or three surveys, and later carry on alone.

Several U.S. consultants devote full-time to the work, others make surveys part of a general consulting practice. A number of American universities are also equipped to make surveys for business firms. Usually a specialist in the university's department of psychology or in the business administration school directs the work.

Standard Oil Company of California, for example, called in California Institute of Technology to conduct a survey. The company felt that two things were gained by this:

- the job was done on a full-time basis by an experienced organization rather than on a part-time basis by Standard's own people.
- since Caltech was an impartial outsider, employees were assured that Standard was acting in good faith and were more likely as a result to answer the poll questions honestly.

clinical sessions

How the Industrial Relations Center of the University of Minnesota processes the data findings is a good example of an elaborate and highly refined method to obtain maximum results.

First, forms are edited, scored and coded through tested standardized techniques, and data are recorded and mechanically tabulated on punched cards. Careful cross checks are made.

Then report sheets summarizing the findings are circulated to members of the research staff as a basis for clinical discussion. This procedure is designed to bring out areas where corrective action is required. Attitude scores are evaluated with respect to a firm's specific industrial relations policies and practices. Staff members include psychologists, economists, sociologists, engineers, lawyers and business administrators. This provides a healthy cross fertilization of ideas.

Each staff member is given a report of the findings for the firm in advance of the session. He makes his own interpretations and recommendations and brings them to the clinical session. When different viewpoints are expressed, they are discussed until a consensus is reached, and comparisons are made with norm data from other surveys.

One of the continuing advantages enjoyed by all firms that use IRC research staff is that of having data checked against newly developed yardsticks not generally available. For example, current projects include a new scale of questions specifically designed for salesmen. Another is a study of the effects of age, education, number of years with the firm and various personal factors that affect scores.

These clinical procedures of the University of Minnesota are more valuable than sending an employer a list of responses to employee opinion questions and letting him interpret for himself.

After the clinical analysis is completed, a full report is sent to the firm. It contains summaries of findings and recommendations with respect to industrial relations policies. Norm data and comparison charts are also included, as well as a specially prepared summary report to be distributed to employees.

Offering somewhat comparable advantages are management consultants who are in a position to check the results of one company's survey against other thus enabling them to give their client a more precise evaluation of its employee morale. Companies with wide affiliations may also use a basis of comparison. For example when the Bell Telephone Company of Canada completes an attitude survey, the processing of the results by a Univac computer is made in conjunction with 16 other associated companies in the Bell System.

There are several channels that can be used to give results to employees. The two most common ways are through the employee publication or through a special booklet. If the employee magazine is used, a major share of one issue could be devoted to these results, or a series could be run over several months, reporting on some different part of the survey each month.

The most difficult and valuable part of an attitude survey is the follow-through. A company may spend a year or more following up a survey that is completed in a single day.

After the interpretation of the findings is made, management must decide what should be done first? What approaches are best? How

should the company handle the problem situations that have been revealed.

Sometimes an employee opinion survey uncovers some good suggestions regarding procedures or cost reduction, but this should be looked upon as a by-product of the survey, not its main purpose. For instance, in a survey made by a company with a large motor fleet, one employee indicated displeasure. He complained that supervision was poor, management weak. In filling out his survey, he came to the question, "If you think the company wastes money, tell in what ways."

Here was his chance and he used it. "Every morning our truck crews wait around the dispatcher's office while he makes out our assignments for the day. Why doesn't he have them ready when we get to work?"

It was a simple idea, one of the hundreds that are lying around every company. Today in that company the dispatcher rises an hour earlier in the morning and high-cost repair crews no longer wait around the dock for their assignments. They go to work with the bell. Incidentally, the company figures the one suggestion paid for the survey. Other ideas were gravy.

Another example of how a survey can reduce costs is in supervisor training programs. An analysis of attitude survey findings will show which supervisors are in need of additional training and which ones do not require it. One company reports that training costs have been cut to less than half their former rate because training is given only to those who need it.

No matter how well a company is managed, it usually admits it has a few things to remedy after a survey has been completed. Asked what significant findings were revealed by the survey, 34 different answers by 155 respondents were given in the Conference poll mentioned earlier. Most frequent were:

- General confirmation of what we thought we knew beforehand
- Specific things learned (as alleged salary inequities)
- General endorsement of company policies and procedures
- Learned in general what was on the minds of our employees
- Learned our employees wish to be kept better informed how company is doing and what is being planned.

One Canadian manufacturer of chemical products prepared a report from the survey and this was discussed at various levels of management. It served to emphasize the importance of good communications, pointed up the fact that it was time well spent, uncovered several weaknesses in communication and stressed the need for better communication through first line supervisors. According to the company, since the survey, supervisors are now attempting to communicate more and this is creating improved relationships.

Better communication is also one of the main reasons why the Bell Telephone Company of Canada is using management attitude surveys. It is presently processing its sixth.

P. O'M. Sims, director of attitude surveys at the Bell points out that the impression a person has of the company he works for is often based largely on his relationship with his immediate supervisor. And relations between the worker and his boss depend to a large extent upon good communications.

After the completion of a survey that covered supervisory people, results were given to 35 department heads to decide what action should be taken. They in turn were asked to hold "feed-back" sessions with employees who report directly to them.

The company has been experimenting lately with smaller surveys resulting from the more extensive one. These may comprise 15 questions and can be administered to a division or a whole department. They are processed very quickly—in two weeks they are back in the hands of management.

These quickies are not summarized with much emphasis on statistical accuracy and the results are used more as a springboard for discussion with employees. The effort is really to get at one of the most vital attitudes, the relationship of boss and subordinate.

Here, Sims says, success depends on having an atmosphere set up that is conducive to a free and honest exchange of ideas. The boss becomes better informed on what are his subordinate's individual goals and aspirations as well as what tends to frustrate him. The employee gains a better insight into his boss's problems and responsibilities.

Feed-back meetings under this modified scheme are held every month and they last one hour. Items are disposed of that came up at earlier meetings. Less emphasis is paid to the physical working conditions to clear up more fundamental problems that have a bearing on morale and productivity.

Thus the function of the survey is not primarily to develop detailed information but to serve as a diagnostic instrument for determining the general "feeling tone" or morale of employees and locating those departments where greatest satisfaction exists. Its aim is not so much to correct immediate situations as to help in developing that kind of organization that can solve its own problems, especially in the area of industrial relations.

The important thing, of course, is not what is learned about employee attitudes, but what is done about them. The survey can be considered as a jumping off point to obtain information that will lead to better supervision, better attitudes and better relationships among people. This in turn should lead to the ultimate objective — better performance. And it is only of better performance can provide the dollar-and-cents justification for the time, work and costs involved in conducting an employee attitude survey.

Job Enlargement—A Revolution in Job Design

ROBERT H. GUEST

THE American business man is constantly searching for "gimmicks," for magic formulas, to solve the question: "How can I motivate my hourly and clerical workers to take greater interest in their work?"

His search has led to many attractive but only partially effective programs. He has established elaborate plans for testing and selection in order to "put the right man in the right job." He has embraced training in a big way. Physical conditions of work have been improved through better lighting, ventilation, and material surroundings. Even music has been added. And, of course, no manager considers himself respectable and up with the times if he can't point to a sure-fire program for improving his "human relations."

Robert H. Guest is Associate Director of the Yale University Technology Project. He is co-author of "The Man on the Assembly Line" and "The Foreman on the Assembly Line" and has written several articles for business and academic publications. Previously he served as Director of Personnel for the Limerick Yarn Mills and held positions in the Bureau of Naval Personnel and the National Labor Relations Board.

But somehow his employees continue to be absent, quit, make quality errors, submit grievances and in general fail to respond fully to his good intentions. Why?

Needed—A Look at the Nature of Work

The answer is almost too simple. What management has failed to do is to take a look also at the intrinsic nature of work itself, at what a man does with hand and mind, minute by minute, during the course of his working day. What is called for is a fresh look at the meaning of work to the individual. We have equated specialization with productivity and just about denuded work of any real value in and of itself except for the pay envelope.

A new idea, not a gimmick, is beginning to take hold. It is called *job enlargement*, a phrase originally coined by my colleague, Charles R. Walker, ten years ago.

Basically, job enlargement is an attempt to reverse the trend begun many years ago with the spread of mass production, increased specialization of labor, the growth of more

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complex business organizations and the influence of the theory of scientific management begun a half century ago by Frederick Taylor and carried on by Gilbreth and others.

No one can question the advantages of breaking work down into its most elementary components. Highly simplified work in factories and offices requires less skill and shorter training time. But the theory and practice of over-specialization of human effort and over-functionalization of group activity is based on a very narrow conception of what really motivates people to put out their best effort. It has tended to look at human beings in mechanistic terms, just the same way the engineer tends to design a machine.

As Peter Drucker has put it, pointing out the essential flaw in these efficiency methods, the worker is put to use "as a poorly designed, one-purpose machine tool"; but "repetition and uniformity are two qualities in which human beings are weakest. In everything but the ability to judge and coordinate, machines can perform better than men" (1).*

Back as early as the twenties people were beginning to question the wisdom of extreme specialization of work, both in terms of productive efficiency and basic satisfactions of work. Henry Dennison, the manufacturer, remarked years ago that "jobs have created themselves out of the demands of mechanics alone and have only accidentally become such that men and women, being what they are, could take any interest and satisfaction in them."

I believe that one of the most profound influences in questioning the theory of scientific management came from an unexpected source—Hollywood—as a result of Charlie Chaplin's famous picture, *Modern Times*.

Research Began Ten Years Ago

In 1947 came the first serious study of the problem by our group, working at IBM (2). We did not originate the experiment itself but merely reported on it and gave it a name and some interpretation. The company was troubled by some practical problems of absenteeism, turnover, quality and output. In one of its machining departments at the suggestion of a woman employee, they enlarged some of the more routine jobs. Instead of having one person set up a job, another run the machine and a third do the inspection, they were all combined into the work of one operator. They broke the monotony and taught operators to run many different kinds of machines.

The experiment was successful and was extended to many plant operations. Rejects, accidents, and absences were sharply reduced. Costs were lowered in spite of a ten cent increase in wages which came about through increased responsibility. We can testify, on the basis of direct experience, that the workers derived considerably more meaning and satisfaction from their work.

While this was going on, James C. Worthy of Sears, Roebuck was conducting research among more than 100,000 employees to probe into employee satisfactions and organizational effectiveness. One of the major findings was this:

> The evidence of studies conducted in our own company strongly supports (the) conclusion (that) where jobs are broken down too finely, we are more

* See the bibliography at the end of this article.

likely to have low output and low morale. . . . From the standpoint of the individual employee it tends to destroy the meaning of the job. The worker cannot see the total process; he sees only the small and uninteresting part to which he and his fellows are assigned. In a real sense the job loses its meaning to the worker—the meaning, that is, in all terms except the pay envelope (3).

Following their analysis, the company embarked on a major program of job enlargement which has proved successful in terms of both morale and productivity.

Mass Production and Worker Attitudes

In 1949 our group at Yale began a series of major studies on the effects of mass production techniques on worker attitudes (4). Our findings more than reinforced our earlier notions about highly repetitive, conveyor-paced work. Through intensive interviews and observations of 180 hourly workers in an auto assembly plant, we found the men in general highly satisfied with their wages, general working conditions and supervision. But coloring all their attitudes was an outright distaste for and revulsion to the job itself.

Just to quote from some of the more typical comments:

"One of the main things wrong with this place is that there is no figuring for yourself, no chance to use your brain. My job is all engineered according to specifications. You can't beat the machine."

Or another: "What I can't get used to is the monotony. The job gets sickening, day in day out, plugging in ignition wires. I get through with one job and have another one staring me in the face."

Or: "You're just a cog in the machine. They number the stock and they number you."

One thing we did find was that on the few jobs where there was greater variety, there was lower absenteeism and turnover. Also, we found certain supervisors who were permitting a greater degree of rotation and flexibility. By the company's own standards of quality performance and supervisory performance, these sections had superior ratings.

This was a relatively new plant. It occurred to us that perhaps men with longer service adjust over time to this type of work. So we undertook an even more extensive study at another similar but older plant and covered only those with at least 12 years seniority. There was less than a handful among the 220 workers studied who had become adjusted to their job. They hated it. What's more, they had become completely sour about everything management tried to do for them. Most of them wanted to quit and many of them did.

Based upon our studies, management is making a serious effort to train men to do a larger number of operations. Quite apart from the worker reactions it is becoming apparent that supervisors are gaining a great deal more flexibility and that it is having its effects on better quality.

Enlargement of Clerical Jobs, Too

At about the time these assembly line studies were going on, the Detroit Edison Company was picking up the ball on job enlargement in its clerical operations and running with it (5). In its Customer Billing Department they came to believe that in the overspecialization of jobs they

were running up their costs too high and were duplicating work unnecessarily. They also suspected that there were many hidden costs stemming from job monotony. Absenteeism, turnover and grievances were high. Errors were many.

In making a change, not only did they have individual operators perform a number of different operations in sequence, but they made profound changes in departmental functions. Instead of having one group work on one special phase of the billing operations and another group work on another specialized phase, they made each of the groups responsible for an entire series of functions, each handling a large segment of the entire billing process.

J. D. Elliott summed up the results this way:

> With job enlargement there is an upward movement of job value which results in some higher pay rates to compensate employees for their broadened duties. Over-all costs are reduced and productivity increased owing to such factors as increased job interest on the part of the employee, greater flexibility of workers, elimination of needless operations, less wasted time and reduced work force. Employees are capable of assuming greater responsibilities.

Other Evidence

The theory of job enlargement has apparently caught on in work far removed from the office or factory. In the field of nursing it used to be considered efficient to have the nurses specialize and operate under assembly line principles, with each nurse doing so many temperatures, injections, food trays, etc. . . . Many hospitals have adopted a team method in which a team of nurses plans and carries out the complete nursing care of a certain number of patients. The job is much more meaningful to the individual nurse and is better for the patient. Marion Alford, director of the Hospital Division of the National League for Nursing, also reports that with the nursing shortage the newer system is more efficient.

From India comes word of a successful attempt to counteract overspecialization (6). Some engineers operating under the principles of scientific management had laid out the equipment in a textile plant and had so established the jobs that a series of twelve specialists were assigned to tend and service each of 224 looms. A weaver tended thirty looms, a battery filler, fifty, a smash hand, seventy, and so forth. When production proved low, they changed the system and organized the operators into work teams with a single group responsible for the operation and service of a specific bank of looms. While the individual jobs as such were not changed, there was an integration of activity among all members of the group. Efficiency rose from an average of 80 per cent to 95 per cent in 60 days. The amount of damage (rejected material) dropped from 32 per cent to 20 per cent.

The first piece of experimentally controlled research was carried out on the West Coast a few years ago by an industrial engineer (7). With the cooperation of the company, he chose a manufacturing department making a line of similar products. At the start of the experiment, the activities of the department were organized according to the latest manufacturing practices. The product was made on an assembly line, using carefully specified minutely subdivided operations

performed by twenty-nine girls with one to seven years seniority. The work content involved performing one of nine simple operations.

Keeping another similar group as a control, the jobs were changed first by eliminating the assembly line method and having all nine operations done by each of the girls. They were also made responsible for their own inspection (previously done by inspectors), and for getting some of their own supplies. After six days the productivity of this group exceeded that of the old type of operation.

The most notable change came in the number of rejected assemblies which dropped to one fourth the original number. Under the new set-up, remember, the girls did their own inspection. Thus, according to Dr. A. R. N. Marks, who made the study (and who is now with us at Yale) there was improvement in both quality and productivity.

Further observation revealed that under the new system management was able to operate with much more flexibility since all of the girls knew all of the jobs. When quality errors were made it became much easier to identify who made the error. Before, the error could have been made by one of several people. The new system reduced the service function of material handling and of inspection. The operators themselves liked the new system much better. They expressed a feeling of accomplishment at being able to make the entire product. There was less need for direct supervision.

A Start on Job Re-Design

My central plea is that we take a new and fresh look at job design, both in traditional, fractionated operations and in the new automated operations. We have allowed the industrial engineer, the methods expert, the work standards specialist to dominate the field. It is they who have assumed an overly simple concept that people are motivated by pay alone and that all that has to be done is make the job simple, set up rigid standards and pay people for what is immediately measurable. Those of us who are concerned with man at work are also interested in many of the "immeasurables."

We have to rethink some of the basic assumptions about job design itself—not just the shuffling of a few operations to enlarge the physical elements of work. We have to look at the work an employee performs in terms of the technical, the organizational and the psychological conditions which, *taken as a whole,* determine whether a man or woman will be a steady and productive employee. We have to find ways of measuring the total long run social and economic costs of current job design practices—not whether there is a quick pay-off which can be proved with the stop watch and slide rule.

In attacking the problem of job design, and of job enlargement in particular, in a given plant or office I suggest that it be done first as a pilot experiment on a small scale. Pick a department or a group where work is highly routinized and where it is possible to set up some measures of productivity, quality, absenteeism or turnover. Discuss the plans thoroughly with all parties concerned including the hourly or clerical employees. If it shows promise, expand it to other areas. Let it grow itself and not be superimposed as a master plan from above.

ERI - Yardstick of Employee Relations

By Willard V. Merrihue and Raymond A. Katzell

¶ Measurement is usually tagged on to the end of lists of management functions. Yet measuring performance is essential if we are to know whether the planning, the organizing, and all the other functions which precede it logically and timewise are, in fact, being discharged as well as they could or should be.

¶ Further, there is a tendency to do no real measuring at all when it comes to the question: "How well are we doing in our handling of *employee relations?*" Yet there is great value in knowing whether particular plants or groups within plants are truly effective in their manpower management, whether their human resources are harnessed together and pulling in the same direction.

¶ That is why the General Electric Company launched a concerted effort to develop an Employee Relations Index three years ago. The ERI that was worked out has now been used with success in many of the company's plants, representing a wide diversity of products and processes, and ranging in size from fewer than 200 to over 3,000 hourly employees.

¶ Although it is still far from perfected, there is no reason to believe that the same approach cannot be applied in other companies. Accordingly, this article will describe the background of ERI, the procedures involved in developing and using it, the results, applications, and additional steps that are foreseen.

ERI is designed to measure *the extent to which groups of employees accept, and perform in accordance with, the objectives and policies of the company.* There are no doubt many other ways to look at what the management of employee relations seeks to achieve, but this one has the virtue of being both basic and comprehensive. ERI is correlated with such other aspects of organizational effectiveness as profitability, productivity, and quality of work. It takes into account not only the effects of the work of the employee relations staff, but also the total impact of line operations, policies, practices, and conditions.

Thus, a low or falling ERI may signify the need to search for weaknesses in manpower management — poor leadership, ineffective incentives, disrupting operating methods, or whatever the trouble may be. A high or rising ERI lends support to existing practices and conditions and encourages further improvement along the same lines. Moreover, by comparing the ERI's for various plants or work groups within a plant, management can map its strong and weak components and take constructive action when it is needed.

General Approach

Today it is widely accepted that success in attaining virtually all of a business's other objectives depends on the extent to which its employees are willing to contribute their full skill, care, and effort to those ends. No business therefore can afford to ignore the question of how well it is doing in this respect.

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The fact that this area is nebulous and complicated does not mean that it cannot be measured at all. And we must not forget that incomplete and limited measurement, sensibly interpreted, is still superior to zero information. In this foggy but basic field we should be willing, at the start, to settle for at least one piece of *terra firma.*

Possible Methods

There are several possible methods for evaluating the effectiveness of employee relations:

1. *Ratings*, or judgments of the status of employee relations, made by individuals who have had an opportunity to observe the situation. Formal and systematic use of this method has, to our knowledge, been limited to certain experimental studies.[1] But informally, as plain management judgment, it is probably the most widely used basis for getting some idea of how plants or departments measure up.

2. *Audits,* or intensive reviews of those policies, practices, and conditions which may be presumed to affect the performance of employees. The audit may be performed by the organization's own management,[2] but often outside consultants are used.

3. *Attitude surveys*, again made by either management or outside consultants. This is probably the most widely used of the formal methods.

4. *Production and financial data.* This indirect method is based on the fact that production and financial results are affected by the climate of employee relations in the unit or organization.[3] Many a manager, for instance, in noticing excessive scrappage rates or manufacturing costs in a department, is prompted to consider poor employee relations as a possible cause.

5. *Personnel statistics*, or data on a variety of employee activities such as turnover, grievances, and benefit plan participation. Many companies routinely compile a number of statistics in this category. Typically, the purpose is to control each particular activity; more rarely, data on several variables may be regularly examined together in relation to one another.[4]

Each of these methods has its merits; moreover, they are not mutually exclusive. As a matter of fact, no truly complete evaluation of the effectiveness of an organization's employee relations would be possible without applying all of these methods in combination, for each supplies a complementary facet. Periodically, perhaps every year or two, it would be desirable to carry out a concerted evaluation by means of several or all of them.

Over-all Yardstick

However, the need for an over-all yardstick, which can be applied frequently and regularly with a minimum of cost and dislocation, still remains. Since the personnel statistics method comes closest to meeting the need — being reliable, objective, generally applicable, and practical — it holds out the greatest promise as a basis for further development.

Thus ERI is essentially an extension of the personnel statistics method. However, its significance lies in the way in which it goes beyond the usual application of such data:

- The several statistics or indicators are considered as symptomatic of a more generalized pattern of behavior, i.e., performance in line with company objectives.
- The symptomatic value of each one is pretested by determining whether it is correlated with the aggregate of the other indicators.
- The several indicators are mathematically combined into an index which represents the common factor underlying all of them.
- The validity of the index is checked by determining its relationships with other significant aspects of performance, such as productivity, work quality, or profitability.

Accordingly, the ERI may be described as a measurement of that which is common to a number of different personnel statistics that are all symptomatic of the extent to which employees accept, and perform in accordance with, company policies and objectives.

Basic Steps

We turn now to a description of the basic steps involved in building ERI. A subsequent

[1] See, for example, I. R. Weschler, M. Kahane, and R. Tannenbaum, "Job Satisfaction, Productivity and Morale: A Case Study," *Occupational Psychology*, January 1952, p. 1.

[2] See Borg-Warner Corporation, *Checklist for Management* (Chicago, Borg-Warner Corporation, 1952); and U.S. Civil Service Commission, *Evaluating Your Personnel Management* (Washington, D. C., United States Civil Service Commission, 1954).

[3] See, for example, Daniel Katz, Nathan Maccoby, and Nancy Morse, *Productivity, Supervision and Morale in an Office Situation* (Ann Arbor, Survey Research Center, University of Michigan, 1950).

[4] See Seward H. French, Jr., "Measuring Progress Toward Industrial Relations Objectives," *Personnel*, March 1954, p. 338.

section will outline how it is used specifically in the General Electric Company and the results that have been obtained.

Selecting the Indicators

The raw materials from which ERI is compounded are various kinds of statistics on employee behavior. Each of these component variables may be termed an indicator. In any company, there are a number of such personnel statistics that may be considered for inclusion if they meet the following criteria:

(1) Each statistic should reflect behavior that is, to some extent, optional on the part of employees. On this basis, for example, absenteeism would be appropriate, but layoffs would not.

(2) The behavior at the root of the statistic should have implications as being either in accord with the objectives of the business or at variance with such objectives. Thus, being present on the job is usually in line with company objectives, whereas absence is not.

(3) The figures should be applicable to and comparable for employees in a wide variety of work situations. Production data are therefore rarely suitable.

(4) Each statistic should have something in common with other statistics which reflect accordance with company objectives, specifically with the other statistics selected for inclusion in ERI. Our research has shown that a number of such kinds of statistics can be identified which do, in fact, so intercorrelate.

(5) For practical reasons, the statistics should be relatively easily and routinely available; have a range of variability from plant to plant or group to group; and be subject to accurate determination.

Our experience indicates that it is desirable to select for investigation from six to ten indicators which meet the above standards. (The indicators we finally chose are listed in the section describing the application at GE.)

As long as the indicators represent a balance among different kinds of employee behaviors, there is nothing magical about which ones are chosen. For ERI we are not interested in these behaviors in and of themselves; we are concerned with them because they may be symptomatic of a more general and fundamental condition. (This is not to say that statistics on absenteeism, turnover, and the like, should *not* be examined for their own sake. Such things do, after all, represent sources of cost and inefficiency to the company, but that is another management problem.)

Checking on Suitability

In order to check on the suitability of the selected indicators, it is necessary first to gather the data on them, and then to summarize them on a per capita basis for the organizational units which are being studied — entire plants, sections within plants, or foremen's groups of production workers. Note that the statistics should cover a sufficiently long period of time so that they are reasonably stable.

From the data it must be determined whether the variables selected as indicators are truly all symptomatic of the same underlying general condition — i.e., whether the facts of the matter substantiate the original selection.

The crucial test is whether, in the aggregate, all or most of the indicators tend to fluctuate together. When a plant or work group has frequent occurrences of one indicator, has it also typically many occurrences of the others? Or, conversely, when a plant or work group manifests relatively few instances of one of these indicators, are there also usually few instances of the other symptoms? In other words, do the types of behaviors involved seem to be symptomatic of a general underlying condition?

There exist statistical methods, such as factor analysis,[5] which enable the determination of whether a given set of variables does indeed have a common source of correlation:

- One possible outcome of the application of this kind of analysis is that all the selected indicators will be found to reflect a general factor. This is almost too much to hope for.

- At the other extreme, it is possible that no general factor will be found among the indicators, suggesting either that the whole approach is fruitless in that particular situation or that inappropriate variables were selected as indicators.

- Another possibility — and the more likely one if the preceding steps have been taken carefully and there is the requisite amount of luck — is that all but one or two of the selected variables will turn out to be indicative of a general factor. In that event, the nonsymptomatic variables may be discarded, and the others retained for use in the yardstick.

Devising an Index

The next step is to integrate the several symptoms into an over-all index. Because the indi-

[5] See Raymond B. Cattell, *Factor Analysis* (New York, Harper & Brothers, 1952), especially Chapters I–III.

cators do not correlate closely with one another, it would be difficult to generalize from the indicators on the basis of inspection alone.

In effecting this integration, consideration must be given to the question of the relative weights of the several indicators. Again, statistical techniques come to the rescue with such devices as the multiple regression equation,[6] which permits the determination of the optimum way of weighting the indicators so that their sum gives the best estimate of their common source that is possible on the basis of the indicators employed. (Our ERI is computed in this fashion.)

Testing the Validity

The validity of the index must then be tested by comparing it with other evidences of employee relations effectiveness. This step can be expected to encounter problems, since it requires bench marks for the comparison, which unfortunately are often unavailable or of questionable accuracy. The resolution of this dilemma may have to be catch-as-catch-can rather than systematic.

Thus, for example, it is sometimes possible to collect comparable productivity data for a limited number, if not all, of the organizational units. Or, by enlisting the cooperation of several key members of management, it may be possible to secure functional ratings of the effectiveness of various units. The important point is that, whatever the types of data obtained, they must have some objective substance, they must be more than mere guesswork.

Generally speaking, there can be two approaches to checking validity: (a) taking a number of units or components and seeing whether there is any correlation between their indexes and the other evidences of effectiveness; (b) studying time trends in the index and other evidences of effectiveness in a given unit to see whether the trends parallel one another over a period of time.

Also, to interpret properly the significance of differences in the index, it is necessary to study how it is affected by various circumstances and practices, such as the average length of service of the employees in the unit, stability of employment, and number of employees. This kind of information adds much to the understanding of why a particular unit may have a high or low index, and is therefore of great value in pointing out directions for future action or further investigation.

The number of such background influences is very large, and a total inventory of their effects would go far toward explaining the entire picture of good employee relations. Accordingly, the exhaustive study of the relationships between them and the index should be viewed as an undertaking that will go on long after the ERI procedure has been established.

Administering the Program

Provision must be made not only for developing an ERI procedure but for its routine and continuing administration in a company. This step has two aspects:

1. *Collection and computation of data* — This can and should be accomplished by reducing ERI to a mechanical process, in much the same way as is done in the case of other accountability data.
2. *Feedback or reporting of results* — The manner in which this is handled depends on the application that is envisaged. The pattern can therefore vary all the way from closely limited review by top company officials to a highly decentralized distribution, with each foreman and supervisor receiving reports for his unit. A good rule is to follow the company's usual practice regarding other measurement and control data.

Specific Use

Now let us examine specifically how General Electric carried out its step-by-step development of ERI and what the major results of the program have been to date.

Construction of ERI

Most of our work on ERI so far has been with hourly paid employees. However, a preliminary study of nonexempt salaried employees indicates that the approach is useful in this area too, although a somewhat different set of indicators is needed. For groups of hourly paid employees, we use the following indicators:

1. Periods of absence.
2. Separations (all types).
3. Initial visits to the dispensary for occupational reasons.
4. Suggestions submitted through the suggestion system.

[6] See, for example, Charles C. Peters and Walter R. Van Voorhis, *Statistical Procedures and Their Mathematical Bases* (New York, McGraw-Hill Book Company, Inc., 1940), Chapter VIII.

5. Actions incurring disciplinary suspension.
6. Grievances submitted through the formal grievance procedure.
7. Work stoppages.
8. Participation in the insurance plan.

After some preliminary research on a total of thirty-three proposed indicators, these eight were selected because of their convenience, objectivity, and demonstrated relationship to a general factor. Most of the others were dropped because they were variants of one of the eight and operated similarly — e.g., voluntary separations and pension plan participation.

Data on each of the indicators are collected by foremen's groups in each participating plant. After 13 weeks' data have been accumulated, the figures are summarized on a per capita basis both for work groups and for the hourly work force of the plant as a whole. (In the case of grievances, work stoppages, and disciplinary suspensions, it is necessary to total records for 26 weeks in order to yield enough raw data to ensure stability.)

Factor analysis of several sets of such data, covering 40 plants and more than 600 work groups, has shown that the eight indicators do tend to fluctuate together. In other words, there is a general factor underlying them. And this applies to both entire plants and work groups.

The extent to which the eight variables are each symptomatic of the general factor is somewhat different when the analysis is based on work-group data than when it is based on plant-wide data. Also, the sensitivity of several of the indicators in the plant-wide analysis was improved when due allowance was made for the influence of certain background variables on some of them (e.g., effects of community growth on separations rate).

The eight indicators are combined into a single index by means of a multiple regression equation — one for computing the ERI for a total plant, another for work groups within a plant. The equations have been so devised that the average plant and the average work group within a plant obtain an ERI of 100; about 50% of the plants and work groups have ERI's between 87 and 113, and the remaining 50% fall beyond these limits.

Comparison With Performance

In investigating the validity of ERI, we did not expect to find a close relationship between ERI and other evidences of effectiveness. Not only is there the problem of the availability and accuracy of such other evidences, particularly for comparison from unit to unit; even more important, if ERI is measuring what we think it is, it should *not* be equivalent to profitability or productivity or any other *single* aspect of performance.

On the other hand, it seems logical to expect some overlap between ERI and the pattern of employee behavior that contributes to productivity, profitability, and the like. Also, conditions associated with effective performance may conceivably affect ERI, too. Therefore, what we were looking for were some *trends* in the relationships between ERI and various other aspects of performance, in the hope that the presence or absence of these trends would help in the understanding of what ERI is really getting at.

Accordingly, over a period of time, we have managed to take advantage of the following opportunities for comparison:

¶ We were able to obtain various *profitability figures* for 17 of the General Electric plants for which there were also ERI data. These profitability figures had been prepared originally for other purposes; they were clouded by differences among the various kinds of plants; and they represented only a small sample of the 135 GE plants then operating. So they were not ideally suited for comparison with ERI.

For exploratory purposes, however, we compared the profitability figures for these plants with their ERI's and did find more significance than we had any hope of. The plants with the higher ERI's do tend to be those with higher profitability. For example, the rank-difference correlation coefficient is 0.4 between plant ERI and the ratio of net income before taxes to capital investment.

¶ We also were able to look at some *performance records* of work groups. For example, one plant had seven manufacturing groups for which various records of performance were available and more or less comparable. One type of such data was "per cent efficiency" — i.e., the ratio of total earnings (including incentive pay) to what the total would be if employees were earning only at base rates, or essentially a measure of output beyond the incentive standard. The four work groups having higher efficiency ratings had an average ERI of 100; the three groups having lower efficiency ratings had an average ERI of 87.

Another plant had comparable scrappage records among 15 production groups. Here the groups

with higher ERI's generally were found to have scrappage rates better than average, whereas those with low ERI's usually had relatively poor scrappage performance. There was a rank-difference correlation coefficient of −0.5 between ERI and amount of scrappage (the less scrappage, of course, the better the performance).

Another plant maintained a competition among its seven production work groups based on quality of output, and quality rankings were computed every month for each group. When the average rankings for these groups were compared with their ERI's, a substantial degree of correspondence was found, represented by a rank-difference correlation coefficient of 0.5 between the two sets of data.

Finally, we had an opportunity to compare with *management judgments* of work groups, made prior to and independently of ERI. Thus, in one plant, the employee relations manager had ranked ten work groups in terms of his judgment of their effectiveness. Here the average ERI for the five highest-ranking work groups was 115, and for the five lowest-ranking groups 93.

In another plant, six of the higher managerial staff each independently ranked seven production groups in terms of effectiveness. Those groups ranked highest by one or more of the managers had an average ERI of 101; those ranked next-highest, 98; those ranked next-to-lowest, 92; and those ranked lowest, 91.

In four other plants, various managerial and supervisory personnel were requested to describe the performance of each of the work groups known to them with respect to 35 specific aspects of group performance. Altogether there were 266 ratings obtained, with three of the four plants yielding generally similar results (the deviations of the fourth plant may have been due to the narrow range of ERI's of its component work groups), and with 20 of the 35 specific characteristics differentiating clearly between high-ERI and low-ERI groups.

On the basis of the consistent findings of the three plants, EXHIBIT I indicates the 14 characteristics which clearly showed up as more typical of the high-ERI groups than of the low, and the six characteristics more typical of the low-ERI work groups than of the high. It will be observed that management reports high-ERI groups as being harder working, better motivated, less complaining, and generally more cooperative with management objectives than low-ERI groups.

The foregoing findings illustrate the validation results that have been obtained, although not all of them were as fruitful as these. However, in practically all instances where the performance figures themselves appeared to be dependable, consistent relationships were found between such data and ERI.

EXHIBIT I. RATED CHARACTERISTICS OF HIGH-ERI AND LOW-ERI WORK GROUPS

More typical of high-ERI work groups
Active in company-sponsored activities.
Do a lot of kidding with each other.
Do their fair share of the dirty work.
Follow instructions carefully.
Help each other out.
Housekeeping is good.
Often think up better ways of doing their jobs.
Quality of output is excellent.
Really know their jobs.
Really like their jobs.
Really pitch in when there's work to be done.
Try their best to make deadlines.
Work hard.
Work smoothly together.
More typical of low-ERI work groups
Always give you an argument.
Avoid work whenever they can.
Careless with equipment.
Disrespectful to superiors.
Often gripe about pay rates.
Often try to transfer to other units.

Background Differences

Some research progress has also been made on the broad and complex problem of the effects of various background characteristics on ERI. In general, the background differences among plants seem to play a more important role in determining their ERI's than those among work groups within one plant. This is not unexpected, since background differences among plants are probably more profound, both quantitatively and qualitatively, than those which differentiate work groups within a plant.

Only three among the dozen or so background considerations that have been investigated in connection with work groups appear to have a consistent influence. Work groups that have higher ERI's in a plant are usually those composed of (a) fewer employees, (b) older employees, and (c) employees whose average length of service is greater (this last holds true even when the effects of age differences are discounted). Such considerations as employees' sex and average hourly pay do not seem to have much effect on the ERI of the work group.

In the case of entire plants, some of the characteristics that have been found to be associated with higher ERI's are: (a) most or all of the hourly employees are of the same sex; (b) plant employment level is not expanding; and (c) a large percentage of hourly employees work

in teams in which the members must coordinate their work movements.

Such findings are helpful to management in understanding why the ERI performance of a particular plant or group may turn out the way it does, and in suggesting directions for remedial change.

Pattern of Use

At General Electric, the ERI program is designed to function at the local plant level. Accordingly, all procedures have been worked out so that they can be performed by nontechnical personnel.

Simplified forms with detailed instructions have been devised for collecting the raw data by work groups. Computing tables have been prepared whereby, on the basis of the summary statistics for a work group, its ERI may be calculated in a matter of seconds. (A similar table has been prepared for computing plant-wide ERI's.) Finally, a simple tabular form has been designed for reporting ERI results for the work groups within a plant; it calls for each group's ERI, its scores on the eight indicators, and various background data that may be helpful in interpretation (see EXHIBIT II).

The collection, computation, and reporting of ERI data, done on a quarterly basis, are typically the responsibility of the plant employee relations manager.

During the early stages of the ERI program, the circulation of ERI reports has usually been limited to members of plant management. The ERI findings for work groups reach the foremen only indirectly — when plant management decides that certain phases of employee relations need improvement. And even in such cases, though ERI may have called attention to the situation, it is never cited as the reason for action, and indeed it never is the sole basis. In effect, what ERI does is to serve as an additional source of information for management in helping the foreman to do a better job with his work group.

EXHIBIT II. SAMPLE ERI REPORT FOR WORK GROUPS IN ONE PLANT

			Indicators								Background				
Work Group	No. Emp.	ERI	Absentees*	Disciplinary Suspensions†	Work Stoppages†	Plant Separations†	Initial Dispensary Visits*	Grievances†	Suggestions†	Insurance %	Continuous Service	Number of Dependents	% Male	Average Age	Shift
51-1	4	113	17	0	0	0	0	0	19	100	14	4	100	36	Midn.
51-2	10	103	7	0	0	0	2	0	8	100	11	4	90	39	Day
51-3	23	93	23	0	0	0	2	2	0	100	10	2	87	37	Day
51-4	23	124	9	0	0	0	1	0	34	100	10	3	83	46	Aftn.
71-2	19	85	21	8	0	0	2	0	25	100	8	1	32	39	Day
71-1	18	112	12	0	0	4	1	0	17	100	9	2	78	35	Day
71-3	20	103	8	0	0	0	5	2	19	100	9	3	90	38	Day
81-1	10	119	2	0	0	0	2	0	0	100	12	3	100	47	Mixed
83-1	19	96	21	0	0	4	10	0	4	100	6	3	100	41	Mixed
84-1	24	111	9	0	0	3	5	0	0	100	9	2	92	55	Day

* Expressed as per 100 employees per week.
† Expressed as per 1,000 employees per week.

Appraisal of Experience

Apart from its technical features, one of the most encouraging things about ERI has been its acceptance by local plant management. During the research phase of the program, the voluntary cooperation of 47 GE plants was solicited in compiling and supplying needed data. Only one of these preferred not to participate in the experiment — while 12 other plants, which had heard about the program, volunteered their participation. After the data were analyzed and the results reported back to the plants, all but a handful elected to continue to compile ERI data for their own use.

Evidences of Value

Of course, at the present stage of ERI's development, neither we nor the participating plants have enough experience with it to be certain about its ultimate value. However, apparently there have been enough evidences of its po-

tential value to lead these operating managers to choose to work with it further, at least on a tentative basis.

One promising development has been the discovery of relationships between ERI and various measures of performance, as already discussed. Some managers have also undoubtedly been attracted by the logic of the idea.

Still another factor in ERI's favor has been the way it fills a keenly felt gap. Many of the managers recognize that their information about employee endeavor and application is fragmentary and unreliable, and they welcome an opportunity to try something that stands a reasonable chance of giving them what they need.

In most of the plants, too, there have been various kinds of specific experiences that have tended to highlight the potential value of ERI. For example:

◖ The management in one of the plants had an opportunity to compare two sets of ERI findings, compiled a year apart, on the work groups. It was found that the ERI for most of the work groups did not shift appreciably during the intervening year. However, there were a few work groups that showed pronounced improvement, and others with marked decline. In all cases where such shifts occurred, their direction corresponded to management's appraisal of what had happened in those groups.

◖ Another of these dramatic instances concerned one of the plants that participated in the earliest ERI pilot study. In this study several months elapsed between the time that the ERI data were collected and the occasion on which a report was rendered to the management of the plant. During this interim period, plant management became aware, through complaints and other evidences, of a work group in which there was a considerable amount of "slacking-off" and inefficiency. The report subsequently showed that this group had had the lowest ERI in the plant. Thus, ERI had apparently detected a bad situation before plant management learned of it the hard way.

Some Hitches

All this is not to say that ERI has invariably had smooth sailing. Its compilation does, after all, require an appreciable amount of time and effort. In one plant, a busy employee relations staff has simply had to defer continuation of ERI until it can take care of other, more pressing demands.

There have also been instances where managers have not taken readily to the basic concept of a general picture built from a set of symptoms; such individuals were inclined to examine and try to explain each of the eight indicators separately. Considerable discussion was often necessary to gain acceptance for the ERI idea, and there were probably a few instances in which it was never fully bought.

A hitch of a different kind that is sometimes encountered is the "maverick" — a group having an ERI that is at variance with management's view of it. Of course, instances of this kind are not unexpected, since neither ERI nor the judgment of managers is infallible. Interestingly, the reaction of managers to such a result was practically never one of rejection; rather, this prompted a more intensive review of the characteristics and performance of the group, often leading to a resolution of the apparent contradiction.

Note that this last "hitch" illustrates what may be one of the most immediate benefits of the ERI program. It serves as an occasion for management's careful consideration of the employee relations climate of the entire plant and all its component units.

Many Applications

Like any management yardstick, ERI appears to have a number of possible applications, including these:

1. *To inform managers on the current status of employee relations* — This does not mean an evaluation of the employee relations or personnel department as such, but rather an evaluation of the total combination of policies, operations, and conditions which affect employees' motivation and performance. And certainly ERI must not be the only criterion employed; other evidences should be considered in drawing conclusions — e.g., productivity, manufacturing losses, attitude survey results, and informed judgment.

2. *To trace trends in employee relations* — ERI can and should be computed periodically, preferably quarterly, making it possible for managers to ascertain the direction and extent of change, if any, over a period of time. When such changes are related back to modifications that have occurred in practices or conditions, sound evidence will be gradually accumulated as to what affects employee relations, and how it does so. The results serve as guides to further improvement.

3. *To make interunit comparisons* — If ERI's are obtained for comparable organizational units (such as all manufacturing work groups in a plant or all the various plants in one department or in-

dustry), their comparison can be highly illuminating. This is particularly true when data are also systematically collected on those variables that may be expected to affect ERI. The study of these variables in relation to ERI levels in the various units will make it possible to understand further what practices or conditions operate to generate high ERI's and to apply these to low-ERI units.

4. *To control personnel costs* — Several of the indicators used in determining ERI directly represent expenses to the organization, e.g., absenteeism and turnover. Success in improving ERI ratings should, in addition to other benefits, help reduce these costs.

5. *To improve the management process* — Like all management measurements, ERI is not an end in itself. The proper use of measurements is to feed back the information they yield into the functions of planning, organizing, and integrating, so that these may be designed, modified, and executed in the light of knowledge of their effects. *It is when ERI, in combination with other yardsticks, enters the management process as a factor in decisions that major benefits may be reaped.* The experience that managers receive in considering and balancing such data may be expected to serve as a stimulant to their personal development.

Further Improvement

On the basis of the work done to date, we believe that a measure — ERI — *has* now been developed which reflects the degree to which management has succeeded in gaining employee acceptance of, and performance in accord with, company objectives and policies.

This accomplishment is only a beginning, however. Further developments will have to proceed along several lines:

1. *Ascertaining to what extent the ERI approach serves the needs of operating management* — The criterion, as in the case of all management procedures, must ultimately be the judgment of managers who have had experience with its use.

2. *Further improving the index* — There are undoubtedly other indicators, quite different from those already used and possibly more symptomatic and of greater importance, that could be harnessed to ERI. Tardiness, not yet used by us with hourly employees, is a promising example; another is the number of requests for intraplant transfer. It is also not improbable that variables may be discovered that are indicative of a different aspect of employee relations effectiveness than the one defined by our present battery of measures; in fact, this leads to the prospect of more than one index.

3. *Determining how ERI is related to other measures of employee relations effectiveness* — Again, ERI cannot yet be regarded as the sole basis for judging performance in this area. It is important to determine how it is related to such measures as quality control statistics, which may reflect the attitude and performance of employees. ERI's validity as a measure of employee relations would certainly be in doubt if it failed to correlate with any other relevant yardstick. Also, if a battery of measures, including ERI, is to be used effectively in gauging performance in employee relations, it is necessary that as much as possible be known about the ways in which the elements of the battery supplement, complement, and overlap one another.

4. *Learning further what affects ERI* — Operations research reminds us that sound decisions are made on the basis of accurate predictions of consequences. ERI and other yardsticks in this area afford the opportunity to develop a scientific understanding of the probable impact of procedures and conditions on employee relations. This will require first the study of the effects on ERI (and other criteria) of various practices and conditions, such as different incentive and compensation plans, channels of communication, supervisory methods, training, and employment stability. These influences can be understood by studying how the yardsticks are affected by modifications in such variables, and by contrasting the measurements obtained on organizational units that differ with respect to key conditions and practices.

These future projects will not be accomplished overnight. However, the needs of management can never await certainty; management decisions have to be made daily on the basis of the best available evidence. Meanwhile, the General Electric Company is going ahead cautiously with the application of this measurement to the area of employee relations, and it is hoped that other companies will soon move along similar lines.

It can be expected that the sharing of results and experiences among various companies then will accelerate the acquisition of understanding in this complex area of evaluating "intangibles."

Postemployment Inquiry Found Helpful

STEPHEN HABBE
Division of Personnel Administration

THOSE INVOLVED in exit-interviewing programs sometimes wonder if their labors are as productive as they might be. Seldom is it possible to persuade a valued worker to reconsider his decision to leave. It is likely that he has been contemplating a move for a period of weeks or even months, and thus the interview, coming too late, amounts to little more than "locking the barn after the horse has run away."

But, it may be objected, holding on to valued workers is not a major purpose of most exit-interview programs. This is true. Companies have discovered that this purpose can be served better in other ways.

An objective of many current exit-interviewing programs is to learn of problems and of weaknesses in the organization so that something can be done about them, thus building a stronger company that is able to hold its valued employees. Here, too, the effectiveness of the exit interview in getting all of the desired information is debatable.

Three reasons for doubt are given. First, it is said, the employee who is leaving the company may be too close to the situation to view it in perspective. Second, since he is still on the payroll, he may hesitate to express his true feelings. If asked why he is leaving, for example, it is easier for him to say "to take a better job" than "because I have found that I cannot believe what my supervisor tells me." Third, the employee may need a recommendation during the years ahead and therefore may hesitate to report anything negative unless he is convinced that the company really wants to know his true feelings and that it will not hold his remarks against him.

But suppose the individual is asked a few questions *after* he has left a job. Will he have gained some perspective? Will he feel freer to offer unfavorable comments, if he has any to offer? One company that answers "yes" to these questions is the General Motors Acceptance Corporation (GMAC).

In 1948 GMAC added a postemployment questionnaire to its exit-interviewing program.[1] Eleven months ago the form that had been in use was revised. This article is based on some of the things that GMAC has learned through its new postemployment questionnaires during the first half of 1960.

The GMAC Organization

GMAC is an organization of 10,000 employees, located in 325 branch offices in the United States, Canada, and overseas. The headquarters' offices are in New York City. GMAC was established in 1919. The company's business is the financing of the different products of General Motors, chiefly automobiles.

It is important to state that GMAC employs many young people. More than one-half the employees are under thirty years of age. A sizable fraction of these are in their first jobs. Almost half the workers are women, and the goal of many of them is "to work two or three years, save a little money, and start a family."

The burden of work is rather heavy. The men are out of the office much of the time following up delinquent accounts. It frequently is necessary for them to work one or more evenings per week. Much of the work done by the women is of a routine nature. Few of the jobs done by the younger workers can be described as glamorous.

Under these circumstances, high turnover might be expected. Actually, turnover for 1959 was only 15.5%.

Two to three weeks after leaving GMAC, the employee who has resigned receives a letter. It is signed by the company's director of personnel administration. The letter says:

> "Notice of your recent resignation has just come to my attention. It is our desire that GMAC always be considered a fine place to work. Accordingly, we would appreciate your cooperation in replying to the attached questionnaire.
>
> "Your answers will be used primarily in connection with studies of the effectiveness of our personnel policies. If you wish, and so indicate, they will be kept confidential.
>
> "Please accept our very best wishes."

A stamped return envelope and a single-page questionnaire are enclosed. The questionnaire is shown on the facing page. Only three questions are asked. The form can be filled out in a few minutes.

[1] The Fisher Body Division was the first General Motors unit to use the postemployment questionnaire plan. This was in 1945. The Fisher and the GMAC procedures are similar but not identical.

Reprinted by permission from *Management Record*, Vol. 22, No. 10 (October, 1960), 8–10.

Forty per cent of the questionnaires are filled out and returned. The company considers this return highly satisfactory, pointing out that none of the persons receiving the letter are under any obligation to comply with the request it contains. GMAC interprets the 40% return as evidence of good morale among the employees, extending into the postemployment period. It should be noted that the questionnaire is not only brief but also easy to fill out. The prepared envelope also encourages cooperation.

Each return that is signed is acknowledged with thanks. A study of the completed questionnaires shows that a large majority of the terminators have a favorable attitude toward GMAC. A number take the occasion to mention things they had enjoyed as GMAC employees.

May we have your cooperation?

1. **What were the things that influenced you to leave GMAC?** _____

2. **If you left to take other employment, would you mind telling us the advantages you feel your new position offers as compared with the position you held in GMAC?** _____

3. **Do you have any other comments or suggestions that you feel would be helpful from an employee relations standpoint?** _____

☐ MR.
☐ MISS
Name ☐ MRS. _____
(If you prefer to submit this form unsigned, please feel free to do so)

Present Address _____
(No. and Street)

_____
(City and State)

Former GMAC Branch _____ **Date** _____

A self addressed envelope is enclosed for your convenience.

This is the questionnaire that is sent by GMAC to all employees who resign, two to three weeks after their resignation. The original form is 7¼ inches by 10½ inches.

Why Do They Leave?

Analysis of the answers to the first question ("What were the things that influenced you to leave GMAC?") shows the following reasons at the top of the list:

Reason for Leaving	*Per Cent of Those Replying*
Moved to another location	24%
Preferred to remain at home	20%
Preferred other type work	15%
Left to continue education	8%
Offered better position elsewhere	7%

(No other single reason was given by more than 6% of those replying.)

Employment opportunities in other GMAC branches always are discussed with a GMAC employee who is moving to another location, provided he has a good record. But not all communities have a GMAC branch office, and there is not much the company can do in such situations. The largest number of terminators are in this group.

And there is not much that can be done when a young woman employee announces that she is going to remain at home to get married or to start a family.

In considering the last three reasons cited above, it should be recalled that GMAC employs thousands of young people. Inevitably, some of these find they do not "fit," even though all applicants are tested before employment.

Nature of the Follow-Up

If a returned questionnaire is signed and if it contains any negative remarks or any specific criticisms of the company, it is followed up promptly.[1] The person involved will be offered the opportunity to elaborate his statement. He will be invited to the office or he will be visited in his home by a company supervisor.

[1] While the number of returns that contain critical remarks is small, each one is considered important. Each is regarded by GMAC as providing an opportunity to investigate a situation that might lead to improved operations. The follow-up is done by the line organization.

Follow-up will be continued until all possible facts have been collected.

As a result of this procedure, various misunderstandings have been cleared up, amends have been made (as when it is discovered that an employee has left GMAC abruptly and without some of the benefits to which he is entitled), and company practices have been changed. In a few instances, personnel changes have resulted.

Advantages

GMAC reports a number of advantages from its postemployment survey. These include good public relations with employees who leave the organization, deeper insight into day-to-day problems in the branches, and suggestions that have led to improvements in operations.

No claim is made that the postemployment questionnaire represents a major technique in personnel administration. Rather it is an extra step taken to supplement the exit-interviewing program. It is thought to be worthwhile because the individual who has left is unlike the person still on the payroll. Since he has no axe to grind, he can say what he likes—and he often does. Companies find that they can learn a lot from him.

Application to health, social welfare, and family planning

Job enrichment for white-collar workers would consist of granting much greater discretion to individual workers concerning the way in which their activities are performed. For H-SW-FP workers there would no longer be a monolytic program designed to be carried out inflexibly in every district office or clinic, with each layer of supervisors obtaining its "marching orders" from the layer above it. Instead, the supervisors would be allowed to work out variations in the basic program that they and their subordinates think would best meet local conditions. As the reading makes clear, this kind of job enrichment would entail much more than simple consultation about procedures; it would involve the actual passing of authority and decision-making responsibility from higher to lower levels. Some of the possible options are mentioned in the questions and exercises section.

Attitude surveys of workers should be a routine annual project, with prompt tabulation and comparison with results of the previous year's survey. Where the number of employees is very large, a sample of workers drawn from each employment stratum would be sufficient. Such surveys should reveal the major areas of tension, dissatisfaction and need for corrective action.

The very high rate of turnover which affects most H-SW-FP programs offers ample opportunity to hold post-employment interviews to discover why such turnover occurs, and to provide a basis for reducing it in the future.

Questions for discussion and exercises

1. Go back to Chapter Four, where job descriptions have been formulated for each category of white-collar workers. Discuss what actions might be taken to enrich the jobs of

(a) Counsellors and educators in clinics
(b) Home visitors and other field workers engaged in recruiting clients
(c) Nurse's aides in clinics
(d) Receptionist-clerks in clinics
(e) District and local supervisors of field workers

Do you think job enrichment of these types would be a success or a failure in your country?

2. The article on job enrichment declares that plans for job enrichment should be drawn up by managers, because employees lack sufficient imagination, daring and insight to visualize the range of responsibilities they could assume. Do you agree? How might employees participate usefully in plans to enrich their jobs?

3. Draw up what you consider to be a good employee attitude questionnaire. Consider each item on it carefully as a candidate for a survey of family planning employees. Interview a dozen family planning workers with a series of open-ended questions designed to detect special topics which should be in-

cluded in such a survey. Revise the questionnaire and make it what you would consider to be an ideal employee attitude inventory for a family planning organization in your country.

4. Devise a post-employment interview for departing family planning workers. Interview a dozen former employees of a family planning organization about their satisfaction and dissatisfaction with their work, using open-ended questions. Revise your questionnaire in the light of this experience and pre-test it on an additional twenty-five former employees. Submit it to the personnel office of the family planning organization for his comments and possible use.

5. This chapter has discussed three possible organization-wide actions by which a personnel officer could improve personnel management in his organization. What additional actions might he take? Discuss the pros and cons of the following:

(a) Starting an evening study program in personnel management for department heads, their deputies, and other high-level supervisors, using this book as a text.

(b) Encouraging employees to organize and hold group meetings which high officials of the family planning organization would attend, at which suggestions would be made, questions asked and answered, and grievances aired.

(c) Tabulating an index of the ERI type for each operating unit of the family planning organization.

Chapter Fifteen

PERSONNEL MANAGEMENT IN RELATION TO EMPLOYEES' ORGANIZATIONS AND UNIONS AMONG WHITE-COLLAR AND PROFESSIONAL WORKERS

The preceding chapters have assumed that the organization negotiates with each employee individually concerning such matters as pay and benefits. This certainly is not the case among the largest employers of blue-collar workers in Europe and North America. Parallelling the rise in industrialization on these continents there has emerged some form of trade unionism. These employees' organizations seek to increase pay, improve working conditions, shorten hours, gain pension, vacation, and sickness benefits, establish procedures for handling grievances, or attain some other objective of the employees. Historically this movement has been concentrated among blue-collar workers in factories, mines, construction firms, transportation industries, and other organizations where large numbers of unskilled or semi-skilled operatives were performing similar work. More recently, unionization has spread to white-collar groups. Teachers (elementary and high school), government employees, nurses and other hospital employees, librarians, retail store clerks, clerical workers in banks, insurance firms, or business offices of large corporations, and social workers (public as well as private) have formed unions for collective bargaining with their employers. Most recently there has been a movement among higher levels of professional workers to unionize; college teachers, resident physicians in hospitals, engineers, and laboratory technicians have developed strong employee organizations or joined unions.

Trade unions and employee organizations are a direct confrontation to management's claim to sole authority for making decisions about pay, promotion and conditions of employment. Once the employees have voted to unionize, the personnel manager can no longer unilaterally administer decisions concerning wages, transfer, layoff, discharge and overtime work. Instead, these

matters must be discussed with union representatives and formalized as a contract. Without such a written agreement the employees will strike, just as they will strike if they think the contract has been violated. Each unionized employee has a dual membership—in the organization which pays his salary and in the union which challenges the authority of his employer. This introduces an entirely new dimension to the field of personnel management. The personnel manager must help the organization prepare to enter into bargaining meetings with the union, to handle union grievances in a way that will avert strikes and to be responsible for carrying out the stipulations of a contract negotiated with the union. Many management specialists believe that good personnel administration can keep unions from forming or can keep them from having an overpowering influence on company decisions. The formation of a white-collar union is particularly likely to be ascribed to faulty personnel administration.

The union challenge to company authority becomes most direct at the point of direct supervision. A "union steward," elected or appointed by the union, is the union counterpart of the supervisor. Grievances of individual workers are reported to the steward who negotiates with the supervisor. The employing organization must establish policies concerning what negotiations its supervisors can make with union stewards and what types of grievances must be brought to higher levels.

Although most employers would prefer not to have unions, and particularly white-collar unions, it has been found in actual practice that once a union contract has been negotiated the employees usually function as conscientious and loyal employees. The quality of union-management relationships is influenced greatly by the quality of performance of the personnel manager. If the personnel manager (as company policy) tries to fight the union or maintains only hostile and distant relationships with its representatives, it can lower productivity dramatically. Inasmuch as most unions firmly believe in the existing economic system and want the employer to continue to offer employment to its members, practical experience has shown that unions and management can educate each other about reciprocal needs to a point where harmony develops to the advantage of both employers and employees.

Because the great majority of employees of health, social welfare, and family planning organizations are white-collar workers, the readings of this chapter are focused on white-collar unions. The first reading describes the growth of white-collar unions in Sweden, where more than 70 percent of unionizable white-collar workers are unionized. The second article argues that conditions for further white-collar unionization are widely prevalent. The final article is an essay on how a union may become a vehicle to gain greater worker involvement in the organization.

White-collar Union Growth: The Case of Sweden

ROY J. ADAMS*

WHY WHITE-COLLAR EMPLOYEES join or do not join trade unions and whether they will join in larger numbers in the future than in the past are questions which have drawn a good deal of attention from students and practitioners of industrial relations. • • •

The Swedish case should be instructive for at least two reasons. First, during the early years of the twentieth century, the white-collar situation in Sweden was very similar to that noted elsewhere.[3] White-collar workers thought of themselves as part of the middle class and did not identify with trade unionism, which was considered to be a working-class phenomenon. Nor did they approve of the conflictive and ideological (socialistic) aspects of the blue-collar labor movement. Employers were very resistant to unionism among white-collar workers, even after unions of manual workers had been recognized. Finally, white-collar employees were generally more highly paid, had closer ties with management, and greater job security.

A second reason for studying the Swedish case is that today more than 70 per cent of the "potentially organizable" white-collar employees are organ-

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[3] See, for example, Adolf Sturmthal, ed., *White-Collar Trade Unions* (Chicago and London: University of Illinois Press, 1967); Everett M. Kassalow, *Trade Unions and Industrial Relations, an International Comparison* (New York: Random House, 1969), Chap. 18; and Albert A. Blum, Marten Estey, James W. Kuhn, Wesley A. Wildman, and Leo Troy, *White Collar Workers* (New York: Random House, 1971).

Reprinted by permission from *Industrial Relations* 13 (May, 1974), 164–76.

ized.[4] This figure includes such occupations as doctors, lawyers, army officers, clergymen, and many grades of managers—occupations which are often considered unorganizable in other countries. Thus, the Swedish experience provides a model against which developments elsewhere may be contrasted.

• • •

The Swedish Experience

White-collar unionism in Sweden has evolved through a number of stages. Between 1915 and 1923, there was a rapid growth followed by an equally rapid decline. Another rapid growth period began late in the twenties and continued throughout the thirties. This was followed by the adoption of trade unionism on a major scale by professional employees during the forties. In the post-World War II era, there has been steady growth in white-collar unionism both in absolute and relative terms.

The first boom. By the beginning of World War I, many organizations of white-collar employees had already turned to union methods. Railway clerks, marine engineers, merchant marine officers, pharmacists, journalists, and certain groups of commercial employees had all established collective bargaining procedures.[15] The great majority of white-collar workers, however, were either unorganized or members of groups which shied away from conflict and instead depended primarily on mutual insurance and governmental lobbying to protect them from the vagaries of the labor market. The war changed much of this. Although Sweden was not a combatant, she was shut off from many of the sources of her supplies. The necessities of life became scarce and rampant inflation overtook the country.[16] What to do about the rapid rise in the cost of living became the chief issue among existing employee groups. Under these conditions, union membership boomed.

[4] Swedish white-collar unionists belong to one of four central federations. The largest is the Central Organization of Salaried Employees (Tjanstemmanens Centralorganisation, TCO) which organizes the majority of clerical, administrative, and technical employees in both the public and private sector. Although TCO has some professional members, most professionals belong to the Central Organization of Swedish Professional Employees (Sveriges Akademikers Centralorganization, SACO). The remainder are divided between the national Federation of Government Employees (Statstjanstemmannens Riksforbund, SR), which organizes army officers and higher level civil servants, the Swedish Confederation of Trade Unions (Landsorganisationen i Sverige, LO) to which belong retail clerks, musicians, and certain insurance salesmen in the private sector and lower graded clerical and technical employees in the public sector. The LO is, however, primarily a manual federation. The three white-collar federations are politically neutral while the LO has close ties with the governing Social Democratic Labor Party (Socialdemokratiska Arbetarpartiet, SP).

[15] Arne Nilstein, "Sweden," in Strumthal, *op. cit.*

[16] For an account of this era, see O. Fritiof Ander, *The Building of Modern Sweden* (Rock Island: Ausgustana Library Press, 1958).

For instance, between 1915 and 1920, membership in the major foremen's association more tran tripled; the Bank Employees Association went from 950 members in 1915 to 5,500 in 1920; the commercial workers jumped from 827 to 7,358.[17] Many new organizations came into existence including those for insurance employees, non commissioned officers, telephone employees, school mistresses, and engineers and technicians in industry.[18]

The first action of many of these groups was to appeal to the reason and goodwill of the employers to meet the cost-of-living increase with voluntary pay raises. When these appeals fell on deaf ears, the collective bargaining techniques already established by blue-collar workers began to look more appealing, even if their adoption implied a breakdown in the traditionally close relationship with the employer. For example, the Bank Employees Association had existed since 1887 as a professional organization, but collective bargaining had not been considered within its mandate. During 1917 and 1918, the organization met several times to consider the cost-of-living problem. Meeting with employer intransigence to its petitions, in 1919 it elected a new, more militant leadership and demanded recognition and bargaining rights. Foremen and insurance employees pursued a similar course.[19]

All of these demands were, however, flatly rejected by employers. Although bargaining rights had been recognized for blue-collar workers early in the century, such a system was considered to be inappropriate for salaried employees.[20] Employers believed that the inherent conflictive nature of collective bargaining would undermine the close working relationship between white-collar workers and management. Nor could collective bargaining techniques possibly allow for adequate recognition of the diversity of job positions and levels held by white-collar employees. Mediocrity of performance and disruption of the working environment, employers feared, would be the inevitable result of unionization and collective bargaining.

As in many countries of the West, an economic depression hit Sweden in 1921. Production decreased, as did employment. The result was a decline in white-collar unionism. Many organizations lost membership. For instance, both the Bank Employees Association and the newly formed Association of

[17] Data are from annual reports, TCO archives, and the files of the individual unions.

[18] Sten Carlsson, *Den Sociala Omgrupperingen i Sverige efter 1866* (Stockholm: Almquist and Widsells, 1968).

[19] On the bank employees, see Gunnar Palmquist, *Segrande Samverkan* (Stockholm: Svenska Bankmannaforbundet, 1962). On the insurance employees, see *FTF 1919–1969* (Stockholm: Forsakringstjanstemannaforbundet, 1970). The foremen's development is covered by Finn Bergstrand, *DACO, facklig samarbete mellan privatanstallda tjansteman* (Lund: Department of Political Science, 1962), unpublished thesis, Chap. 1.

[20] Per Sandberg, *Tjanstemannarorelsen, Uppkomst och Utveckling* (Stockholm: tidens forlag, 1969).

Salaried Employees in the Engineering Industry were reduced to half their pre-depression size. New organizations ceased to be formed, and among those that survived few new attempts to establish bargaining relationships were made.[21]

• • •

TABLE 1

NUMBER OF WHITE-COLLAR EMPLOYEES PER ESTABLISHMENT IN SWEDISH INDUSTRY, 1915–1948

Year	Number of establishments (000's)	Number of salaried employees (000's)	Number of salaried employees per establishment
1915	9.8	29.8	3.04
1920	12.0	43.9	3.66
1923	11.0	37.4	3.40
1930	14.6	51.5	3.53
1937	18.2	71.0	3.90
1948	17.5	139.7	7.98

SOURCE: Calculated from Fritz Croner, *Tjanstemannakaren i Det Moderna Samhallet* (Uppsala: Almquist and Wiksells, 1951), Table 36, pp. 224–225.

The turnaround in white-collar unionization of the early twenties was, beyond any reasonable doubt, produced by the depression. Although white-collar workers had sufficient cause to demand union services, they had little reason to expect that unions would be effective in their behalf. There was no major changes in government or employer policy, or in employment concentration, as one might expect from the Bain model.

The breakthrough era (late twenties and thirties). During the latter years of the twenties, a new surge of energy spread through the white-collar organizations. Certain associations once again began adopting more militant language and calling for collective bargaining. Led by the Bank Employees Association, several white-collar organizations began to consider the possibility of establishing a permanent white-collar federation. Even during the upsurge of white-collar unionism during the teens, few white-collar organizations had given any thought to entering the LO, nor did the LO attempt to recruit them. Few people in Sweden during this era believed that there could be any similarity of interest between white-collar and blue-collar workers.[25] Thus, in 1931, several white-collar associations in the private sec-

[21] Bergstrand, *op. cit.*, Chap. 1.
[25] C. Gosta Malmstrom, *Samverkan Slagkarft* (Stockholm: Grafikon AB, 1970), pp. 49–58.

tor formed the Central Organization of Employees (De Anstalldas Centralorganisation, DACO). At first, this organization was not considered by the members to be a trade union federation but simply a federation of white-collar associations. Several of its constituents, in fact, refused to be known as trade unions; they did not wish to frighten away potential members with the connotation of working-class conflict which surrounded the term trade union.

At its inception, DACO had 20,000 members; by 1937, it had expanded to 47,000. These figures were not insignificant in a country as small as Sweden. In 1930, there were only a total of 392,000 employed white-collar workers in the entire country (with industry employing only 79,000 white-collar employees).[26] During the thirties, several new white-collar organizations were formed. Unionization spread especially rapidly among industrial white-collar workers. In 1929, for example, the Swedish Union of Clerical and Technical Employees in Industry had only 318 members, but by 1937 it had expanded to over 11,000.[27]

• • •

The upsurge of the professional employees. All of the above forces also had an impact on professionals. Prior to the white-collar boom of the thirties, many professional organizations existed but few had adopted union methods. Caught up in the thirties' boom, many new professional organizations came into existence. Over one-third of the constituent organizations of the present-day Central Organization of Swedish Professional Employees (Sveriges Akademikers Centralorganisation, or SACO) were formed in the thirties and forties.[36]

Efforts to bring these organizations into the main stream of the white-collar movement failed. Instead, in 1947, they established SACO. Like other white-collar organizations, SACO did not originally think of itself as a trade union in the traditional sense. Over the years, however, it has moved increasingly in the direction of an "ideal" trade union.

Again, there are several factors involved in this growth of trade unionism among professional employees. Civil servants in Sweden had been well organized for some time when the boom began. In 1930, Bergstrand estimated that approximately 65 per cent of state employees belonged to some employee organization. At the same time, he estimated that blue-collar workers generally were about 50 per cent organized and white-collar workers

[26] Nilstein, *op. cit.*, Table 3, p. 267.
[27] Data were supplied to the author by the union.
[36] SACO annual report, 1972.

in the private sector about 15 per cent.[37] Prior to the thirties, however, the public sector organizations could not be said to be "ideal" unions. Although they would petition the government concerning terms and conditions of employment, they did not bargain collectively or utilize conflictive methods. Nor did they consider themselves to be trade unions.

Legislation in 1937 and 1940, however, gave governmental employees the right to bargain collectively over their terms and conditions of employment. With this right granted, several existing public employee organizations, which had founded their own federation in 1937, did not hesitate to make use of the new laws to forward the interests of their members.[38] Even while entering into this new phase, however, many of these organizations continued to consider themselves as simply white-collar associations.

Taken as a whole, Swedish professionals demonstrated the greatest opposition to the adoption of trade union methods. Many considered unionization "to be an expression of the unhealthy collectivism of the times." However, with all of the other groups actively engaging in collective bargaining, it became necessary for the professionals, most of whom were state employees, to enter the approved process or face "being disregarded and forgotten." [39]

Also, like other white-collar workers, it was apparently economic and security factors which provided the stimulus to take up union methods. SACO itself claims its formation and subsequent growth to be due to a "marked deterioration of conditions for professional workers during the late 1930's and World War II."[40]

The National Federation of Government Employees (Statstjanstemannens Riksforbund, or SR) traces its roots to two associations which came into existence during the first two decades of the twentieth century. These two organizations amalgamated in 1946 and took up collective bargaining, as the other central organizations had. Even into the sixties, however, SR continued to think of itself as primarily a professional federation rather than a trade union. In 1971, it participated in a strike for the first time.

Continuing white-collar growth. Despite the breakthrough of the thirties and forties, the subsequent growth of white-collar unionism in Sweden was to be a gradual process. In the years since the breakthrough there has been

[37] Bergstrand, *op. cit.*, p. 125.

[38] The public employees federation amalgamated with DACO in 1944 to form the present-day TCO.

[39] *Swedish Professional Associations as Trade Unions* (Stockholm: SACO, 1959), pp. 4, 5.

[40] Everett M. Kassalow, "Professional Unionism in Sweden," *Industrial Relations*, VIII (February, 1969), 121.

a steady, persistent growth both in numbers and per cent organized.[41] The advance has been both quantitative and qualitative. Even into the fifties and sixties, some white-collar organizations continued to think of themselves as something other than trade unions, but this attitude has gradually faded away, and today essentially all of the white-collar organizations accept the designation. The term "trade union" has also gradually lost its strong socialist connotation.

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Summary and Conclusions

White-collar workers in Sweden disliked the inherent conflict and political commitment which trade unionism implied. All other things being equal, they would have preferred not to adopt the union methods of formal collective bargaining backed up by the threat of force. On the other hand, they were very concerned about their terms and conditions of employment. When they experienced widespread employment difficulties, they sought out ways whereby these problems could be redressed in their favor. Nonconflictive means such as friendly petitions to employers and the pooling of individual resources were found to be ineffective. In this circumstance, the potential utility of trade unionism had to be weighed against its inherently distasteful character. Trade union methods had been successful for blue-collar employees, but the opposition of employers to union methods and the unwillingness of many white-collar employees to strike for recognition made it questionable whether these methods would work for white-collar workers. Until the decade of the thirties, the question was still undecided. The formation of DACO, the public policy of the era, and the negative stimulus of economic reverses, however, tipped the scales in favor of unionization. Public policy brought the issue more clearly to the attention of many white-collar employees, legitimated the use of union methods, and finally overturned employer intransigence. With the adoption of extensive negotiating machinery throughout the economy, the white-collar unions were able to demonstrate their worth, employers found that their fears of massive conflict and deterioration of performance standards were unwarranted, and white-collar workers generally discovered that collective bargaining need not necessarily be associated with social protest but could simply be a useful technique. In the post-war period, the blocks to unionization were progressively removed and more and more white-collar employees,

[41] Nilstein estimated that 53 per cent of the nonmanual labor force was organized in 1950; by 1970, this had increased to over 63 per cent. Several of those included in the labor force figures are considered to be outside of the union potential, and, therefore, real union density is significantly greater than 63 per cent. 1970 data were supplied by the TCO.

including professionals, became union members. The existing white-collar organizations also gradually came to think of themselves as trade unions. The result is the high level of unionization among white-collar workers in Sweden today.

This analysis suggests that Bain's theory must be altered in several respects. Clearly, dissatisfaction with employment conditions and the expectation of benefit from union membership are closely associated with union growth, but it is both unreasonable and unlikely that there are any simple empirical referents to these concepts. In Sweden, economic rather than bureaucratic conditions provided the discontent, and white-collar employees joined unions in large numbers before these organizations had proven their worth. Certainly the recognized union has more to offer the potential member than the nonrecognized union, but employees will still join an unrecognized organization if they believe that doing so is likely to be of advantage to them. Government action may produce recognition and thus enhance the union's drawing power. Indeed, government action may be the most powerful force available for increased unionization, but government action is not a necessary condition for growth. White-collar unionism blossomed in the World War I period in Sweden despite the lack of government initiative. Nor is government action necessarily an autonomous variable, as implied by Bain's model. In Sweden, the white-collar unions did not bide their time in hopes that a benevolent government would take up their cause, but instead applied constant pressure on the government which was eventually successful. Furthermore, the Swedish case indicates that government action may have more diffuse effects than suggested by Bain. Prior to 1936, government policy had the effect of publicizing and legitimizing the use of union methods and thus had a direct effect on union growth rather than the indirect effect noted in Bain's model.

Perhaps the clearest lesson to be drawn from the Swedish case is that the conditions common to the white-collar experience which have been widely believed to hold back unionization need not form a permanent barrier to white-collar union growth. Even though they may not consider it to be an ideal solution, white-collar employees can and will adopt trade union methods if they believe it to be in their interests to do so.

Your clerical workers are ripe for unionism

Alfred Vogel

"What do I like least about management? Their idiotic ideas, their inability to change with the times, their lack of progressiveness." (Young bank teller)

"Management is simply indifferent toward complaints of employees. They also show favoritism toward certain groups." (Filing clerk in a large insurance company)

"The company is interested in you only if you produce—not as an individual. They tell us almost nothing about what is going on." (Secretary in a basic metals company)

These complaints are indicative of a burgeoning discontent in an increasingly important segment of the work force—the swelling ranks of clerical employees. There are currently over 13 million clerical workers (i.e., stenographers, secretaries, bookkeepers, business machine operators) in the United States; many are young, many are black, and most are women. The only larger group, with over 14 million members, consists of semiskilled personnel (i.e., assemblers, machine operators, drivers, etc.), and Census Bureau data indicate that the gap between the two will be even smaller by 1975.

While semiskilled workers are heavily unionized, clerical workers have traditionally resisted union overtures, relying instead on management responsiveness to their problems. But the foundation of this resistance to unions—positive attitudes toward management—is breaking down. The evidence comes from a recent analysis, performed by the Opinion Research Corporation,

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where the attitudes of clerical employees toward management during the past 15 years were reviewed. The results indicate that during the last five years there has been a marked and growing dissatisfaction among these workers—to the extent that many may soon turn to unions for a solution to their problems.

Furthermore, the unions are exhibiting an increased interest in wooing clerical and other white-collar workers. For example:

- The UAW and the Steelworkers Union have set up white-collar units.
- The Office and Professional Employees International Union has launched, with considerable fanfare, a campaign to organize one million bank employees.
- The Alliance for Labor Action (a conglomerate of the UAW, Chemical Workers, Distributive Workers, and Teamsters) is embarking on an expanded white-collar organization effort, especially in the South.

Traditionally middle-class, white-collar groups such as teachers, engineers, nurses, and social workers already form a growing percentage of organized labor, and it appears that the large army of clerical employees is becoming ripe for a similar move. Just how ripe, and what management can do about it, is the focus of this article. The conclusions are supported by a wide sample of attitudes from over 25,000 employees in over 90 companies; and the businesses surveyed represent a solid cross section of U.S. industry—banks, insurance companies, manufacturing companies, and utilities. In most cases at least 50 companies are included in the analysis of a single issue.

Beneath the surface

Numerous observers have pointed out the difficulties that face unions attempting to organize clerical employees. Some of the reasons are structural (e.g., the physical problem of reaching this group with the union message). But the majority of reasons for clerical workers' resistance are sociological: (a) the widespread feeling that unions are beneath their dignity and that they can bargain for themselves, (b) the belief that they, as members of the middle class, are identified with management and therefore should reject unions, and (c) the tendency to think of unions as unseemly, rabble-rousing organizations. Consider what clerical workers themselves have often said about unions:

"Unions are for the birds—for people without much education who can't stand on their own." (Oil company secretary)

"Unions are undesirable and distasteful to people like me. I just can't imagine myself out on a picket line." (Young bank clerk)

"I don't need a union. I can handle myself. If I want a raise, I go see my boss." (Household-products company stenographer)

"What do I know about unions? No one has ever talked to me about them." (Insurance company clerk)

During the past decade, unions have had only modest success at best in organizing clerical workers and other white-collar employees. For example, while over one million nonmanagerial white-collar workers were recruited by unions from 1958 to 1968, the yearly level of this group's union membership has remained at about 11%.[1]

At least on the surface, the probability of union success in organizing clerical workers appears to be limited—a slow process of washing away rocks of resistance, winning an election here, losing an election there. Certainly nothing approaching a breakthrough, like the great CIO successes with industrial workers in the 1930's, *seems* to be in order.

But beneath the surface there are signs that attitudes are changing, that clerical employees are becoming sufficiently provoked by management to take a second look at unions. Comments like the following are now commonplace:

"In my opinion, unions aren't desirable for my kind of employee, but they may come if companies don't treat us right." (Chemical company secretary)

"Unions kill all incentive, they help create mediocre people. But at the same time they furnish a much-needed bargaining power." (Electronics company clerk)

"Unions may be a necessary evil, despite the strikes and all. If companies recognized individual worth, unions would not be needed." (Electric utility telephone operator)

White-collar blues

Clerical workers indeed *have* become much less satisfied on most key employee relations issues in recent years (1966 to the present) than in past

[1] See Edward R. Curtin, *White-Collar Unionization* (New York, National Industrial Conference Board, Personnel Policy Study #220, 1970), p. 4.

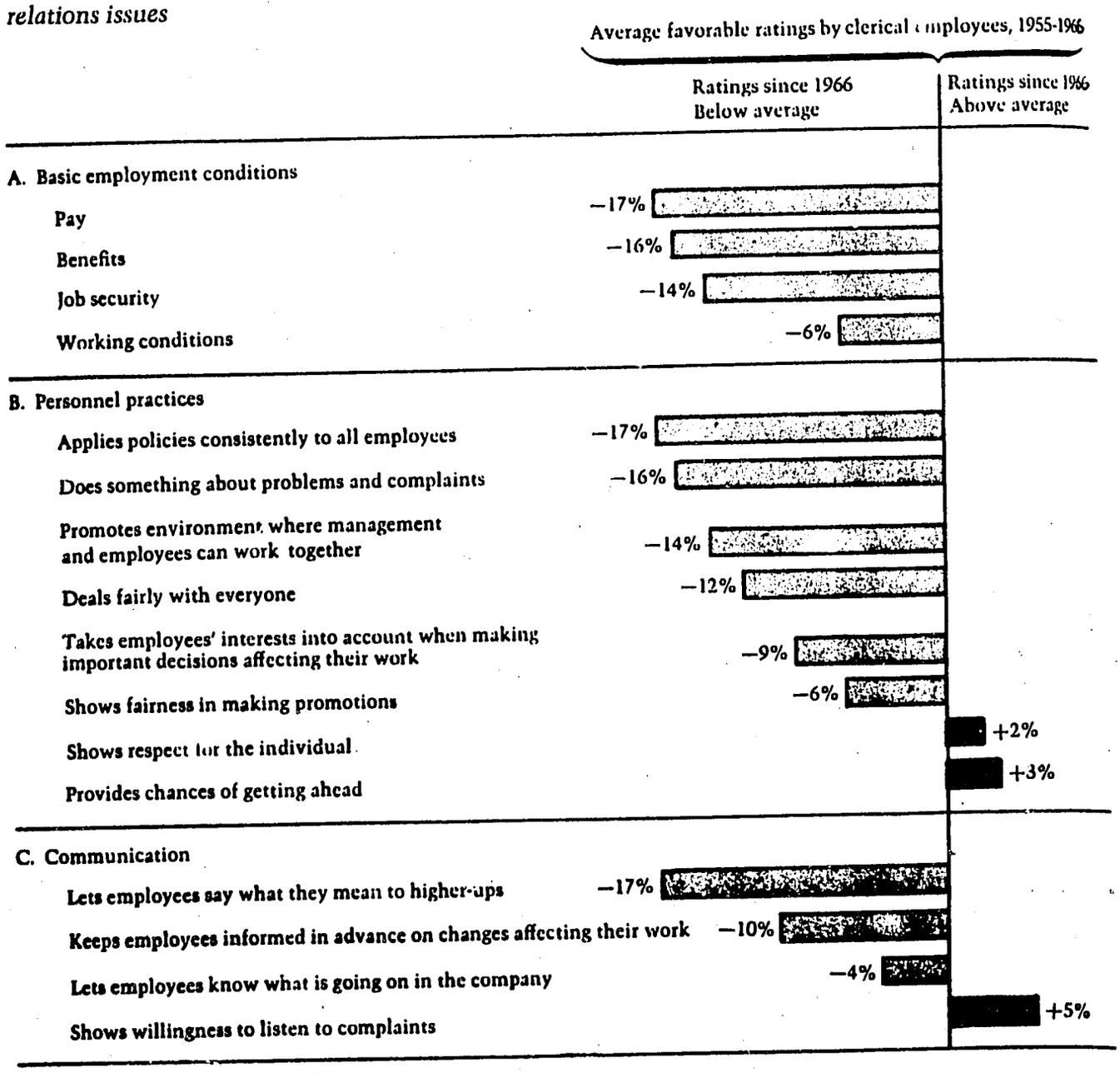
years (1955 to 1965). *Exhibit I* shows attitude comparisons for these two periods. The vertical line represents clerical employees' average favorable ratings of their company for the base period, 1955 to 1965; the horizontal bars are average percentage increases or decreases in these same ratings since 1966. All three sections of *Exhibit I* (basic employment conditions, personnel practices, and communication) show substantial declines for the recent five-year period and indicate that some fundamental union arguments should have increasing receptivity among clerical workers. For example:

- The contention that unions can guarantee good pay, adequate benefits, and protection—job security. (Employee satisfaction with management on each of these issues has declined considerably.)

The claim that unions offer protection from arbitrary management decisions and can assure fair treatment for organized workers. (In this connection, note especially the declines in ratings for "Deals fairly with everyone," "Takes employees' interests into account," and "Applies policies consistently.")

Note too that clerical employees feel increasingly remote and shut off from management.

Exhibit I. Corporate responsiveness: comparative ratings on key employee relations issues



Note: All figures are percentage points difference.

Communication has always been a problem; but, according to clerical employees, it has become worse than ever in recent years. Many say they do not know what is going on, cannot get the ear of upper management, and are not even told in advance about changes affecting their own work. In short, clerical employees are beginning to feel like mere cogs in a great impersonal bureaucracy, and there is a growing tendency to see management as a nameless, faceless mask of authority and indifference.

Depth of decline

One could argue, of course, that not just clerical employees, but employees generally, are more critical of their companies today; everyone is more critical. Students riot, hardhats beat up hippies, and blacks protest and burn down buildings. It is just the times we live in.

Comparisons of attitudes over time for other occupational groups—engineers, managers, and hourly employees, for example—do, in fact, show some decline in favorable ratings and some increase in criticism. But the knowledge that other employees may also be more disturbed than before is not likely to appease clerical employees. It is small comfort for a man with a weak heart to be told that more Americans than ever before are having heart attacks. He wants something done about *his* heart problem.

Moreover, the attitudes of clerical employees have declined more sharply than those of any group for which we have similar comparative information. They have, for instance, sloped down considerably more than those of the heavily unionized blue-collar employees who have historically viewed management far less enthusiastically on a comparative basis.

Exhibit II compares the favorable ratings by both of these groups for the same employee relations issues discussed earlier. Among blue-collar employees the results are a standoff—up on some factors, down on others. The tangible factors (pay, benefits, and job security) show substantial declines in both groups. But on most of the intangible factors (personnel practices and communication), the ratings of clerical workers have declined much more drastically than those of blue-collar workers. In fact, on some of these same factors blue-collar ratings have actually improved.

It is important to point out that I am talking about relative declines in favorable ratings. Clerical employees currently have more favorable opinions of their employers and, on balance, still express less criticism than do blue-collar workers. But the gap is closing, as *Exhibit II* shows, and there are actually some issues where clerical attitudes are already less favorable than those of blue-collar employees. These include:

- Applying policies consistently.
- Letting employees speak up to higher authority.
- Telling employees what is going on in the company.

Time for reform

While the attitudes of clerical employees in the companies studied have moved, overall, in a more negative direction since 1966 than have the attitudes of hourly workers, this trend has not yet caused an en masse movement to unionization. For most companies, there is still time to act—time to find out how much discontent exists among clerical employees and what their major problems are.

Of course, it is possible that many companies will be lucky (we are presuming that most would prefer not to have their office employees unionized) and will avoid unionization of their clerical work force by ignoring the problem and doing business as usual. The traditional reluctance of office employees to join unions, for whatever reasons, may be a sufficient deterrent.

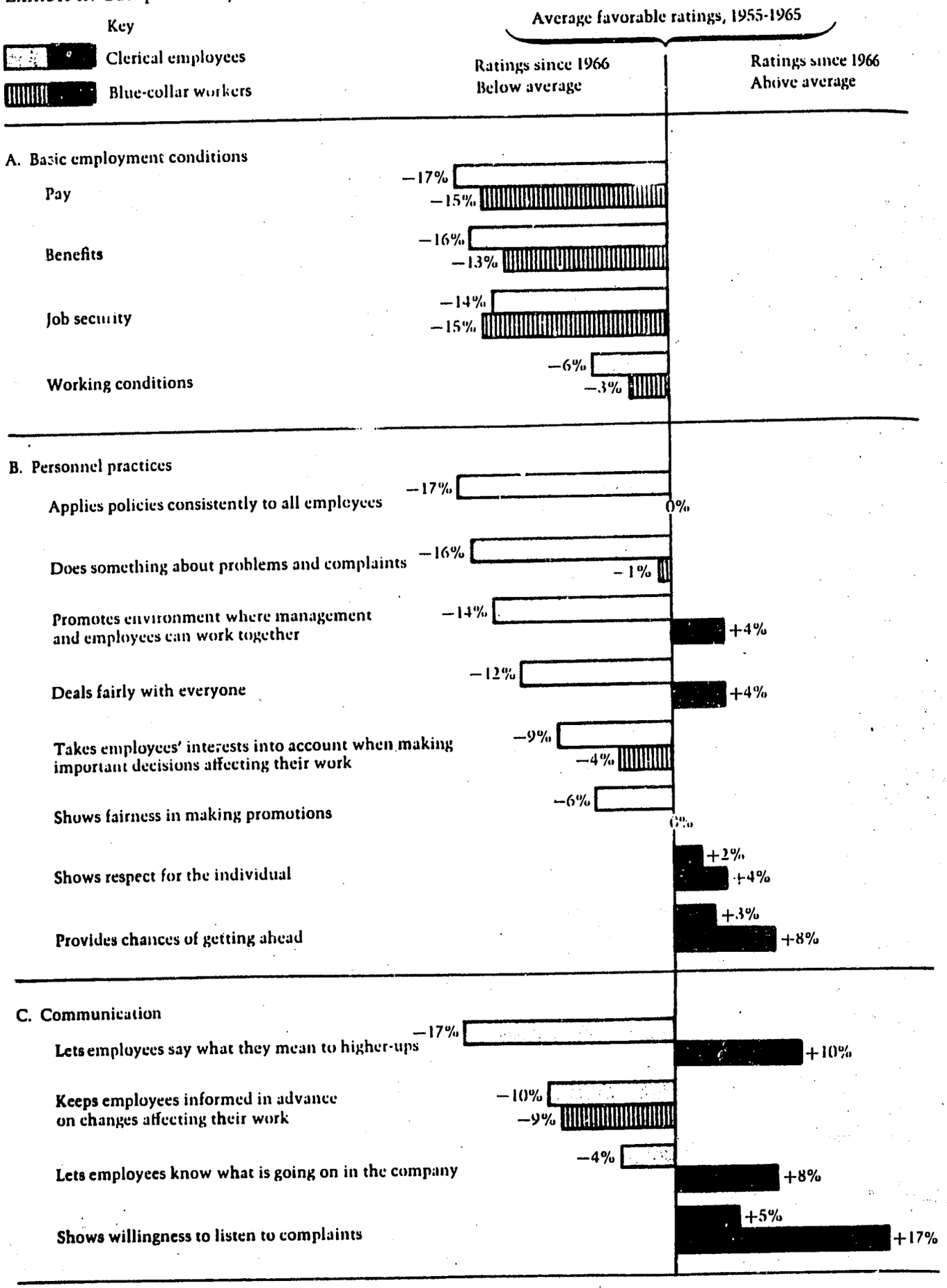
However, teachers, nurses, and other middle-class groups have already begun to turn toward unions, and, in view of what is happening to employee attitudes, it would be a bad bet, I think, for companies to depend on the historical reluctance of clerical workers to sign up.

Reversing the trend

There is no pat formula for resolving the problems of clerical employees. Often, however, concerned upper management is prone to rely on individual supervisors as instrumental figures in successful resistance to unionization. It feels that as long as employees respect and admire their supervisor, there is nothing to worry about. And if employees are dissatisfied, this is evidence that their immediate boss is not doing his job.

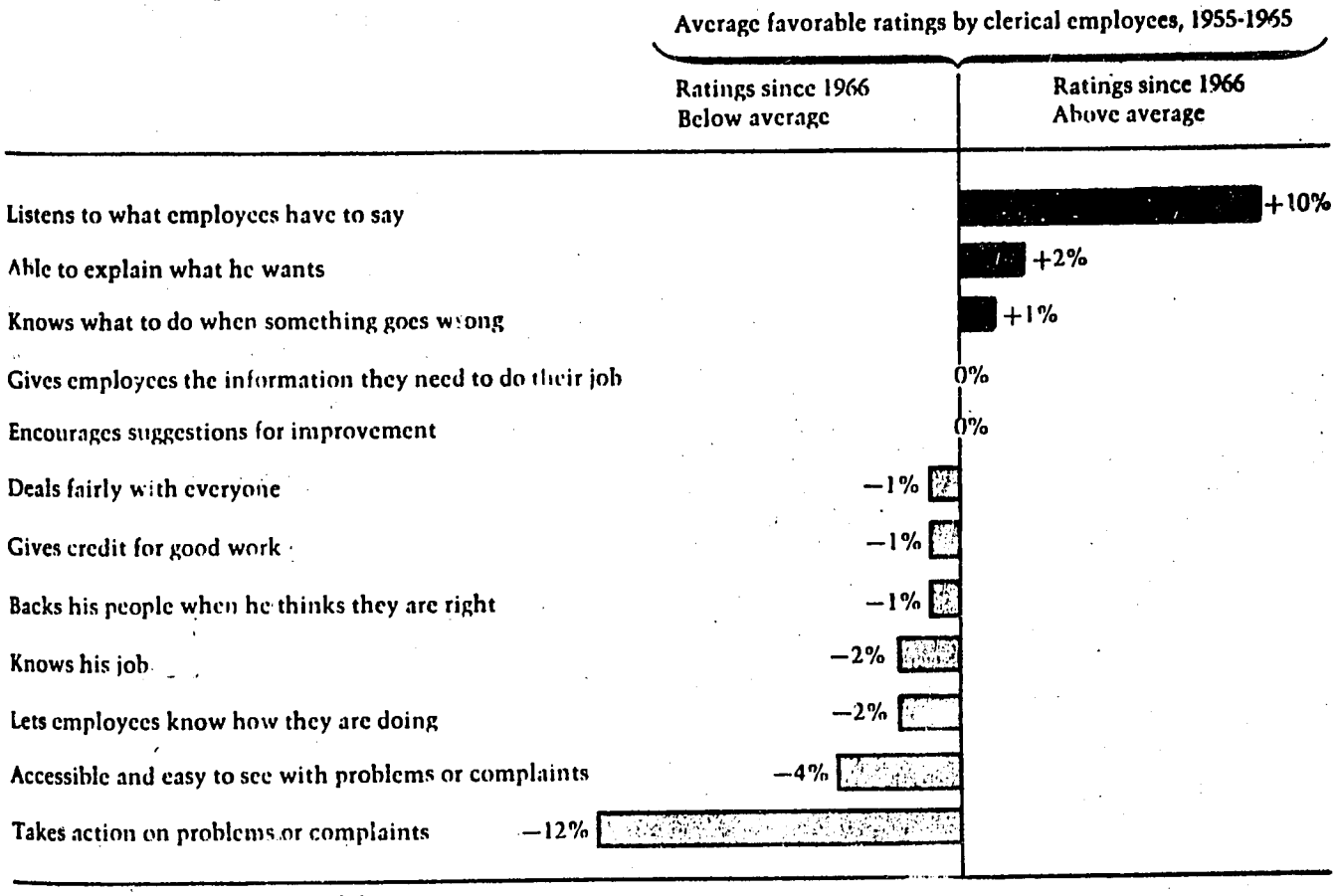
Although the supervisor is important and sometimes crucial in employee decisions on whether to join a union, companies may be grossly misled if they think good supervision is

Exhibit II. Comparison of clerical and blue-collar ratings



Note: All figures are percentage points difference.

Exhibit III. Comparative ratings of supervisor



Note: All figures are percentage points difference.

a sufficient bulwark against discontent. In fact, our studies show that clerical employees normally *do* respect their supervisor. They tend to think he knows his job, treats them with respect, and communicates with them adequately on job-related matters. Furthermore, as is shown in *Exhibit III*, the ratings that office employees give their supervisor have, for the most part, stayed about the same during the periods we have been discussing (changes of one, two, or three percentage points are not really significant). It is the ratings of the companies overall and of their personnel practices that have gone down.

Looking at the data, there are two evident exceptions to the general stability of supervisor ratings. In the more recent period, clerical employees: (a) rate their supervisor significantly less favorably on taking action on their complaints or problems, and (b) rate their supervisor more favorably on his willingness to listen to them. It seems that many of these workers are trying to say that the boss is a nice, sympathetic guy, but he is really powerless to do much about their problems. It is the people upstairs who do not listen or act. This remark of a public utility clerk is typical:

"Raises are few and far between, and everyone gets the same amount regardless of performance. It is very discouraging. It's not the boss's fault. He tries."

More explicitly, criticism focuses on matters over which the company, not the supervisor, has most control—pay, benefits, job security, various personnel practices, and broad-gauged communications matters. Strong supervisors and good training programs for them, though necessary and laudable, are not by any means the sole answer or a problem panacea. Companies must look deeper—and elsewhere.

Many clerical employees are working under circumstances that differ little from factory conditions. For example, behind the marble facade and Doric columns of almost any bank or insurance company are huge, bullpen areas inhabited by regiments of clerks and paper-pushers. The work itself is fragmented and often experienced as dull and boring. It is small wonder that these clerical employees feel increasingly cut off and expendable. In effect, management's task is threefold:

1. To make the work itself more challenging

and interesting. In this respect, job enrichment programs in many instances seem particularly applicable to clerical employees.

2. To become responsive to the underlying needs of clerical employees, i.e., the need to be heard by management, to count in the scheme of things, and to be treated fairly.

3. To be responsive to complaints about tangible matters—pay, benefits, working conditions—whatever they may happen to be in the particular situation.

And action can pay off. We did a survey for a machine company several years ago which revealed intense dissatisfaction in many of these areas. Management then took strong and well-organized steps to improve the situation, including changes in the promotion system, direct access to management, and involvement of employees in planning change. Interviews a year later showed remarkable improvements in employee attitudes. For example, in the first survey, less than one fifth thought their company was a good place to work; in the second survey, two thirds held this opinion.

Concluding note

It certainly seems likely that unless management begins to act now, clerical discontent will increase in the future. The attitude comparisons I cited indicate the pervasiveness of this trend.

By and large, management lost out to unions when the discontent of factory workers emerged in the 1930's. Will history repeat itself with office workers? We do not know. But we do know that this time individual companies will not have the excuse that there was no way they could see the threat coming.

Trade unions as a channel of employee involvement

W.W. Daniel and Neil McIntosh

The need for change and for employees to have a greater say in changes have led increasingly to the establishment for the trade union as the chief or sole channel of representing employees' views, ideas and interests to management. We have described how, given that a high degree of worker involvement in decision making is necessary to management at certain points in time and in certain contexts, then this requires a basis of continuous involvement. Moreover it is desirable that this involvement be manifested through a single channel to avoid a situation where management is faced with, on the one hand, a powerful body that can only obstruct and oppose and, on the other, a weak and ineffectual body incapable of fulfilling any creative, constructive purpose.

Thus the employers concerned, once they had accepted that a higher level of participation in decision making by employees is desirable, have generally, where there has been some recognition of unions, moved inevitably to a situation where the trade union is the natural, the most effective and the most desirable medium for workers' representation if their voices are to be heard. In addition to all the practical considerations quoted that made this desirable for management, there is a further point more often cited by trade unionists. Generally, only within the framework of the union and with the moral backing of a third party separate from the power structure of the enterprise, can the employee talk to management on anything approaching equal terms. If the only frame of reference is the workplace and its organization, then its hierarchy defines him as a subordinate, as someone inferior in responsibility, authority, status and value to the enterprise, and it is difficult to conceive of any practicable business organization where this is not the case. But this

Reprinted by permission from W.W. Daniel and Neil McIntosh, *The Right to Manage?* (London: Macdonald, 1972), 111-138.

locates the employee in a position of dependence, dependent upon the good-will, discretion and patronage of his superiors in a whole range of areas affecting his job and career. Such a context, leaving aside complaints, grievances and conflicts of interest, is not conducive to an atmosphere in which ideas and criticisms that implicitly challenge superiors can be freely expressed. Thus there is a danger in many organizations that managers, who believe they get a true picture of what employees think at all levels of the hierarchy, will find themselves in a similar position to that of the commanding officer who believes that all his troops are quite happy with their food when, on inspecting the canteen, he gets no response to his question 'Any complaints, lads?' with the sergeant-major glowering threateningly at his side.

Thus within a hierarchical organization it seems more likely that the voice of those at the bottom of the hierarchy will be more freely expressed and more effectively heard when backed both by a framework independent of the power, status and reward system of the organization, and ultimately by their collective strength to compensate for the power they cannot have within the formal hierarchy. It is for this reason that trade unionists argue that union membership is essential to the dignity of the worker, because it is the union that stands for the essential human value and rights of the member, independent of the role and status that is ascribed him within the particular organization. With the best will in the world even the best-intentioned management cannot ensure that all members have an equal position when, within a by definition hierarchical context, it attaches different levels of status, power and rewards to different levels.

We outlined in our introduction to this section the way in which some enterprises manage to achieve a relatively open organization, and create an organizational climate where those at all levels have both the opportunity and the encouragement to express their ideas, views and criticisms without union support. But we also pointed out that these companies were unusual in the dedication of top management and training of middle management to this goal; unusual also in their circumstances and structural characteristics and unusual in the composition of their workforce. This located them at one end of the spectrum we defined. For historical and institutional reasons the bulk of enterprises in the middle of the spectrum could not replicate these systems even if they thought it desirable. But

many employers and managers among this mainstream group have been reluctant to cast unions in the role that we have gradually been developing for them. They have been reluctant to do so for two main reasons. They resent the intrusion of what they consider to be a third party, the union, intervening between them and their employees, introducing and exacerbating conflict within the enterprise, and infringing management's right to manage. They thus see an extension of negotiation rights and joint regulation as an extension of conflict, a further obstacle to change and a reduction in managerial control. In fact, as we have already described and as we shall see further towards the end of this chapter, accepting this role for unions can facilitate and accelerate change and can give management more effective control because it is shared.

Meanwhile it is worth considering a little further these two managerial reservations concerning an extension of the sphere of joint regulation. First the appeal to 'management's right to manage' can hardly be considered as very much more than a slogan. If what is claimed by this is that managers are the trustees of shareholders, whose ownership of the business gives them the right to decide quite unilaterally, through their managers, everything that happens in that business, then the claim is as invalid in principle as it is counter-productive in practice. Property rights furnish the owner with rights over property not over people. Any right that managers have to manage must in a free society depend on the consent of the managed. That consent may be freely given in return for financial payments alone; in recognition of management's competence, professional and technical expertise; in deference to management's ability to deliver sustained success and to ensure that all groups of employees receive an equitable share of that success; or in response to clear evidence that the ideas, views and interests of employees are taken into account. But equally that consent can be removed if the financial payments are seen not to be equitable, if management is seen to be incompetent, lacking in professional and technical expertise, or pursuing policies that employees consider – whether reasonably or not – to be opposed to their interests. The removal of consent may take the form of quitting or of collectively challenging management's right to unilateral decision making. It is becoming clear that as a result of the social changes which we have identified throughout our report – a better educated, more questioning and demanding workforce; powerful national and international move-

ments among those in subordinate positions in all sectors of society for more influence and power; a breakdown of respect for authority based solely upon position; and the increasingly strong bargaining position of organized labour in relation to capital intensive and large, highly interdependent, industrial complexes – as a result of all these trends management will increasingly have to earn and win the consent of employees to be managed rather than claiming it as of right. As the Director-General of the CBI has expressed it:

> Managers do not – if they ever had – have a divine right to manage. There is no automatic prerogative to make decisions and expect them to be carried out. The process of decision making will have to be more and more justified and demonstrated to be right in order to command the respect not only of the people working in the company but the community as a whole. (W.C. Adamson, 1970)

In practice this means that managers in that sector which we have identified as being our main interest who want to retain or recover control will have to learn to share it. At the same time we hardly need add that there are instances where this does not have the same urgency if the rewards and satisfactions furnished by the organization are quite consistent with what employees seek from their work.

It is, of course, natural that management, like any other group or individual, should want to retain the greatest freedom of action. Management's need to win the consent of a particular group before it can implement a certain policy may prove nearly as frustrating and irritating to the manager as the complete lack of freedom to influence his pace, content or method of work may prove to the operator. But the freedom of management, again like that of any other group or individual, to swing its fist stops very emphatically where somebody else's nose begins. It is clear that there are often conflicts between the interests of employers and employees. Managers have the interests of consumers, suppliers, the local and general community and shareholders, to take into account as well as the interests of different groups of employers. It is hardly conceivable that all the interests of all these groups will coincide all the time.

At the most obvious level the change required to increase productivity and profitability, new methods, new plant, reorganization and rationalization, may make many hard-won,

valued and prestigious skills quite obsolete, apart from creating redundancy of both jobs and skills. And apart from any real losses in skill, status, job satisfaction and security brought about by change, the idea may be threatening in itself. For those who are concerned with designing, planning, directing and implementing change, it may well be exciting, challenging, demanding and rewarding. But for those who are planned, directed and managed, change itself may represent a certain disutility in its own right, whether or not they experience any real losses in their jobs after the change has been implemented and is operating. They are the objects, rather than the initiators of change, and for them it means insecurity and uncertainty, something imposed on them, over which they have no control.

Thus conflicts of interest are inherent to hierarchical business organizations which have multiple interests to serve and have to adapt and change. It follows from this that union representation of employees' interests does not introduce conflict into organizations. Rather it reflects the conflict that already exists, institutionalizes it, and provides a medium through which the interests of those at the bottom of the hierarchy can be represented and the conflicts of interest between them and the other parties can be resolved through negotiation which, as we have tried to demonstrate, involves not only compromise and horsetrading, but also the seeking of alternative solutions that serve the interest of all parties.

Indeed once employers recognize that they have responsibilties towards employees and their interests, it is difficult to maintain that it is they rather than directly accountable representatives who should be the sole arbiters of what is good for employees and what employees' interests are. Similarly it would be somewhat inconsistent to accept that employees should have a say in critical decisions that affect them directly, but that management should always decide whether what they say is practicable, useful or desirable and their voice should never be backed by the power or strength which union representation gives.

Thus the extension of joint regulation of the type we have described in the kinds of situation with which we are primarily concerned may appear to impose additional constraints on managerial discretion, and may in fact do so; but also, as we shall further illustrate it can equally enable management to make the types of change that would otherwise be difficult if not impossible. The

extension of union influence in these circumstances reflects rather than increases conflict and may well enhance rather than mar employee morale for workers gain a more effective channel through which their ideas and interests can be represented and seen to be represented. (Bain, 1967)

Of course, while it is important to recognize that in many situations the interests and ideas of employers and employees are often in conflict, and this conflict should properly and usefully be institutionalized, there is usually also a large area of common interests. This is widely recognized by trade unionists, who generally see quite clearly a large area of common interests and are quite able to differentiate between areas of conflicting and common interests. For instance, in our study of productivity agreements, we found that full-time union officers tended to spend more time in supporting and agreeing with management in the face of opposition to rank and file shop-floor workers and shop stewards, than they did in opposition to management. Thus the 'outsiders', the 'third party' whose intrusion we suggested management resented and sought to avoid, were more often in accord with management than was management in accord with its own employees. Again, in the case studies reported, we described how the operators could quite happily sustain contradictory images of their relationship with management, the one being characterized by feelings of 'teamwork', the other by feelings of conflict, with the images becoming salient depending on context.

But all too often both managers and social commentators find it difficult to sustain the simple idea that employees and trade unionists can recognize and serve both common and conflicting interests in parallel or even simultaneously. They demand complete loyalty and when total loyalty is not forthcoming assume absolute disloyalty and opposition.

Thus management tends to see shop stewards only in an opposition role when there is trouble. When there is overt and mutually recognized conflict, the function stewards are allocated is to oppose and drive as hard a bargain as possible for their members. Management then tends to assume that their stance in this context represents their general outlook and that stewards are interested only in opposing, obstructing and challenging, and in conflict with management on every issue and topic. (We noted how managers tend to get a similarly distorted view of what interests people in their jobs

through talking to them in only one set of contexts.) However, as emerged time and time again in the cases to which we referred in the last chapter where management had extended the area of joint regulation, had increased the range of issues and topics discussed with stewards to include the less contentious ones – as in the integrated works' councils – they found that relationships with stewards improved perceptibly and became more constructive. Thus the extension of joint regulation, rather than introducing conflict into areas where previously there had been harmony, brought about a markedly more balanced and reciprocal relationship between management and stewards.

This is exactly what might be predicted from the information that is available on the attitudes of shop stewards, which indicates that they see both a large area of common interests, and a large part of their role as helping management to serve common interests. For instance, in the survey of shop stewards carried out by the Social Survey for Donovan, when respondents were asked to what extent they thought that they as shop stewards helped management to solve its problems and run the firm more efficiently, 68 per cent said 'quite a lot' and only 6 per cent thought they were not helping management at all. Particularly interesting was the way the survey demonstrated that the wider the range and the greater the number of issues upon which they negotiated, the more likely stewards were to think they helped management to solve its problems and run the firm more efficiently, thus confirming the idea that the extension of joint regulation improves relationships with stewards. Moreover 15 per cent, in response to an open-ended question*, spontaneously mentioned helping management and/or the job to run more smoothly as the most, or among the most, satisfying aspects of their job as stewards compared with 18 per cent who saw the process of negotiation and winning concessions from management as the chief source of satisfaction. The report on that survey concludes that shop

* Stewards who expressed satisfaction with their jobs (81 per cent) were asked, 'In what ways?' Answers to this type of open-ended question show the relative importance or salience of different items rather than the exact proportion who subscribe to a particular point of view. Thus the importance of the 15 per cent in this context lies in its relationship to the frequency with which other items were mentioned, and indeed, the fact that it was the third most frequently mentioned item.

stewards generally act more as a lubricant in labour relations than as the irritant they are so often seen to be. (Government Social Survey, 1968)

Similarly, a survey of trade-union activists and trade-union members has shown that the trade-union activists identify more closely with the aims of the employer and are more involved in their jobs than the ordinary union members. Thus, in this case, the distinction between trade-union activists and others was not one between loyalists and disloyalists, or between supporters and opponents of the firm or between, on the other hand, 'consciousness' and false 'consciousness' in Marxian terms. It was more the distinction between people who become active and involved, and who identify with the organizations to which they belong, as opposed to the passive and the apathetic. The fact that the aims and interests of the two organizations to which they belong sometimes conflict they are able to sustain as readily as they can remain both good fathers and good employees despite the fact that their roles of father and employee may sometimes conflict.

Thus in one case we looked at, which involved the introduction of work measurement and job evaluation, six shop-floor representatives, one from each of the main shops involved, were nominated to monitor and participate in the evaluation and measurement carried out by the consultants employed by the firm. When the programme was complete their experience as operators and members of the work-measurement group made them particularly well qualified to work as job assessors. All of them accepted. On the assessment of both the convenor and management they had all been good shop-floor representatives and had become good assessors. Similarly, nearly half of the Social Survey's shop stewards expressed an interest in promotion to some kind of management position. Now, adopting a crude conflict model of the relationship between management and labour, assuming that they are on opposite and irreconcilable sides, it is easy to represent this as cynical self-seeking as illustrated by the ditty 'The working class can kiss my arse, I've got the foreman's job at last.' In fact it illustrates something quite different. It illustrates how stewards as well as employees recognize common interests as well as conflicts of interests and how they can simultaneously sustain different and apparently conflicting roles and loyalties . . .

• • •

We have already mentioned the growth of joint shop-stewards' committees. We welcome this development as long as the unions themselves recognize its advantages and give formal recognition. Generally, however, while we have advocated particular ends, we do not feel we can encourage specific methods of reaching those ends. The means will depend on the number of shop stewards who have had training, the ratio of officials to members, the number of unions in a plant, the amount of autonomy lay representatives have had in the past and other variables. In certain plants it is certainly feasible to encourage the workforce to participate in involvement exercises now, but in others, considerable work in training, education and breaking down suspicion between trades is needed. In addition, all the unions will have to look to their rule books, which may need to be much more flexible if changes in branch organization and workplace autonomy are to be realized.

Application to health, social welfare, and family planning

In many places in Europe and North America health and social welfare workers are already unionized. In many other places the conditions for unionization seem to exist, and unions are being discussed by the employees. In many developing countries, white-collar unionization is growing slowly and promises to engulf health and social welfare employment. Family planning, as a special sub-field of health and welfare employment, is not exempt. Pakistan (among other countries) now has a union of family planning workers. Certainly the conditions described by Alfred Vogel in the second reading, above, are rampant among health, welfare, and family planning employees in both developing and industrialized countries. It is almost certain that the employees think about and discuss the possibility of unionization frequently. Personnel managers should not be blind to this fact. The recommendations and conclusions stated above concerning the factors which make white-collar unions unnecessary can be used as a prescription for improved personnel management which will avert unionization, if this is desired.

Questions for discussion and exercises

1. Interview ten persons employed by a health, social welfare, or family planning organization—which does not have a union—concerning unionization. Has anyone tried to form a union in their organization? Do they oppose or favor unionization? What grievances do they have which they think unionization might correct? What do they think of the leadership for a white-collar union? What is the employer doing to combat unionization?

2. Interview ten persons who do belong to a white-collar union. What do they think of the union? What is the relationship between the employer and the union? What are the major grievances which seem to have brought the union into existence? Did unionization improve the situation with respect to these grievances?

3. Interview a personnel manager in an organization which employs many white-collar workers but has no union and another personnel manager in an organization which has a white-collar union. What do they think of the union? How does the union affect their work? What are they doing to combat or to accommodate unionism? In the light of these conversations, how practical do you think the article by Daniel and McIntosh (the third article) really is? Do you think these personnel managers would ever accept the viewpoint of these authors?

4. Interview the shop steward for a white-collar union and also one of the supervisors to whom he takes grievances. How well do they get along? What grievances do they settle? How often do such grievances arise? What grievances are not settled and must be taken to higher levels? How is this done? Do they think the union helps or hinders in the handling of such grievances?

5. Interview both union and management officials about the last collective bargaining meetings for the most recent white-collar union contract signed. What were the issues at the start of the bargaining? How much of its demands did the union get? What arguments did each side use? How willing to strike were the employees?

6. In many countries it is illegal for public employees and certain categories of white-collar employees to strike. Do you think this is right or wrong? Can white-collar workers have an effective union without the right to strike? If striking is forbidden, what obligation must the government have for settling union-management disputes?

Chapter Sixteen

EVALUATION OF THE QUALITY OF PERSONNEL MANAGEMENT

Just as the personnel manager evaluates the performance of each employee in comparison with job specifications, so the personnel manager and his department must also be evaluated. This is a less difficult and formidable task than it might at first appear. As the preceding chapters have made clear, the tasks, the policies, and the special projects which a good personnel manager should perform are clearly definable. As a result a number of indices, based on the activities of the personnel office, can easily be constructed from the records. The executive officers of the organization should require the personnel office to turn over to the research and evaluation department the raw materials needed to compute these indices on a regular schedule, and the evaluation department should compute them. A designated senior administrative officer should interpret these measures while reviewing the work of the personnel department. An external consultant should participate in this activity at least once every two or three years.

The two articles reprinted here offer useful guidelines and suggestions for making this evaluation. Additional suggestions may be discovered by re-reading Chapter 11, Employee Evaluation, and applying the materials to the job of personnel manager. Moreover, each chapter of this book has described in detail the activities of a good personnel manager. Those items which are relevant should be itemized and the officer rated in terms of whether or not he has performed each one, and how effective his performance has been.

The performance of the personnel officer may be judged in comparison with personnel officers in other similar organizations and also in comparison with his performance in previous years.

Methods and Standards for Evaluating the Personnel Function

JOHN P. STAYTON

THE TITLE suggests three different factors—methods and standards, evaluation, and the personnel function. To begin, we have to look at each independently to determine if they can be put together. Perhaps the factors should be reversed.

First—What is the function or purpose of the personnel segment of the organization?

Second—Do we need to examine and evaluate personnel programs or do we accept them on faith—and why?

Third—If we do have a personnel audit—what methods and standards are appropriate for our measurement or rating process?

We should make some assumptions before going further, namely in our personnel activities, we are more interested in the future than the present; we are interested in personnel activities that will assist our company's management to attain their selected goals and objectives; and personnel activities mean planning, direction and control of all employee relations programs such as employment, training, wage and salary, benefits, etc.

Personnel Function

Recently, the National Industrial Conference Board surveyed 200 personnel executives and asked them to rank the objectives of their function. The majority selected "Contribute to the profitability of the company" as number one.

How does personnel do this? It is not simple to give tangible and specific ways in which our function can increase sales or reduce costs. Further discussion boiled this definition down to—"It is the job of personnel to obtain, retain, train, develop and motivate the best people for the corporation."

Your reaction, of course, is that employment, development and motivation have always been our concern. True, we have been concerned with people, but perhaps we have tried to motivate them with picnics, Christmas parties, "going rates" and benefit programs. A personnel function needs to be positive and progressive, concerned with the problems of today and, more important, of tomorrow. It is disappointing to read so much personnel literature which talks about refinement of yesterday's techniques. Critical self-analysis of techniques is permissible to a point, but it makes the personnel man a technician rather than a member of the management team.

Management now has accepted the personnel function in general. The personnel manager, with persistence, has introduced and refined techniques in hiring and job evaluation, and also shown that human relations has a place in business. But might we today be expected to only administer these programs; so

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much so that the personnel manager is often not consulted as a manager might be in operations research, marginal costing and one that really "smarts," organizational planning?

Organizational Planning is really organizing people for manpower utilization. Manpower planning for the future also fits into this. But personnel was not an innovator in this function nor is it a full participant many times. Our charge for tomorrow is to understand and apply the means to find, develop and utilize the best human resources for our corporations. Our employees today are "sophisticated citizens," not just employees. Their knowledge and skills are very broad. Their needs and desires are most human. They are concerned with such things as organizational relationships, functional frustrations, overlapping responsibility, and they are outspoken about their needs for understanding and communication.

Moreover, when we can help prepare management for the utilization of its most important resource, then we have truly met our objectives and we are management innovators and not just manager administrators. The Personnel Manager today needs to orient himself and his programs to improve the profitability of the company. Involvement in the operations of the organization must be total. Labs, offices and production lines are staffed with human beings —human beings that have problems of supervision, with supervisors and with themselves. There are professional employees who are capable specialists but need development as managers and in dealing across functional lines. It is necessary that all these individuals be a part of the corporate enterprise. A catalytic force must be used to bring each component group into the framework of the whole. If personnel is truly management, it must perform this function for management.

The true function of personnel today and tomorrow is to help managers manage and to provide the environment for individual development and growth. In other words, our concern is manpower management and motivation.

Personnel Evaluation

Why evaluate the personnel function? You may feel that your staff is performing its best right now. Many companies have never formally evaluated their personnel policies and programs. In 1954, Dale Yoder made a study of internal personnel department activities. Of 13 different activities reported by various firms, the evaluation program was the least common. Though improved, this area is still not given the necessary consideration, and many firms insist that such an appraisal implies a lack or faith on the part of top management.

As we know, this viewpoint cannot be justified today. Auditing business operations does not imply any suspicions of misrepresentation or malpractice. Audits are taken so that steps can then be taken to improve in areas that deserve attention and support. Personnel has argued that employee relations and objective measurement are not compatible. However, personnel is not the only department that deals with intangibles. And if intangible efforts are significant, they will be observed sooner or later in action and behavior.

Actually, managerial audit programs were developed before some of us were even in personnel. Management audits in the beginning were directly related to such personnel factors as employment stability, absenteeism, labor turnover, nature of grievances, etc. How else can we find out how adequate, and how effective we are unless we have standards of practice and continually evaluate them? If management has accepted internal and external audit programs as a necessary part of its operations, and personnel feels that it is a part of management, what reason do we have to be exempt from any appraisal or review of our efforts?

There is now a real interest developing in measuring the effectiveness of personnel activities, for two primary reasons. One is that many personnel departments realize they cannot be accepted on faith and they seek to justify their existence. Another, and perhaps more important, is that management is becoming increasingly aware of and interested in the contribu-

tion of the personnel function. Some other reasons for the current interest in personnel evaluation:

1. Personnel costs are increasing. Management is spending a lot of money for manpower management and motivation. Fringes may be 10 to 15% of the payroll. In the pharmaceutical industry, about 30% of the sales revenue dollar is spent on wages, salaries, benefits and fringes. Management wants to see returns on the investment.
2. Personnel has always been engaged in selling management on various programs. Evaluations help by showing evidence of results of established programs.
3. Many progressive personnel executives have been successful in making their function an integral part of the company operation. In doing this, they have used evaluations to appraise their staffs, develop the necessary internal organization of the staff and control the direction of the staffs toward established organizational objectives.

The evaluation itself usually appraises three aspects of manpower management and motivation:

1. *Policies*—In evaluating policy, we should think not only of the adequacy of these policies, but also if they have been adopted, used, communicated, and if they can be interpreted.
2. *Programs and Practices*—This is the attempt to make our policies effective. There is a continual need to measure their implementation and effectiveness.
3. *Positive Results*—This is most important. Assuming that our policies are correct, results will tell us how good our practices are.

Process of Evaluation

1. Collect information from records.
2. Analyze data that is pertinent, valuable, interpretative.
3. Prepare conclusion of findings—measure facts vs. objectives.
4. Summary of recommendations—propose action programs and implement them.

Methods and Standards

There are many penetrating questions that are important in evaluating policies, practices and results. After looking at objectives and goals, it is best to determine these, depending upon your particular situation. Answers to these questions can seldom be *yes* or *no*. Some results can be measured in quantitative terms such as turnover, absenteeism, accidents, grievances, etc. Other factors are best rated such as orientation, job evaluation, medical care, morale.

If you consider your major objectives to be in the area of manpower-management and motivation, then your recommendations will be designed to meet criteria in two areas. (1) To have a more sophisticated understanding of people and how they react in the organizational setting. This means work, study and research. (2) We need talented, capable people in personnel who have new ideas and are able to implement them for increased organization effectiveness.

As you know, R & D functions want creative professional individuals. A business organization needs a creative personnel manager. It is up to us to show that this need exists so that we will be wanted just as much as the Ph.D. scientist. If personnel managers are to work with top management, then they must think like top management. We must search into our souls for those big thoughts and project ourselves into the management team. If we are going to do this, we had better prepare ourselves to help management become more "people-oriented." And we had best start doing some research to find out what the real facts of motivation are, in the area of achievement, recognition, responsibility and advancement, rather than pay, benefits, etc.

Evaluation of Personnel Operations

ALBERT H. ARONSON

THE process of evaluation of an operation, like the process of supervisory evaluation of individual employee performance, goes on whether it is formalized or not, and even whether it is recognized or not.

Focusing attention on this process involves the examination of assumptions or explicit values against which we evaluate operations, as well as identification of functions and their objectives. For example, employee job satisfaction may be *a desideratum* and be thought of as a good in itself. On the other hand it may be regarded only as a means of attaining efficiency, on the assumption of a relationship between employee satisfaction and performance. If the second rather than the first view is accepted, the use of an index of employee job satisfaction, as a standard against which operations are assessed, is subject to question if the relationship between satisfaction and performance is challenged.

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By Whom and When

One question with respect to the evaluation of personnel operations is by whom the evaluation should be made. Should this be done by general management in the administrative line, or by organization and methods specialists in the company or agency? Should outside personnel consultants be called in on contract, or should a management firm of generalists be used? Should there be a process of personnel introspection or self-apapraisal by the personnel office itself? Is it desirable to use employee reaction to the personnel program in an attitude survey or by other means? These various types of evaluations have their uses in different situations. In any event, I believe that it is the responsibility of those in the personnel field to develop criteria or standards of organizational performance that would be accepted by management and other interested groups as well as by those in the field.

Should personnel evaluations be continuous or periodic? Certainly

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there is a need for continuing compilation of statistical data which can show trends and provide bases for evaluations. Surveys on a properly timed periodic basis can take into account these data and also review aspects which do not lend themselves to statistical measurement.

Evaluation of Total Operation

One approach to the problem of evaluation is the attempt to evaluate a total operation. This may be by appraising it as a composite or by using a single criterion of effectiveness. Thus a business operation may be evaluated by whether it produces a profit. This, of course, assumes that it is the efficiency of the business operation rather than general economic conditions that determine whether it operates at a profit. For example, if two cigarette factories operate at different levels of profit, can it be concluded that one is more efficiently run than the other? Is this true if one company has traditionally had a filter and in a given year benefits by public reaction to cancer research? Is it true if the difference is not in production methods but in the success of a television comedian on a program advertising the product?

Assuming that we can judge a total business in this way, without differentiating between production and marketing, can the judgment be applied to personnel management? Even if personnel costs constituted the major item of expense, would anyone contend that the more profitable of two comparable enterprises could be said to have better personnel operations? Obviously, efficient management may be due to good selection and supervision and resultant productivity; it may relate to factors such as new machines, or a high volume of sales reducing overhead costs.

At any rate, within the field of personnel management there is no simple criterion of organizational performance comparable to the profit yardstick. It is possible, of course, to arrive at an over-all impression as to whether a program is attaining its objectives, but a single objective such as that personnel administration should contribute to the more effective operation of the organization becomes meaningless as a useful yardstick. Hence, evaluation, to be a useful administrative tool, needs to be related to specific functions and objectives. The problem of evaluation is not one that can be solved by some simple device. Research and the development of scales or measures relating to particular activities can build up a pool of useful information with respect to significant activities. Whether it is possible ever to arrive at a useful weighted single index of total effectiveness is debatable.

Check Lists and Inventories

Another approach is that of using a check list to determine performance of personnel activities which are believed to be desirable. The check list does have usefulness where there is agreement that certain activities are of value, and it raises the question whether they are being performed. Thus, in evaluating recruitment, one may have a check list of applicant sources and public relations media to determine how many of these are used. Obviously this is not a substitute for determination as to which media are most successful for a particular type of occupational recruitment. Again, a check list may ask

whether the organization has incentive awards. There is an assumption here that this fact is significant, without determining how well the system functions. A second step may involve determining the relative number of awards made as an index of performance. This of course dodges the question as to whether the system actually is working in such fashion that employees who are regarded by their peers as deserving are the ones recognized, rather than those who are close to the administrative throne or who have aggressive supervisors. One can, of course, devise to accompany a check list a scale of judgments as to individual activities, on which quality would be rated by observers.

The inventory, which I regard as related to the check list, is exemplified in excellent fashion by the United States Civil Service Commission's bulletin, "Evaluating Your Personnel Management." This identifies program elements in each of ten broad functions and suggests "keys for evaluation" and "procedures for evaluation." The keys are essentially questions that are posed, primarily as to whether the program element is present. The procedures suggest methods and sources for securing information as to the presence or absence of the program element. Some of the keys and procedures for evaluation go further in an attempt to determine quality of performance. Such terms as adequate, proper, and effective are used. Sources of information are then suggested to provide a factual basis for determining adequacy, propriety and effectiveness, without attempting to develop objective indices. This approach has value only when applied by highly competent observers.

The method is further refined in the new Air Force "Guide to the Evaluation of Civilian Personnel Management Activities." This attempts to set standards related to the key questions and to the suggested procedures for evaluation. The standards define adequacy of performance in nonquantitative terms. The Air Force release also has a number of check lists which are used in determining compliance with approved Federal personnel regulations and procedures. The Civil Service Commission has comparable compliance methods. Neither the standards nor the check lists are designed to yield comparative statistical data.

Toward Objective Criteria

A different approach is to get objective criteria of performance with relation to specific functions. These criteria would either be validated scientifically or accepted as significant by informed analysts.

I believe that scientific progress is to be made by the careful analysis of activities and goals and the determination of objective criteria that can be used with respect to these activities. This calls for a list of significant functions and the development of measures for each, including cost. Dale Yoder in his text, *Personnel Management and Industrial Relations,* has a discussion of "Auditing Manpower Management" and a list of yardsticks of performance in industrial relations which are of major interest in this connection.[1] In relation to each of thirteen functions or activities he cites scales or measures which are objective or approach objectivity. Some examples are:

[1] Published by Prentice-Hall, New York, 1952. See page 815.

Function or Activity	Scales or Measures
2. Staffing	Selection ratios Turnover rates (Crude, refined) Functional costs
3. Training	Time to standard Apprentice ratios Comparable costs
5. Personnel Rating	Distributions of ratings Comparable costs
9. Health and Safety	Illness rates Accident frequency rates Accident severity rates Workmen's Compensation rates Comparable costs
10. Wage and Salary Administration	Inter-firm comparisons Wage differentials Comparable costs

The Employee Relations Index developed by the General Electric Company is a pioneering attempt to arrive at a single objective yardstick of employee relations. It is designed to measure the extent to which groups of employees accept and perform in accordance with company policies and objectives. Hence, it takes into account not only the work of the employee relations staff but the total impact of operations, policies and conditions. The index is intended to signify a search for weaknesses or good practices in manpower management and permit comparison among plants and various work groups.

Out of 33 proposed indicators on which exploratory research was done, eight were selected to be combined into a single index. The eight are periods of absence, separations (all types), initial visits to dispensary for occupational reasons, suggestions submitted through the suggestion system, actions incurring disciplinary suspension, grievances submitted through the formal procedure, work stoppages and participation in the insurance plan. The ERI correlates positively with, but measures something different from, other measures of effectiveness such as profitability, productivity, and some performance records such as amount of scrappage. It was also cross validated against management judgments of work groups as a criterion.[2]

The company recognizes that the current index has many limitations and problems in application. It does, however, represent a significant development in setting forth a hypothesis that can be tested by further research and application.

The Office of Civilian Personnel of the Department of the Army has developed an evaluation system using program reports, periodic surveys, and self-analysis by local Army installations. As part of the plan, some 16 factors are measured and compared with previous performance in the installation and in the Army. Some nine other factors in an unmeasured group are also evaluated and action projects are called for with respect to the factors in both the measured and unmeasured groups.[3]

Merit System Reviews

As an example of another effort to arrive at useful evaluative criteria, I can cite some of the things that the Division of State Merit Systems of the U. S. Department of Health, Education, and Welfare does in its merit system reviews of state personnel op-

[2] "ERI-Yardstick of Employee Relations," by Merrihue & Katzell, Vol. 33, No. 6, p. 91–99.

[3] Robert H. Willey, "Quality Control of Personnel Management," *Personnel Administration*, November 1955.

erations in the agencies receiving Federal grants-in-aid and the merit systems serving them. We have used narrative reports for a cumulative picture of operations and have an annual check list combined with the compilation of statistical data. We have developed some objective criteria. We are not satisfied with our procedures; we have some modest beginnings. Data are collected on costs, and these are analyzed in terms of the costs per employee and the costs per job applicant. Obviously the variations in the scope of activities have to be taken into account in using the cost data, but States having roughly similar programs can be compared.

One useful index of merit system activities is the ratio between the number of job applicants who file in response to recruitment efforts, and the number of employees, reflecting the size of the system. The median figure for the country in the case of State merit systems has been 1.2. Presumably this should be larger in a municipal system where proximity to the place of work eliminates problems of family movement. Excluding extreme cases, the variations between the better and poorer agencies are as much as 5 to 1, and the ranking of the agencies in respect to their recruitment efforts tallies with the judgment of informed specialists as to the effectiveness of merit system operations generally and recruitment activities in particular. This supplements analytic measures such as a chek on use of recruitment media, which may give clues as to reasons for a high or low recruitment index.

Another index used is the proportion of provisional appointments. Obviously this relates to the currency of an examining program and not to its quality. The median proportions of provisional appointments for State agencies for the last year were 4.1% in health agencies, 2.6% in welfare agencies, and .7% in employment security agencies. The proportion of provisional appointments extended beyond six months is another related index. The median figures were less than 1% in the major types of grant-in-aid program agencies.

Another measure used is the proportion of original appointments from eligible lists as against provisional appointments made prior to the examination. A merit system is not providing applicants and giving satisfactory service if it merely ratifies or nullifies the appointments of provisionals selected by the agency. It is performing a service if it produces well qualified persons not previously known to the agency. The median proportion of original apointments from eligible lists in the States is about 70%.

A major factor in merit system operations is speed and one of the factors we examine is the speed of the selection process. An index of the time it takes between the closing date for the receipt of applications and the establishment of an eligible list is calculated. The median time in the States for the last year for both professional and clerical jobs was 4 weeks. Three States completed the process in an average of a week or less, while four States took 10 weeks or over, the longest periods being 18 to 21 weeks.

Other objective data that are collected and analyzed relate to turnover in terms not only of gross turnover but that of status employees and nonstatus employees. Obviously this type of analysis needs to be refined for it to be of maximum use, in terms of turnover by class of job, as well as

geographic location, and by age, sex, seniority and performance of the departing and the remaining group. The median gross turnover for the States during the last year was about 27%, with resignations of status employees running 18% in public health, 19% in welfare and 12% in employment security. Turnover needs to be analyzed in terms of the causes—whether it is voluntary and for betterment or more pay, or whether it is the result of dissatisfaction with the job, pay or working conditions, whether it is the result of management action in discipline or reductions-in-force, or whether it is in the category of what might be called occupationally neutral factors, such as retirement, illness, marriage, pregnancy, domestic reasons or military service. Whether it is the superior, the marginal or a cross section of employees who leave may be more important than the proportion of turnover. In considering turnover, one, of course, must take into account that there is an optimum turnover, that turnover can be too high or too low and can result in the loss of trained persons before a reasonable return is realized on the investment in training. It can be so low as to discourage the ablest young people from remaining in the organization, with resultant stagnation and promotion of the survivors rather than the fittest.

Developmental Problems

The possibilities of the development of sound and objective criteria are almost limitless, though difficult. Let me give just a few examples. It is possible to evaluate training by testing the trainees before and after their training in terms of knowledges, skills and to some extent, attitudes. The application of the training in the job situation is another question. Validation of selection devices, is not uncommon for written tests, but is important also for ratings of training and experience and oral tests. Information as to prevailing rates of pay in industry certainly are needed and often used as criteria for judging public pay plans. With fringe benefits constituting about 20% of pay in industry, a related analysis of such benefits is also important for purposes of comparison. Other possibilities for exploration are absenteeism—the rates and causes, safety and accident rates, the use of sick leave, the speed and quality of promotions within the organization, and surveys and norms of employee attitudes and morale.

I do not mean to suggest that a purely statistical approach or even an entirely objective approach can fully supplant intensive reviews of personnel management which necessarily involve subjective judgment. The subjective answers to evaluative questions are of some value, depending upon the competence of the observers and their opportunity for comparative studies. However, real progress is to be made by developing, so far as possible, objective criteria which can be accepted within the personnel and management fields as valid and practical.

But a further word of caution should be added on the use of statistical measures. Progress is made by proceeding from the subjective to the objective. However, this carries the danger of proceeding from the significant to the insignificant. We should not have to choose merely between an unreliable answer to a significant question and a reliable answer to an insignificant one. Of course, the sig-

nificance of statistical data is related to the question of whether they are symptomatic of general underlying conditions. Thus, in the same way that carloadings or steel production may be economic indicators, certain personnel measures may be indicators of underlying factors in the complex of personnel management and employee reactions.

In building up a body of knowledge in this area from crude beginnings, cooperative efforts are important. No one organization can undertake a massive attack on the problem, but even small organizations may have a contribution to make in analyzing one or another facet of personnel assessment and developing useful yardsticks.

Program evaluation is, of course, not an end in itself. To be more than a subjective process reflecting administrative tastes—and in administration as an art, *de gustibus non est disputandum*—it must be based upon reliable and valid standards that can be translated into improved practices.

Application to health, social welfare, and family planning

The major purpose in the assembly of this book was the realization that in many countries the health, social welfare, and family planning organizations were staffed with personnel officers who were either undertrained or outright unqualified to hold their posts. It is hoped that this book will contribute to their upgrading. One essential step in the upgrading process is a valid and objective evaluation of their present performance. Such a review, sponsored by the senior executives, and utilizing the resources of an experienced evaluation researcher, will reveal how adequately or poorly the personnel officer is performing, and reveal any need for re-training or replacement.

Some of the fundamental indices suggested by Aronson in the second reading certainly need to be computed on a quarterly basis and studied by the senior executives–selection ratios, turnover rates, illness rates, per-unit costs of service, and indicators of quality of work. The personnel officer must share with senior administrators the responsibility for poor performance, employee discontent, and client dissatisfaction if it exists. He should also share in the praise for attaining high quality work, high employee morale, and high efficiency when they are attained. Because most health, social welfare and family planning organizations do not earn profit or suffer a loss, the objective indices of success or failure may not be publicized. But objective indices can be computed. For a full discussion of this topic the reader is referred to R.F.F.P.I. Manual No. 11, *Cost-effectiveness Analysis of Family Planning Programs.*

One of the weaknesses of many health, social welfare, and family organizations is that responsibility for personnel functions is not clearly defined, but is diffused among several levels of administrators. As a result the policies are vague, the procedures are uncoordinated and the records are poorly kept. In some cases the situation is so bad that no records exist that could be summarized to reveal how poorly the personnel function is being performed. In such cases the evaluation must begin with research.

Questions for discussion and exercises

1. On the basis of the readings presented here, compile a list of indices that could be used to evaluate the performance of a health, social welfare, or family planning personnel department. Specify which personnel records should provide the source of data for each of the indices.

2. Visit the personnel officer of a health, social welfare, or family planning organization and from his records compile as many of these indices as you can. If the data for compiling an essential index are not available, score this as a demerit. On the basis of your data, write an evaluation of the personnel office. Show it to the personnel officer and ask for a response to your comments.

3. Some personnel officers who know how to do a good job are prevented from doing so by senior executives who countermand their programs and order them to confine themselves to a very narrow range of activities. Discuss ways in which this problem could be resolved.

4. What useful information do you think could be generated by asking (on an employee attitude questionnaire) for an evaluation on a five point scale, ranging from very good to very bad, of the following activities of the personnel officer:

(a) Selection of new employees
(b) Orientation of new workers to the company and to their jobs
(c) Validity and accuracy of employee evaluation procedures
(d) Fairness and adequacy of promotion and pay raise procedures
(e) Adequacy of information about personnel policies, employee benefits, and other matters affecting employees
(f) Opportunity to have personnel problems and grievances heard
(g) Action taken on personnel problems
(i) Evidence that there is discrimination on the basis of sex, ethnicity, race, religion, or political affiliation
(j) Quality of counselling given by personnel office

5. Draw up a questionnaire, as proposed in Exercise 4, for evaluating the personnel functions of a particular organization. Get permission to pretest it. Administer it to two samples:

(a) 25 lower level employees
(b) 25 supervisors and administrators

Compare the responses of the two groups. Would you recommend the routine administration of this questionnaire once every year? Who should receive the results and act on them?

Chapter Seventeen

SOME SELF-IMPROVEMENT TIPS FOR EXECUTIVES AND MANAGERS

The readings for this chapter deal with personality traits, modes of conduct, and interpersonal skills which differentiate successful from unsuccessful managers. They apply not only to personnel managers, but to all top executives, administrators, and managers as well. Each is a separate "bit of advice" in itself and is fully self-explanatory. There is no common theme among them except that all pertain to the "style" or characteristic way of approaching the management job. The reader will automatically compare his own characteristic modes of work behavior with the behaviors under discussion. In some instances the objective is to help identify and eliminate undesirable behaviors; in others the objective is only to help clarify thinking about particular leadership styles.

The Qualifications of a Manager

GLENN A. BASSETT

As THE INDUSTRIAL REVOLUTION has proceeded on its course and as technology has changed the face of the entire industrial landscape, one thing has become clear: there is a great deal the modern business organization can do without, but one thing it cannot do without is an adequate number of skilled and effective managers. As *Forbes* magazine put it recently, "The one clear lesson after study of fifty years of U.S. business is: If a company has nothing going for it except one thing—good management—it will make the grade. If it has everything going for it except good management, it will flop."[1] But the managerial talent to manage increasingly complex organizations and technology is itself becoming a scarcer and more critical commodity. In large part, this scarcity derives from an inevitable increase in the level of skill and expertise demanded of an effective manager by expanding markets and technology, but it is no less a scarcity.

Undoubtedly, *Forbes* refers to the management team at or near the top of an organization which sets the policies and value climate of the operation, but this select population is only the top of the iceberg. The basic level of drive, experience, and systematic advance preparation (usually through formal education), already accepted as indices of potential for selection as a manager, is constantly being raised. Upgrading of managerial qualifications is being forced at every level of the operation, and even those managers appointed to positions designed to test, develop, and season them for future assignments must now be a higher quality of entrant. It is no longer sufficient to rely on trial and error as the principal method for developing future managers; managerial resources are increasingly scarce, and the selection and development process itself must be managed.

However, we must first develop a useful understanding of the process of selecting and developing managers. How to determine what the business requires in the way of managerial resources and how we are to go about meeting those needs, once specified, must be established. We must, in a phrase, have a workable theory of what managerial selection and development is all about.

The popular point of view. The myths and folklore relating to the manner in which progression takes place through the executive ranks and into top management and the executive chambers are rich and fascinating. As the popular fiction of executive succession would have it, getting ahead as a manager is mostly a matter of being the toughest, smartest, and politically most astute of all those in competition for the job.

This perspective is at least partially right. A certain amount of basically amoral jockeying for position, stabbing in the back, and survival-of-the-fittest tactics do take place, but probably to a lesser extent than is popularly assumed. Rather, judgments about the qualifications of the man promoted to high office are, for the most part, pretty sound ones. To begin with, the man promoted has probably been around for quite a while and has been observed at close range by the people who make the selection decision. His will and ability to get results in his field of specialization have been demonstrated to

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the full. His capabilities and qualities, his strengths and his weaknesses are reliably known. Indeed, he has probably adopted something in the way of a characteristic style which, given a particular set of business needs and circumstances, makes him a predictable quantity as far as managerial performance is concerned.

For instance, Manager Doe is seen as a do-it type of manager who rams through programs and drives himself and his organization toward achievement of the objectives which have been set for him. Manager Roe has a reputation as a man of great depth of knowledge and intellectual capacity who can be relied upon to solve the seemingly unsolvable problem. Manager Ecks is a compromiser, forever arguing the question on both sides, inconsistent and contradictory in his actions, but striving constantly (and often successfully) to persuade, seduce, or trap people into doing things his way. Manager Zee experiments with his style, continually altering and expanding it to fit the situation, but doing so with a consistent sense of ethics and an insistence upon maintaining his own personal integrity while all the while seeking results.

Each of these four managers is a distinctly different person with a distinctly different style of operation. And, although we might prefer one or another of the styles, it is only good management practice to assume that each is suitable for application at some time in some place, depending upon the needs of the business. That is, managerial style is itself a resource which should be skillfully and differentially applied in terms of the availability of various styles and the demands of the business environment. Personal preferences for one or another style should never blind us to the fact that every managerial style can and does have a place in a results-oriented business world.

To be well managed, a business should have in its manpower stable a variety of managers representing a cross section of managerial styles. Somewhat in the fashion of the baseball manager who carefully assures a balance of right- and left-handed pitchers so that he may apply the pitching talent appropriately in the face of the hitting talent he must deal with, the business manager must develop a balanced assortment of managerial styles within his organization in order to be assured that the best man for the job is available when the opening comes along.

The habitual / intellectual dimension. Certainly, in the art of managing there are more varieties and shades of style than just these several I have chosen to illustrate for openers.[2] The styles illustrated, however, arise from a fundamental polarity in human behavior. Human beings deal with their environment on either or both of two relatively distinct levels: the habitual and the intellectual. On the habitual level, we learn directly through experience how to react to a wide variety of situations. In behaving from habit, it makes no difference whether we are aware of our behavior or of the bases of that behavior. Indeed, there is typically a heavy element of unawareness or subconsciousness to habitual behavior.

On the intellectual level, by contrast, we consciously manipulate systems of symbols such as language or mathematics. (Systems include both the symbols, themselves, and the rules for their use.) With symbol systems, we are no longer limited to our own experiences as the basis of our behavior but, rather, can now draw upon the experiences of others. In addition, our symbol systems may be employed to understand and deal with experiences which are unique, or even inaccessible to us, if we become skilled enough in their use and application.

Most human beings operate on both these levels. Each level has its own advantages, and, depending upon which level of behavior is the more appropriate under a given set of circumstances, one may be emphasized in its development in preference to the other. For instance, in public speaking, in driving a car, in learning to play a musical instrument or operate a machine, the best and sometimes the only route to success is through intensively practiced habits. Decisions (choices) related to such activities are best based on one's practical "feel" for them. When time is too brief to work out the situation intellectually, a habitual reaction may be the only behavior acceptable. On the other hand, when errors are potentially too serious to tolerate and we must plan carefully to avoid them or when we are faced

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with a problem for which we have no applicable experience to draw upon, we are most likely to find that only rational, intellectual solutions will do.

Man, then, has two separate and relatively distinct cognitive resources or faculties with which he may know and cope with his environment: the habitual/reactive and the rational/symbolic. To a certain extent, these two faculties are mutually exclusive; in large part they overlap. They supplement and complement one another. Too often, however, the success and competence enjoyed at one level creates a sense of complacency which results in studied ignorance or even rejection of the other level. We polarize on the reactive level or the intellectual level. In a business context, these polarities are often accentuated through the creation of staff functions such as finance, legal counsel, or engineering, which emphasize the systematic, intellectual approach to problem solution, and line functions such as production or sales, where habitual, reactive behavior dominates. And, because managers tend to come up through the ranks of their functions before being considered for middle and higher management positions, they also tend to polarize in their style of operation and in the way they employ their habitual versus their intellectual resources toward the solution of business problems.

Generally, managers may be found either to cluster around the poles of habitual or intellectual preferences, or to struggle to find some suitable middle ground between them. Therein, indeed, lies the basis of the four illustrations cited in the opening of this discussion.

Managers who differ distinctly in style of operation tend to differ in the way they employ their reactive and their intellectual resources toward the solution of managerial problems. At one pole is the subjective decision maker (Manager Doe) who uses his experiences as a basis from which to arrive at artful, intuitive decisions. This type of manager tunes his senses and reactions fully to the world around him. His keen senses, indeed, are his principal operating tools. Objectivity to him is a simple matter of facing facts.

At the other pole is Manager Roe, who cultivates his intellect for the purpose of processing information systematically and arriving at decisions logically. He typically avoids opinion and intuition in favor of seeking out the truth, using all the tools of intellect at his command. He holds his emotions in check and uses them predominantly for imagining potential new methods, new techniques, and new systems of symbols with which to solve his problems. To him, objectivity is scientific method.

The former of these two managers relies heavily upon an intimate association with all aspects of reality as his basis of operation, whereas the latter depends principally upon intellect and the realm of ideas. The one is reality-oriented and might best be thought of as a realist, whereas the other is idea-oriented and might most accurately be labeled an idealist.[3]

The integrative dimension. Two additional styles can be identified by looking at the manner in which the middle ground between idealism and realism is used. On the one hand is Manager Ecks, who has no firm base in either idealism or realism and who vacillates back and forth, ignoring or even denying any inconsistencies in his behavior. On the other is Manager Zee, who accepts the validity of both the idealistic and the realistic points of view and finds himself struggling constantly to integrate and reconcile the basic contradictions he finds between them. The managers who use these styles we might call opportunists and reconcilers, respectively. These styles are distinguished by the level of integrity each man brings to the job of managing.

Differential styles of using habitual and intellectual resources are clearly attractive and potentially useful bases from which to describe and manage managerial resources. The dimensions along which managerial style may be developed are highly varied, and we should be aware that the polarities discussed here are only one pair among the many which may be relevant. The habitual/intellectual dimension, as well as the way it is integrated by the individual, however, appears to have more power for explaining managerial behavior and permitting sensible differential selection and development of managers than any other approach.

Figure 1 illustrates the qualities which describe the realistic and idealistic styles of operation and the relationship of these polarities to reconciliatory and opportunistic styles of operation. Realism/idealism represents the dimension of manner of use of habitual/intellectual resources, and opportunism/reconciliation represents the degree to which any attempted combining of realistic/idealistic polarities is integrated.

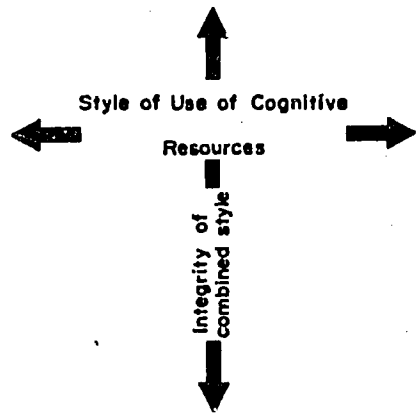
FIGURE 1.
POLARITIES OF MANAGERIAL TEMPERAMENT

THE OPPORTUNIST

Vacillates between idealism and realism in operating style.
Ignores or denies inconsistencies or hypocrisies in his behavior.
Compromises conflict which should be resolved.
Has no strong affinity to either idealism or realism as the base of his behavior.
Seeks to reduce pressures.

THE REALIST

Reacts to the problem.
Is an autocrat; relies on the authority of power.
Yields to expedience.
Is an artful practitioner of his specialty.
Is priority-oriented.
Is intuitive in his judgments.
Strives for optimal performance.
Employs resources.
Cuts the problem down to manageable size.
Is practical.
Reaches decisions quickly regardless of the information available.
Assumes the fact of resource scarcity and works around it.
Pursues attainable, tangible goals.
Seeks immediate results.



THE IDEALIST

Reflects on the problem.
Is a technocrat; relies on the authority of fact.
Sticks to principles.
Is a skilled technician.
Is process- and method-oriented.
Is systematic and rational in his judgments.
Strives for professional performance.
Creates resources.
Attacks the total problem.
Is theoretical.
Defers decisions until the information available is sufficient to support them.
Assumes that critical or scarce resources should be made plentiful and works to create them.
Sets the ideal as his goal.
Seeks high quality results.

THE RECONCILER

Accepts and works to integrate the contradictory traits of idealism and realism.
Can apply idealistic, realistic, or combined perspectives as the problem demands without gross inconsistencies.
Chooses subordinates in terms of the need for realistic or idealistic temperament based on the business situation.
Seeks balanced short- and long-range results.
Is the rarest managerial temperament of all.

Practical and policy implications of the theory. What does all this mean from a practical and policy point of view? The mere recognition of the polarity of realists and idealists in managing immediately points to several implications. For one, it is quite possible to build a business organization that is oriented to realism or idealism by emphasizing one pole or the other in the selection, training, and rewarding of personnel. Any preference in selection which emphasizes formal education or technical proficiency, for instance, tends to breed idealism, while a bias against eggheads and fuzzy-minded theorists favors realism. Criticism of snap, seat-of-the pants decision makers for failing to think the problem through sufficiently downgrades the realistic style and implies advantage in an idealistic approach. With respect to formal training, exercises such as T-Groups, sensitivity training,[4], and timed in-basket tests[5] strictly favor realism by going directly to the problem of tuning one's senses to recognize the situation and respond automatically to it.[6] Rational training techniques of the Kepner–Tregoe type,[7] on the other hand, emphasize method and logic as the most suitable way in which to solve business problems and thereby lend support to any existing idealistic bias.

These approaches and practices can serve to increase or decrease the amount of realism or idealism practiced in a business organization. Where competitive business conditions demand increased realism or where the market demand for product innovation requires increased idealism, one or the other of each of these pairs of alternatives might well be applied as appropriate. It should be noted, however, that tactics which increase one at the expense of the other and methods which ignore the opportunity and need to integrate realism and idealism may serve merely to defer problems into the future. Integrity of style is also needed—preferably a flexible integrity which encompasses both idealism and realism.

Obviously, one way of avoiding the frustrations and hazards of trying to maintain strict personal integrity of style would be to polarize one's style single-mindedly on either the pure realistic or the idealistic ends of the scale. Thus, the theory suggests that, if top management values integrity more highly than flexibility, we should predict a tendency among subordinate managers toward sharper polarization of operating style in both directions, along with a general rejection of opportunism (and perhaps reconciliation, too) as an acceptable style of managing. Conversely, heavy emphasis on flexibility to the exclusion of integrity might be expected to reduce sharpness of polarization and increase the use of opportunistic and reconciliatory tactics.

Approximately equal emphasis on flexibility and integrity should force styles toward reconciliation but could also serve to drive good, effective realists and idealists out of the operation because they can not tolerate the stress of having such demands put on them.

Using this theory, management should be able to influence the mix of available managerial talent in the direction needed by changing business conditions merely by re-emphasizing the value of integrity versus flexibility of operating style. This theory of managerial selection and development tells us, in effect, that **integrity and flexibility are key values:** Depending upon how they are stressed (rewarded and penalized) management can determine the pattern of managerial style development in the organization.

Something to build on. To back up for a moment, style is only the **qualitative** aspect of managerial resources. Whether the job to be done should be assigned to an idealist, a realist, an opportunist, or a reconciler is a highly relevant consideration when it comes to utilizing existing managerial resources in the most effective manner. We must presume, though, that every applicant has an adequate fund of relevant skill, experience, courage, motivation, and personal commitment to the risky, arduous journey which progressing through the managerial ranks involves. These are the **quantitative** prerequisites of managerial selection and promotion.

There are **two quantitative prerequisites to selecting capable managers:**

First, a manager must have a history of striving for personal betterment and a high level of energy/drive/motivation for application to the problems he faces. There is not enough time in a lifetime, much less in a manager's day, to deal with all the information that must be dealt with and to solve all the problems that have to be solved unless a high order of energy and drive characterizes the individual's mode of behavior. The manager's job is to deal with problems and preside over change in his organization. The complexity of technology and society makes it impossible for the dull, lethargic individual to achieve even the minimum of personal skill which is essential to meeting the management challenges of the twentieth century. A manager without a zest for living, without imagination, without a need

for fresh challenges on which to whet his intellect and emotions can do little more than preside over an established routine.

Second, an effective manager must have a rich fund of experience. He must have seen life and business from a variety of perspectives. The range of experience possessed, of course, will often be rather closely correlated to the level of energy and drive applied in the individual's life style, and it is reasonable to expect that a high level of applied energy and drive will have resulted in a rich variety of experiences.

The need for a broad range of experience stems from the fact that, in the pressure of the moment, many of a manager's decisions are fabricated largely out of his immediate knowledge and experience. A narrow basis of experience results in narrow managerial decisions and limited courses of action. The most energetic of managers, if he has not been exposed outside a narrow field of specialization, may be seriously handicapped in dealing with the rough problems of our times. The manager who has several college degrees, who has served in a variety of functions and a variety of different kinds of business, and/or who has lived life under a wide variety of circumstances and statuses is the manager most likely to have the greatest fund of information that can be applied directly to the solution of business problems.

These are, indeed, the very qualities which are demanded of candidates for succession through the managerial hierarchy. It is the bright, well-educated, highly motivated, committed self-starter who is the odds-on favorite as the future manager, and the more of these qualities he possesses in abundance, the more likely he is to advance.

This should come as no surprise to anyone. These are the qualities which educators and business theorists have for most of the past century been touting as essential. They are directly observable, measurable in a relatively reliable and objective fashion, widely accepted, and evident in the selection of most managerial appointees. But they are only the **prerequisites for admittance** to the manpower pool from which critical appointments will eventually be made. Once the prerequisites have been met, the actual selection and appointment to high managerial positions is more likely to turn on **style of operation.**

It is important for everyone in the candidate pool to recognize the place of style in selection decisions. To the extent that the importance and relevance of operating style is not appreciated, candidates for promotion may perceive appointments to be based on political considerations and may even perceive (correctly on occasion) admission to top management spots to be based on favoritism. Where the importance of style is realized, on the other hand, and the relevance of appointments based on operating style is recognized as essential to the best utilization of managerial talent, such charges and the resultant personal demoralization that accompanies them should greatly diminish.

Awareness of the prerequisite status of motivation and experience can permit sensible variation in the level of entry requirements in order to expand or diminish the pool of available managerial candidates as business needs demand. To the extent that a wide range of motivation and experience is applicable to the job at hand and a broader range of operating styles is needed, the promotable pool can be opened up. Or to the extent that the promotable pool is unavoidably restricted, a better allocation of available styles of operation may be sought to meet existing needs. This approach to managerial qualifications makes explicit the points at which something can be done about managerial development.

What is business all about to begin with? A key assumption is inherent here and, for that matter, in the formulation of economic laws and the operation of businesses which should now be articulated: **Managing involves at its core the ability to allocate resources of variable scarcity/abundance in satisfying to the full needs of the business, its shareholders, its customers, its employees, and society as a whole.**

That is to say, management is the arrangement, use, creation, and preservation of all the resources at hand in satisfying the total variety of demands and pressures that are placed upon the business in the total environment in which it operates. The skill with which abundance is exploited and scarcity is overcome will, in the long run, determine the effectiveness of a manager. Two critical resources which must be employed skillfully in effecting satisfactory allocation of these resources are **time and human creativity.**

Time is an often overlooked resource. It is often overlooked because the two fundamental polarities of managerial style tend to trap people into one or another of two time orientations: the realistic style of managing emphasizes the short term, the

immediate, the here and now, and it severely downgrades the future as a problem-solving resource. The idealistic style, on the other hand, tends to treat time as much the same way that other resources are treated; it is something to spend and use to one's own purposes.

Creativity is likewise biased by a tendency to a realist/idealist polarity. For instance, the problem is to meet the competition by shipping a product to a customer faster, and the problem of delay stems from errors and time lag in shipping from the warehouse because of the heavy backlog of work. To solve this, one of several things might be done: Hire more clerks and spread the heavy work load thinner, or create a better system for handling incoming orders and shipments so that the available clerks can, with proper training, handle their jobs more expeditiously. The first tactic would emphasize exploiting clerical labor in solution of the problem; the second would address itself to the creation of a new resource—the improved system—to do the job. If clerical help is more abundant or less expensive than the talent needed to innovate a better system, the first solution would be the better. If, on the other hand, clerical help is in short supply or is more expensive than innovative talent, the latter solution would be the superior one. The manner in which scarcity/abundance of resources arrays itself should point to the most appropriate solution. But the existence of either an idealistic or realistic bias will probably itself determine the solution chosen.

The manner in which these resources of time and creativity are utilized is related to and typically limited by the existence of tendencies toward either a realistic or an idealistic style of managing. Too often, the fullest use of the resource of time is not achieved because of a realistic orientation, or, conversely, the idealist fails to recognize time constraints which, if not met, could destroy the effectiveness of all other efforts. Similarly, opportunities to create new resources to overcome severe scarcities are ignored by the realist, while opportunities to exploit abundant resources are missed by the idealistic managerial temperament. Our theory of manager development now begins to point to ways in which managerial resources should be allocated to meet the demands of the marketplace.

What does a business environment demand? The determination of the most appropriate approach—realistic or idealistic—can now be based upon an evaluation by top management of the business environment as it exists at any given point in time. At one point in time, a realistic style may be critical; at another, only idealism will turn the tide in meeting the market. The considerations for determining who should be appointed as between a realist and an idealist in the managerial talent pool might well be the following:

1 / What are the primary time constraints and options?
   - What is the competition doing?
   - What are the advantages of quick entry into the market as against taking the time to deliver a product of unquestioned quality, utility, and reliability?
   - How hungry are higher managers, stockholders, or financiers for quick success?

2 / Where does the greater opportunity lie?
   - With innovation?
   - With exploitation of existing resources and technology?

Depending upon how top management answers these questions, the direction in which it should go in choosing a realistic or idealistic managerial style could largely be decided.

Why not all reconcilers? It is perhaps obvious at this point that the ideal manager genuinely integrates all the elements of realism and idealism within one skull. He appreciates the need for flexibility of style sufficiently to vary his own style between realism and idealism as the demands of the business environment make it appropriate. Why worry about idealists or realists at all? Why not pick only reconcilers for managers? The answer is that reconcilers are in short supply. Strictly speaking, they probably do not exist at all except in the ideal, and we are a long way from the ideal with respect to managerial resources in industry today. Beyond this, reconciliation demands the very fullest development of skills and an exceptional level of drive/energy/motivation which in itself is extremely rare. The motivation and opportunity to learn how to become a reconciler come dearly, and few people are fortunate to luck into both.

At the same time, reconciliation is the most difficult of all managerial styles to identify. This is because the operating reconciler may, in different circumstances and at different times, appear to be either highly realistic or highly idealistic. Furthermore, it is particularly difficult to determine

whether the opposite polarity exists if circumstances demand that a given style be predominant at one time and place. Identifying a reconciler can require extensive observation of performance over a long period of time. But the real key to the reconciler's temperament is his ability to accept seeming contradictions of style without compromising his integrity.

The highly polarized realist, for instance, typically feels the need to reject the soft-headedness of the theoretician, while the committed researcher working from a strictly idealistic point of view typically finds it necessary to criticize the crudeness, expedience, and even amorality of the realist. The realist who cannot get along with idealists and the idealist who finds it necessary to exclude realists from his circle of intimates clearly are not reconciliatory managers. The manager who can accept opposites of polarity, reconcile them, and apply them appropriately in the face of varying circumstances without resorting to opportunism or hypocrisy may very well be a reconciler. With such limited cues to go on, close observation and intimate knowledge of the individual's style of operation are called for to reliably determine whether he is the kind of resource who could be described as a reconciliatory manager.

Certainly it is desirable that reconcilers themselves be involved as fully as possible in the selection of other managers. The rationale for this is a basic one: The man who has this scarcest of all managerial resources can most surely be relied upon to test the needs and demands of the market objectively and select an idealist or a realist—or even an opportunist, perhaps—to meet those needs. Lacking a reconciliatory manager at the point of selection, the realist will tend to value subordinates with a realistic outlook, idealists will favor candidates with idealistic tendencies, and the opportunist will tend to seek the company of his own kind as well. As a result, changes in the environment which require adaptation on the part of the organization and its management may be neither perceived nor appropriately met.

Many modern corporations have at one time or another been forced to face the fact that, when a segment of the business has gone sour, it is not the manager who has failed. Rather, a market has changed and now demands a style of managing which the incumbent lacks. The manager himself may be as good as he ever was—given his particular style of operation. If, however, corporate management fails to recognize and act on the changing situation and permits such a man to be tarred with the brush of failure, a perfectly good managerial resource may be lost to the organization or even destroyed. In today's explosive economy, the right to fail without stigma, to make mistakes and learn from them, may be the most important single element of a successful manager development program. Higher management which fails to appreciate this fact is not preserving its managerial resources and using them wisely. The existence of realism or idealism in energetic, richly experienced managers makes for superb managerial resources, but, if these resources cannot be diagnosed and applied appropriately to the problems of the business, or if they cannot be salvaged in the face of a changing market, they are lost as surely as if they had never been developed or identified at all.

Measures and indicators of managerial potential. The key to success in allocating scarce managerial resources, as in allocating any other resources, is in developing useful measures and indicators which will tell when a needed potential exists. An important strength of this theory of managerial temperament lies in the fact that it suggests a variety of objective measures which may be used at a number of levels for screening managers and appointing them to open position. On the level of motivation and breadth of experience, some of these measures would be:

- Salary progress within age group.
- High level of general involvement and activity (agitators and troublemakers should be screened in, not out).
- A record as a self-made individual who has achieved results and a reputation far exceeding the norm for his background and level of education.
- Multiple degrees.
- Postgraduate work or an advanced degree in a field different from the first degree.
- Patentable inventions.
- Published material.
- An unusually wide range of interests and general activities.
- Leadership activities off the job.
- Higher rate of salary growth than comparable employees.

The particular advantage of measures and indicators of this sort is that they are relatively objective in quality. Certainly they can be defined as to be very nearly factual and can thereby make potential managerial talent more visible to managers and staff personnel throughout the organization. In addition, tightening or loosening of screening standards for the managerial talent pool is entirely feasible based upon some kind of objective summary system covering all these indicators and measures. Experience and observation will point up additional useful indicators to any experienced businessman.

Measures and indicators of the idealistic and realistic styles of managerial operaton are also available, though they are somewhat less objective. The only certain way to pin down style of operation is to observe and investigate performance closely over a period of time, using a variety of sources. The following indicators should be useful in identifying managerial styles:

- The range of time in which plans are made.
- The reliability with which tough deadlines are met, depending upon whether they are long term or short term.
- Specificity/objectivity versus generality/breadth of personal and business goals and objectives.
- The measures used to measure the performance of subordinates.
- The methods used to analyze problems.
- Decision-making style.
- The extent to which a manager's manner is cool and calculated versus emotional and spontaneous.
- The traits a manager looks for in a good or poor subordinate manager.
- The kinds of people a manager works with best. The kinds he works with least well.
- Personal theory of economics. (Be careful with this one. "Safe" answers in the area of economics tend to emphasize realism for the simple reason that such answers have been systematically inculated by our culture.)

A number of sources of information are available for filling out the picture; depth evaluative interviews, skilled reference interviews, inquiries with the current manager, interviews with other managers who have had opportunity to observe style of operation, contacts with fellow managers, and even interviews with subordinates can yield information on management style. Any sources or techniques which need to be exploited should be exploited in so sensitive and important a matter as the selection and promotion of a new manager.

Summary and conclusions. Managers who are fully qualified for the job to which they are appointed are a rarity. For the most part, we must manage our managerial resources with at least as much creativity, artfulness, and skill as we apply to handling our physical, financial, and other business resources. The overall level of energy/drive/motivation and the richness of background and experience—the quantitative elements—are the foundations of managerial selection which can to a substantial degree be identified objectively and defined factually. Such traits can further be confirmed and examined by skilled use of an interview with those candidates identified as having managerial potential.

For appointments further up the managerial ladder, the actual selection turns more and more on qualitative elements such as style of operation rather than upon absolute qualifications for the job. This is not to say that style is anything less than a qualification in its own right. If a managerial appointee must, for instance, be able to create resources in working out problems, his style must include the skill and disposition to be creative. By and large, the style that best fits the market situation in the judgment of the appointing manager is the style that should get the nod for the appointment. Small differences in operating style can be crucial to managerial success. The use of style as a criterion of selection is not only appropriate but necessary as well.

The rarest of all managers is the reconciler; this is the manager who can at least in some degree combine the diverse and contradictory traits of idealism and realism into a single integrated style of operation flexible enough to cope with the dynamics of the marketplace. The reconciler is also best suited to mediating between and coordinating the team activity of those realist and idealist managers who so often fail to appreciate one another's style of operation.

Finally, the theory of managerial qualifications proposed here suggests useful measures and indicators which can become the foundation of an effective program of managerial development and selection, and it further specifies the points of leverage for managing manager development.

If, as the initial quote from *Forbes* suggests, good management is the difference between business success and failure, the quality of a managerial selection and promotion program may be a key point of leverage in determining the future of a business, and the implementation of an effective program may be the most important investment the business ever makes. The theory of managerial qualifications which has been outlined here may help in conceptualizing a management operating philosophy upon which and within which such a program can be created and managed.

REFERENCES

1. *Forbes*, Fiftieth Anniversary Issue, Sept. 15, 1967.

2. See my *Management Styles in Transition*, (New York: American Management Association, 1966), for a considerably more detailed discussion of the elements of both managerial style and skill.

3. I recognize that the terms "realist" and "idealist" are widely abused in common use, and their use in this context may cause some confusion at first. William James in his *Essays on Pragmatism* (New York: Washington Square Press, 1963), to which this conceptualization owes much, calls these polarities "tough-minded" and "tender-minded." The current fad of tough-mindedness in business, however, has resulted in an artificial polarizing of preference toward tough-mindedness which obscures the importance of having both these polarities of managerial temperament represented in a business organization. And, while the terms "idealism" and "realism" are themselves charged with a certain amount of emotion and personal preference, they are a little nearer to equality in preference across our culture. The fact that they are strong words may even work in our favor by making them useful as long as they are defined and used with care. We could, of course, have used other terms slightly less charged, such as "theoretical" vs. "practical," but such a substitute would only have made the discussion clamer and more academic in quality. The existence of an emotional charge—that is, personal preference—is what makes these managerial styles problematic when it comes to developing and selecting manager, but it also assures that they have vitality and relevance to today's problems. The reader's forbearance must therefore be asked, even though the terms "realism" and "idealism" are used in ways which may seem at first to be wrong-headed.

4. See Chris Argyris, "T-Groups for Organizational Effectiveness," *Harvard Business Review*, March-April 1964, p. 60.

5. See Felix M. Lopez, Jr., *Evaluating Executive Decision Making: The In-Basket Technique* (New York: American Management Association, 1966).

6. One of the earliest cues which pointed me toward this conceptualization of management development came out of the use of a timed in-basket test as a predictor of managerial potential. It was discovered that a strong technical background in engineering or the sciences was a detriment to effective performance of an in-basket test, whereas practical experience in a shop or production environment, regardless of educational background, was associated with relatively effective handling of the in-basket task. Out of this finding, the old bias favoring a man of practical experience over the theorist for production jobs began to take on meaning.

7. See C. H. Kepner and B. B. Tregoe, *The Rational Manager* (New York: McGraw-Hill, 1965).

THE MANAGEMENT OF Time

by F. D. BARRETT

To every thing there is a season,
and a time to every purpose under the heavens;
a time to be born, and a time to die;
a time to plant, and a time to pluck up that which is planted; . . .
a time to keep silence and a time to speak:
Ecclesiastes.

A popular theory of the day is that we have entered into a remarkable new period in human history — an age of leisure for all. If this is true (and I wonder about it) managers are an excepted class. They are working longer hours with every year that passes. And worse than the long hours is the sinking sensation that still there isn't time enough.

Ironically, while managers grapple with the pressures of time they are invited to consider, indeed to solve, the leisure problem of the masses in an automated, computerized, alienated, welfare society. The idea that he, too, is a member of a leisure society will provoke any manager to derisive laughter, particularly if it occurs to him some late evening as he drags his bulging briefcase home.

The increase in managerial time pressure arises from the multiplying complexity of urban-technological society, and its fast-moving pace. Thus the galling problem of management time promises to become worse before it becomes better.

Only through mastery of time processes will the manager arrive at a state of true effectiveness. But time has been the neglected dimension in both management theory and management practice. It represents a wide-open, new management frontier. We need new concepts, we need new practices, and we need research. The arts of managing Men, Money, Machines, Materials, Methods (so the alliteration goes) have been assiduously studied and cultivated, and with striking results. Why, then, not develop the art of managing the most important resource — *Minutes?* Is it not time managers managed time?

Everything that the manager presumes to manage is reducible to time and time processes. This article, therefore, will dwell not only upon problems. It will also advance the positive notion that time is the manager's most important resource and his greatest opportunity.

Concern with the effective use of management time is mounting in the business world generally, in particular companies, and in the minds of individual managers. This concern is reflected in such developments as (1) a newly-emerging literature on time-management; (2) empirical studies on the problems and their causes; and (3) the inclusion of time-management as a subject in university and in-house executive development programmes. The mood is attack.

The question managers want answered is "how to do it". Some answers will be given in this article. But to see time simply as a mechanical problem requiring "how to do it" answers would be to miss the point. The point is that the manager's attitudes toward time and his ideas about what it is are what count.

The primary attitude the manager requires is "time-sense". Time-sense is a vivid awareness of the reality and importance of time in personal existence. Secondly, it is the recognition that time permeates all processes which the manager manages. Its opposite might be called "time-blindness". Time-blindness character-

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izes the person who drifts through time with neither vision nor view of its many facets and hues.

The evidence is that certain managers with certain attitudes do conquer time, even when working under the same conditions as others who are beaten by it. Take the following illustration:

> Edward W. Carter, president of Broadway-Hale Stores, who developed a group of department stores from four in 1946 to forty-six in 1968 is quoted in *Fortune*[1] as saying, of time, "The most important decision that most of us have to make is how to use our time. I have chosen not to use mine on things that seem too productive of modest results. Also, I've never done anything that I could get others to do."

The first item we have to address ourselves to is the common complaint that there isn't enough time. There is no such thing as "too much time" or "not enough time". There is a twenty-four hour day, no more, no less. Both the prime minister and the village postmaster have exactly the same amount. Having too little time only means trying to do more in the available time than can be done in it. People rarely try to put a barrel of water into a thimble. But when it comes to time, things equally strange are attempted (time after time).

Time does not permit any manager to do all of the things which either conscience or imagination tell him would be worth doing. Whether we consider a 40-hour work week, a 60-hour week, or 80-hour week, makes no difference. The proportion of *can do* to *might do* is inherently small. One can only conclude that the answer to time management lies in some direction profoundly different from that of longer hours.

What must matter is not the hours but what is done in those hours. Decisions as to what to do are therefore the key decisions in time management. These decisions include the very important decisions about what *not* to do. Not to do may include anything from not answering the telephone personally, to not visiting a plant, or to not attending certain meetings.

The very first thing that one finds out when he studies how managers use their time is that most managers do many things they need not do at all. The tendency would seem to stem from pressures exercised by personal conscience and by the organization. Yet personal conscience and organizational pressure are often both highly irrational and callously inconsiderate. Frequent decisions to resist these twin forces have to be made, however ingeniously. The alternative is to lose control over time. And if control over time is lost, so is control over achievement and performance.

The manager cannot manage his time by relying on simple instinct. It doesn't happen that way. The conquest of time takes analysis, thought and imagination. But the effort does pay off and the rewards can be great. The following methods are worth trying:

1. *Analyze time:* take a pencil and the back of an envelope and jot down the time spent during the week at various activities — i.e. travelling to and from work; reading and dictating letters; reading newspapers and magazines; answering the telephone; attending meetings, etc. The appropriate categories can be made up to suit the individual. The point is no one knows how he spends his time until he does this. The breakdown which appears is usually quite a revelation.
2. *Evaluate Time Expenditures:* a) how many of the time-consuming activities on the analysis list have to be done at all? Usually there will be quite a few hours in the week spent doing things that can be discontinued cheerfully and with no loss to anyone.

   b) how many small tasks could just as well be carried out by someone else? Why read and sign your own letters after they are dictated? One company president reports never having read and signed one of his own letters in five years — at a saving of two hours per week for a total of nearly fifty hours a year. Other time-savers can be invented to suit the individual case.
3. *Relate Time to Purpose:* this is the management by objectives and results approach. How is the allocation and expenditure of time related to important goals? Chances are fairly good that the match is poor. Major goals are getting two hours a week of attention; inconsequential goals get ten hours. Look for ways of reallocating time to important projects.
4. *Delegate Authority:* this is a hoary management principle, of course, but has to be mentioned because it is so vital to the management of time. The best single reason for delegating is to get more time for the work one really wants to do himself. Conversely, not delegating really means trying to do one's own job plus the subordinate's job. If there are five subordinates concerned in the non-delegation network, a ninety-hour week is guaranteed for the superior.
5. *Forward Planning and Scheduling of Time:* a high proportion of managers are convinced that forward planning and scheduling of their time is an impossibility. In contrast, some men schedule

ahead what they intend to do day by day for weeks and even months ahead.

Obviously not everything can be anticipated or foreseen. Plans will frequently have to be changed. And only a portion of the manager's time is under his own control.

Forward planning and scheduling of time requires a bit of physical apparatus. The desk diary or pocket diary is minimal. However nothing is as good as a three-by-five "management planning board" on the office wall, on which the whole year with all its months, weeks and days can be shown.

The "how to do it" literature on time management is still rather sparse. The art is new, the methods few. But what methods there are should be examined by anyone embarked on a campaign to master time. As in other fields such as "how to make money" or "how to raise children", the recommended methods vary widely.

Included in the practical literature are Peter Drucker's *The Effective Executive* (New Yorker: Harper and Row, 1966), Ted Egstrom's and Alec Mackenzie's *Managing Your Time* (New York, Pyramid Books, 1968), and J. T. McCay's *The Management of Time*, (New York: Prentice-Hall, 1962). All of these books get into a discussion of the what's and why's as well as the how's. For anyone interested in empirical research on how managers tend to spend their time, Sune Carlson's Swedish study, *Executive Behaviour* (Stockholm: Stromberg's, 1951) will make interesting reading. For inspiration, a re-reading of Parkinson's Law is always salutary ("Work expands to fill the time available for it"). For a picture of the financial implications of executive time management, the reader is referred to the article, "The Money Value of Time" by Curtis H. Jones (Harvard Business Review, Jul. - Aug., 1968).

For the manager who wonders whether his time problems are similar to those of other managers, the answer is "yes". Leo Moore of M.I.T., working over a period of six years and with almost three thousand managers in executive development programmes, found that there are ten common sources of management time-problems.[2] Different groups report these same ten again and again:

1. the telephone
2. meetings
3. reports
4. visitors
5. delegation
6. procrastination
7. fire-fighting
8. special requests
9. delays
10. reading

Awareness of time as a dimension to be mastered rather than as a constraint to be suffered varies greatly from industry to industry, company to company, and manager to manager. In some industries, phrases such as "the management of time", "using time effectively", or "losing time" are part of the everyday management vocabulary. And time management is preached and taught constantly. Yet one can spend years in other industries without even encountering reference to the idea of time management.

A high degree of time consciousness exists in the life insurance industry. Managers and salesmen are exhorted and taught to plan, organize and use their time well. To illustrate, *Crown Agency News*, in its December, 1967, issue contains the following cautions and advice:

"Casually forget about organizing your day and managing your time, and you'll see how easily you will be able to put off the important but dull task in favour of any urgent-looking, and thus exciting matter that happens along at that particular moment . . ."

again:

". . . you should keep a close watch on how and where you allocate your time."

and again:

"Some acts take more time than others, and often, much more time than they deserve. These are the villains you should watch for. They are time consumers that waste away precious hours . . ."

An opinion survey of branch managers in the Toronto Dominion Bank revealed that time was the most important single problem standing between them and their desire to concentrate efforts on important management jobs. In consequence, the subject of managing time was made part of the curriculum in the Bank's subsequent management courses. In the courses, managers were provided first with a theoretical presentation. Then, they were given the task of conjuring up stratagems and practical devices for saving time. From two groups of forty managers about eighty concrete ideas were produced. These two groups concluded that each individual could save an easy ten or more extra hours per week by putting some of these ideas into operation. They surprised even themselves with how plastic their time problems were.

It has already been suggested that time management

should not be approached merely as just another how-to-do-it technique. It must be approached with insight, understanding, judgment and imagination. Time is no more a simple substance than is money, man or physical matter. Just as some managers have an intuitive understanding of people, others have an intuitive grasp of what time is all about. Others may acquire it by reflection, learning and study. Let us then embark upon an excursion to capture, at least mentally, this elusive thing called "time".

Consider the past: it once existed but does not now exist. *Consider the future:* it does not now exist, but will exist. *Consider the present:* it exists, but only for an instant. Thus, neither past nor future exist (except as memory and anticipation) and the present hardly exists at all. What then is time, that it is so chimerical?

Many intriguing concepts about time are hidden behind our common way of speaking. We say "time flies", "time runs out on us", "our time is crowded", "a good time was had", "time is money", "I can give you some time tomorrow", "you can't turn back the clock", "it's a matter of timing", "under the pressure of time", "time marches on", "time weighs heavily on us", and so on. Thus time seems variously like a bird, a liquid, a space, a commodity, a mechanism, a process, a weight. If we don't know for sure what time "really" is, we certainly do have a plethora of metaphorical ways of thinking about it. Each has its value.

Take the commodity metaphor. Time indeed is money. It is sold for money, as a lawyer or a consultant sells it. And the money value of time is built heavily into the cost of any physical object (such as a clock?). The cost is largely composed of the sum total of money paid for the man-hours of time that went into mining and working the metal, shipping the clock to the store, and paying a clerk to sell it. In no time at all, this line of reasoning leads to the interesting conclusion that economics should be the study of the value, the scarcity, and the transformation of time. With this thought, I therefore invite some new Keynes to come along and recast the whole field of economics. The first principle of the new time-economics might well be: the supply is fixed, the demand infinite.

If the managerial literature on time is sparse, the philosophical literature is vast. A diligent search through the philosophical and scientific literature on time, has shown me that we are rather far from having complete knowledge of what time is. The search reveals that everyone from Heraclitus to Whitehead has struggled with the thought. As yet, no single philosopher has yet come up with explanations or answers that satisfy either the lay reader or other philosophers. One, St. Augustine, complained that nothing better shows the weakness of the human intellect than the quest for an understanding of time. There are even those who doubt, whether time exists at all other than as a concept in the human mind. To retain sanity, I prefer to assume that something does exist which we call "time".

The practical ideas about time of relevance to management seem to me to be the following:

1. It is an economic resource.
2. It cannot be expanded or contracted.
3. It is irrecoverable and irreplaceable.
4. It is highly perishable.
5. It is expensive and precious (and becoming more so).
6. Most of what is called "cost" is the cost of time.
7. It is a flow from past to present to future.
8. The flow is one way and irreversible.
9. It is quantifiable (seconds, minutes, hours, days, months, years).
10. The manager's work life will total something like 100,000 hours, give or take a few thousand.
11. All processes the manager manages (research, production, selling, etc.) are time processes.
12. Time is the dimension in which change takes place (just as space is the dimension in which motion takes place).

The more one reflects upon the foregoing ideas concerning time, the more one is overwhelmed with the suspicion that time may be everything. If so, the executive interested in time and its mastery is likely to develop a healthy measure of respect for it, bordering perhaps on reverence. Indeed, the attitude is more likely to be awe, if he contemplates the human being's relationship to cosmological time.

Our own small, human allotment of time is threescore and ten years. In contrast, some of the light entering the Palomar telescope to-day left its source five billion years ago. Although man his triumphantly travelled to the moon, it will take him one hundred thousand years to cross his own galaxy, provided he finds a means of travelling at the speed of light — 186,000 miles per second (and if he can regenerate himself so as to still exist at the end of the trip). If man wished to travel to another galaxy, Adromeda, it would take two million years to get there, travelling at the speed of light.

The manager's whole career is shorter than the blink of an eye on the face of the space-time universe.

To put it mildly, for the time-conscious executive there is little time and much to do. It is no surprise, as Drucker observes, that the effective executive treasures evanescent time, that he handles it with "tender loving care", and that he prizes it as his most precious resource. With Benjamin Franklin, in *Poor Richard's Almanac*, he is likely to echo:

"Doest thou love life? Then do not squander time, for that's the stuff life is made of."

The manager, as a member of the modern species of *homo sapiens*, has a biological history which is relatively short: it goes back only some forty thousand years. Even if we consider such extinct relatives of modern man as Swanscombe Man, our racial history really goes back only some two hundred and fifty thousand years. If we look ahead to the time the earth disintegrates, which will be four or five thousand million years from now, we have to realize that we shall have been replaced, as a species, probably several successive times, by more complex and vastly more intelligent creatures.

Through the applications of science and technology, mankind has triumphed over physical space and time (measured on our own tiny scale). To-day, we travel and communicate quickly. As a result, we live longer lives than our ancestors did: we experience so many more things. We see more, do more, experience more in five years than our grandfather did in a whole lifetime. We have effectively extended time. Yet if we lived a thousand years, we would still complain that life is fleeting.

If life is longer today, in the sense described above, it seems truly paradoxical that so many of us still find time our most exasperating and baffling problem. The modern sense of frustration and puzzlement is somewhat captured in Gertrude Stein's crazy prose:

"There must be time . . . This is the thing that is most troubling and if there is the time that is as present the troublesome the time-sense that is at present the most troubling is the thing that makes the present the most troubling."

Time permeates the manager's private and personal existence as well as his managerial role and task. The profound manner way in which time penetrates into the pores of human existence is shown by our emotional life. Regret, guilt, nostalgia and remorse, are evoked by memory of things past. Physical sensations such as heat, pain, or taste, come from contact with the present, the "here and now". Anxiety, hope, optimism, pessimism, ambition and desire are feelings about the future. Without the effects of time, the drama of life would be reduced to banality.

As we might expect, a manager's concept of time says a great deal about his personality and about his outlook on life and work. A few examples from interviews will illustrate the selective differences in perception which exist:

- Manager A, when asked what "time" was, in his concept, said: *"Time is a pure figment of the human imagination; it doesn't exist."* Manager A happened to be a young man in his early twenties who had built a half-million dollar a year business while attending university full time.
- Manager B, a senior staff executive in a large corporation, whose work demonstrates an exuberant and innovative streak, replied to the same question: *"Time is life; time is living"*.
- Manager C said: *"Time is a resource. It's always slipping away. If it's not used when it's there, it's irrecoverable."*
- Manager D: *"Time is passage. Things are changing as we move through time."*
- Manager E: *"Time is a rate, a measurement. For example, in my business (pulp and paper) the time-rate of production is crucial"*.

One of the greatest psychological differences among managers is in their attitudes toward past, present and future. The degree to which a manager is predominantly past-oriented, present-oriented or future-oriented may have more bearing on his accomplishments than any other single factor. Let us examine how and why this might be so. This will require looking at the relative manageability of the past, the present and the future.

Control over the past is impossible. Our passage through time is, as we noted earlier, irreversible. To quote Horace, in his *Epistles*. "There are no footprints pointing backward". What was done yesterday can never be undone. *The past is unmanageable.*

What, then, about the present? The present is certainly not as unmanageable as the past. But still the present is, very strictly speaking, infinitely short. It is the fleeting, ephemeral, instant. It is as thin as the razor's edge. Little can be done to alter events in the immediate present. Even if we extend the meaning of the present to mean "this week", the point still remains essentially true. What happens this week is mainly what was already in the cards.

Then what about the future? Here management becomes meaningful. When we reach out to the future, we get into a posture where real control is finally possible. Orientation toward the future puts the human being into a position where he has "leverage" on time. Archimedes said if he had a lever long enough and a place to stand he could raise the earth. By orienting himself toward the future, the manager

can obtain a similar lever on events. What a manager can cause to happen a month ahead is very much more than what he can cause to happen the next week. And with a six-months' lever the manager, typically, can entertain the possibility of real significant control.

The manager — or anyone else — who is aware of his potential leverage on the future can escape from the irreversibility of the past and the limits of the present. He can open up a multiplicity of vistas and a variety of options. He may have, if anything, a surfeit of choices and a dilemma as to which among the many to choose. Professor Herbert A. Shepard of Yale, in personal correspondence with me, summed up the point in a nice aphorism: "The future is as manageable as the past is unmanageable".

An interesting glimpse at what past and future can mean in terms of management options was provided by a mining executive:

> "I'm living with the decisions of my predecessors. Thirty years ago, they decided to mine certain properties and not others. It can take five years to take a mine into production after the decision to produce. We are now going to increase our emphasis on exploration so as to be able to make choices that will not lock the future into no-option situations. I do not want my successors to have the kinds of problems which were bequeathed to me."

Until recently, the general human tendency has been to put more emphasis on the study of the past than on the probing of the future. Libraries overflow with books of history. We require our children to study the ancient past. Our communities delight in setting up "historical societies". Men have devoted entire lives to the career of "historian". But now a competing new academic and practical field of study called "futurism" has come into existence. Futurism is a formal discipline aimed at forecasting, describing and predicting alternative futures, technological, moral, biological, economic, and so on. The options which futurism attempts to reveal may open doors on directions and opportunities for the human race which might otherwise be missed.

Futurism, like history, already has its journals, such as the international publication, *Futures*, and the American publication, *The Futurist*. It has its institutes such as The Hudson Institute and The Institute for the Future in the United States and Futuribles in France. It has its distinguished scholars, men such as Herman Kahn at The Hudson Institute, and Olaf Helmer at The Institute for the Future. Futures research has already produced a variety of published long-range predictions and conjectures. The very distinguished work by Herman Kahn and Anthony J. Weiner, *The Year 2000* (New York: The Macmillan Company, 1967), is an example. Some of the possibilities raised by futurism as a science and as a managerial attitude itself have been examined in works such as Dennis Gabor's intriguing *Inventing the Future* (Penguin Books, 1962).

One of the favourite topics of science fiction, as anyone who watches "Star Trek" knows, is time travel. The idea of travelling back to long-ago times, or into the distant future, excites the imagination. But short voyages back and forward in time do not require science fiction. We can make them any time we care to simply by leaving the sky-scraper city and visiting almost any small town, where earlier customs, social arrangements, beliefs and tempos are seen still to exist. If we wished to travel farther in time, even ten thousand years, we could seek out some sufficiently remote Eskimo tribe in the far Canadian North who still fish, hunt, think, mate and live almost exactly as their ancestors did.

But the point I really wish to make is that time travel into past management eras is equally easy. All one has to do is move from one industry to another or from one company to another. A company can wear 1969 calendars on its walls but still be existing in say the 1920's in concepts and outlook. To say that such a company is "old-fashioned" or "behind the times", is not quite enough. Such a company really lives, exists, in the year 1920 in its very essence and being. The calendar hanging on the office wall can completely falsify the date. Viewed this way, industry and management present a fascinating vista. Probably few companies and managements have yet made the voyage in time, managerially to A.D. 1969. Many exist, relatively speaking, in perhaps A.D. 1945; these would be the companies who are just now acquiring the new insights into business and management discovered in 1945. A few companies might be much farther back in time. It is probably safe to speculate that only the leading few companies synchronize completely with the forward movement of chronological time.

We are all of us time travellers in the sense that we travel down the years on a voyage from life to death. And we have different perceptions of time at different ages in the voyage. When we are young, we have a shorter past and a longer future than when we are older. The meaning of personal existence and identity has *been* written by the older person but remains yet to be written by the younger. Again, for the older person, life appears more transient and time seems to fly by at a faster rate. The increase in rate seems almost exactly proportional to the increase in age; a

day for a 60-year old seems ten times as short as it does to a 6-year old.

Both continuity and change exist over time. Continuity gives rise to the idea that "there is nothing new under the sun". Change gives rise to the idea that nothing is permanent but change itself. Thus we can hear references, on the one hand, to a belief that "human nature never changes" and, on the other hand, to the belief that human nature *does* change, and has changed, over the long time-scale of biological revolution, from hairy-ape to naked-ape. At the very least, we know that the beliefs and thinking habits of men have changed a great deal from primitive times, through medieval times, to modern scientific-industrial times. One product of the change in human mentality that takes place over time, the "Generation Gap", is currently evoking a mix of apprehension and curiosity among to-day's middle-aged managers. The attitudes and behaviour of the present teen and post-teen generation seem often incomprehensible.

The generation gap is not mythical and it is not temporary. Considering the fantastic amount and rate of recent change, it is quite conceivable that today's younger people are really a new psychological breed of man. They could be more different from the middle-aged executive than the latter is from medieval man.

One managerial result of accelerating change is that there are several different psychic generations simultaneously present in the corporate heirarchy at one time. In some companies middle and upper-middle management are a generation in advance of their seniors in their conceptual view of business management. These middle-level managers themselves may be, in turn, considerably behind the firm's twenty-year olds with regard to still other concepts, perhaps particularly those having to do with values and personal philosophies.

To conclude, we have come to a point in management history where the pressures and the dilemmas of time have become unbearable for all too many managers. Yet it has been my thesis that time-problems are surmountable, provided an attack is launched upon them, backed up by appropriate attitudes and ideas. But more important in the larger scheme of things, is the view of time as the basic process and the underlying resource permeating the entire business operation. The management of time is a new frontier which invites exploration, experimentation and action.

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[1]November, 1968, page 148.

[2]*Indiana Management Review*, Spring 1968, pp. 77-85.

Interviewing—an Essential Executive Function

Charles F. Cannell and Robert L. Kahn

THE vice president of the Jefferson Appliance Company is sitting in his office late one afternoon muttering to himself. He is recasting the events of an extremely unsatisfactory day. At 9 o'clock he learned that customer complaints had reached a new high. As if to underline this statistic, an important and long-valued customer called at 10 o'clock to say that unless the delivery schedule became more dependable, he would have to seek an alternative source of supply.

The vice president had decided to let everything else wait until he got to the bottom of this mystery. In order to avoid accusations and recriminations, he had begun by talking separately to each of the three department heads involved—sales, manufacturing, and engineering. Now, as he looks back on these three interviews, it seems to him that each of the men reported only the things that he felt the vice president could hear without drawing any adverse conclusions.

In short, our executive says bitterly: "Everybody covered himself, and I learned very little. Our sales manager lectured me for an hour on the excellent job sales is doing under handicaps. The head of manufacturing came in next and sat there like a deaf-mute for twenty minutes. The chief engineer was too busy defending himself to tell me anything. And yet I've got to have that information. How can I get it?"

The Wires Are Down

What does this situation present, other than a picture of incipient hypertension? It reveals a basic failure of communication, an inability to get the facts needed to solve an important problem. Yet information-getting is an essential part of the executive's job: He must have accurate information as a basis for decisions, and he cannot observe personally everything on which his decisions must depend. Some men, who have tried this, have merely become harried and inefficient, and have gained a reputation for prying and inability to delegate as well. Most executives learn, however, reluctantly, that they must rely upon others for the information they need.

It is an ironic fact of executive life that the higher the man goes in his organization, the

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About the Authors—

Charles F. Cannell and Robert L. Kahn are psychologists who have worked on interviewing techniques for several years. Dr. Cannell was supervisor of student counselors at Ohio State University and later was responsible for devising interviewing techniques for large-scale field surveys conducted by the U.S. Department of Agriculture. He is now Head of the Field Staff at the Survey Research Center and Associate Professor of Psychology in Journalism in this University. Dr. Kahn was formerly head of the Field Division of the U.S. Bureau of the Census and is now a Program Director of the University of Michigan Survey Research Center and Associate Professor of Psychology in this University.

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HOW GOOD AN INTERVIEWER ARE YOU?

What are the rules for conducting a successful executive interview? Score yourself by answering the following true-or-false questions:

	True	False
1. Wording questions in advance interferes with the spontaneity needed for successful executive interviewing.	☐	☐
2. Thinking about what you should have said after an interview is over is probably a neurotic waste of time.	☐	☐
3. If you are doing a good job of supervision, you have no need for special information-getting techniques.	☐	☐
4. A subordinate will give only information that he thinks will please the boss.	☐	☐
5. A subordinate never gets much satisfaction out of being interviewed by the boss.	☐	☐
6. The best way for the boss to get good information from an employee is to talk to him outside the office.	☐	☐
7. An executive learns the most when the employee does not even realize that he is being interviewed.	☐	☐
8. The good interviewer listens well and avoids directing the conversation.	☐	☐
9. The interviewer learns most by sometimes putting the respondent on the defensive.	☐	☐
10. The best way to get information from an employee is to convince him that you are meeting on an equal basis—that you are both just employees of the same firm.	☐	☐

Score yourself on this test by counting one point for each "true" response and zero for each "false" response. The perfect score is zero. In the opinion of the authors, every one of these ten statements is, in fact, incorrect.

more important his decisions become, and the more indirect must his channels of information be. The head of a large company is likely to base his judgments on information three or four times removed from direct operating experience. His role comes to consist largely of information-getting, information-evaluating, and information-giving—and his major activity turns out to be, often to the executive's own surprise, merely talking to people. Let us look at the problem of information-getting from the executive's point of view, and see how he can become a better interviewer of his own subordinates.

Problems of Communication

Why is it difficult for executives to get information? Since we are all communicators by training and experience, why shouldn't an interview be a simple and efficient interaction between an expert sender and an equally expert receiver of messages?

There are many reasons. Some of them are closely tied to the very fact that we *are* so experienced in communicating. We have developed ways of reacting to each other that are intended, not to facilitate the communication process, but to protect us from appearing ridiculous or inadequate. And in most cases we are not content merely to avoid looking inadequate. We want to appear intelligent, thoughtful, and in possession of other assorted virtues. We want to put our best foot forward.

Most of us recognize that pressures are exerted on us through communications from other people. We are urged to join certain organizations, buy certain books, or smoke a particular brand of cigarette. People sometimes communicate in order to beguile us in a direction in which we may not wish to go. To such communication we sometimes reply with omissions and inaccuracies. This is our defense against permitting ourselves to be influenced against our will.

Failure to Listen

Again, through long experience we learn to anticipate what is likely to be said in a conversation. Often, therefore, we don't really listen. We may hear only what we expect to hear, basing our expectations on all sorts of clues—the speaker's voice or manner or dress, for example. We may listen only for the things that fit our purpose, stopping as soon as we have classified the speaker, satisfied our curiosity, or decided what we ourselves are going to say next.

These are the negative consequences of our skill in communication. Each of us comes to recognize that others may communicate with him for a variety of reasons—which may or may not be in harmony with his own purposes. As a result, everyone spends some of his attention and energy trying to code or *evaluate* each message addressed to him in terms of his own needs and the motives of the sender.

The implications for the executive are clear. To become a successful information-getter, he must understand the motives and barriers to communication, and he must become skilled in creating an atmosphere in which the motivational forces to communicate are strong and uncomplicated. In short, he must become capable of handling the dynamics of interviewing.

Barriers to Communication

The major barriers in an interview between an executive and one of his subordinates stem from the executive's powers to reward or to punish. The executive interviewer is burdened with a dual role. He is an information-getter during the period of the interview, but he is also a decision-maker whose actions have direct and important effects on the careers of his subordinates. It is hard for him to shed these attributes of power completely, and it is still harder for the subordinate to ignore them, even for the brief period of the interview.

Another barrier to communication in the executive interview—closely related to fear of direct reprisal—springs from the subordinate's relationship to his own colleagues. He may be willing to speak about himself, but feel that he must parry questions that would require him to put others in a bad light. Executives who are insensitive to such feelings of obligation and allegiance may be puzzled to find, in the midst of an interview, that it has become impossible to get any more information.

A third important barrier to communication in the executive interview is the "psychological distance" between interviewer and respondent. We tend to communicate with people who will understand what we want to say and have some sympathetic appreciation of our viewpoint. When we are talking to a person whom we consider unable to understand and sympathize, we tend to withhold information. Ordinarily, in dealing with people, we judge the extent to which they are within the range of our communication, then decide what must remain unsaid.

Alone in the Executive Suite

It is a truism that presidents of companies are the loneliest men in the world. To a lesser extent, almost all executives have felt the isolating effects of climbing the organizational ladder. They have noted how the informality and frankness of conversations among their subordinates compares with their own stilted and restricted discussions with some of the same men. As a term, "psychological distance" may be new to some executives, but the experience it describes is all too familiar. The executive interviewer must, therefore, prove his understanding and empathic ability. His *job* spells "psychological distance"; his *behavior* must counteract this message, and stimulate the motivation to communicate.

For convenience we can divide the motivation to communicate into two kinds—extrinsic and intrinsic. *Extrinsic* motivation means that the communication is undertaken in order to bring about some result that is considered desirable. The person who initiates the communication may think that the other can himself bring about change or can make some indirect contribution to a desired change. In

either case, extrinsic motivation operates only if the communicator perceives the relevance of the interview to his own goals and interests, and the role of the interviewer in bringing about change.

How do these general conditions for successful interviewing apply to the executive interview? In some respects the executive-interviewer is in a very good position indeed. His subordinate knows that he can take constructive action if he wishes. Moreover, the executive's questions are likely to be most relevant to the subordinate's interests. He and the executive are members of the same organization. They are both dependent on its success, and they share in some degree the specialized knowledge involved in the creation and marketing of the company's products or services. The subordinate may have much to gain by giving the executive a better understanding of his situation.

Sometimes, however, intrinsic motivation is even more important to the subordinate. *Intrinsic* motivation arises from the fact that it is a psychologically rewarding experience to talk with a receptive, understanding person on a topic of mutual interest. In the executive interview, intrinsic motivation can operate only if the subordinate believes that the executive-interviewer has a sympathetic understanding of him and what he has to say. He must see the executive as capable of understanding his point of view, without rejecting him during the interview or punishing him afterwards.

Putting Motivation to Work

How can the executive tap these sources of intrinsic and extrinsic motivation?

Unless a strong personal relationship already exists, he must depend at first on extrinsic motivation. This means that he must make sure the subordinate clearly understands the purposes of the interview and how they relate to his own goals and values, and how the desired information will be used.

Consider the interview situation with which we started: The vice president might have opened the interview as follows: "Come in, Bill, and sit down. I've just heard from Johnson & Company that they haven't been getting deliveries on schedule. Now, as you know, they're among our best customers, and there's no use pretending we don't need their business. If Mr. Johnson placed his order elsewhere we'd be in real trouble. So I'm trying to face the problem of what's to be done.

"I know that we're all working up to capacity, and I'm not suggesting that these delays are anybody's fault. This whole situation is too serious to be worrying about whose fault it is. What we need is to move in and clear up the problem. So I thought I'd talk to you and Joe and Harry, and see if among the four of us we couldn't come up with an answer. After I've had a chance to think over the facts you fellows can give me, the four of us ought to get together and work out a solution. Joe and Harry will be talking primarily from the point of view of engineering and sales, of course, but for the production picture I wanted to talk to you."

This introduction meets the requirements for achieving extrinsic motivation. It makes clear the purpose of the interview and relates it to the subordinate's own goals. It tells how the information will be used. It also reassures the subordinate that he is not being threatened.

Developing Intrinsic Motivation

How to develop intrinsic motivation to communicate is a subtler matter, and one less easily illustrated. It depends on the interviewer's success in conveying his ability to understand and sympathize, his feelings of warmth and responsiveness.

Suppose, after the introductory statement by the vice president, the production manager replies by saying: "Well, I think the main problem is that new die-casting procedure of ours hasn't really shaken down yet. You know conversion from sand-molding to die-casting really calls for a lot of changes and adjustments all along the line." What should the executive-interviewer do next in order to in-

crease the respondent's intrinsic motivation to communicate? Below are two possible rejoinders by the executive, along with the subordinate's probable reaction to each:

Interviewer: Well, let's not blame all our problems on a technical change, Bill. Changes like that one have been made successfully in thousands of plants.

Subordinate: [to himself] The boss won't believe the truth when he hears it. O.K., I'll give him the kind of a story he's looking for. Better watch out, though. Sounds as if he's trying to pin this one on me.

For a more constructive alternative, consider the following:

Interviewer: Well, I can understand those die-casting problems. Changing manufacturing procedures always causes some difficulties. Can you fill me in a little more on the kind of troubles you're having?

Subordinate: [to himself] I guess he's not going to put me on the spot anyway. He seems to have some idea how tough these conversions can be. Maybe I can even get some help.

How do these alternative approaches by the executive-interviewer measure up in the light of our criteria for developing intrinsic motivation? The first approach is openly threatening. It subjects the subordinate to immediate pressure, strongly implying inadequate performance on his part. The second alternative makes no evaluative judgment, either good or bad. Instead, the executive implies that he can understand the subordinate's difficulties and that he is interested in learning more about the nature of the problem. His subordinate concludes that the boss is genuinely interested and can accept the existence of problems without looking for a scapegoat. Because the subordinate does not need to be defensive or prove himself, he can communicate more freely and accurately.

Focusing on Objectives

But free and unguided communication, regardless of its volume, will not meet the needs of the executive. Each interview must have a purpose, and it is the interviewer's responsibility to control the content of the interview accordingly. To do this, he must know in advance what he wants to achieve. He will also need to have well in mind the key questions he wants to ask. This preparation serves the interviewer much as a topical outline or a set of notes serves a man about to make a speech.

But how much preparation is feasible for a busy executive and what form should his preparation take? In most cases, all he must do is to spend a few thoughtful moments jotting down major objectives and noting a few key questions with which to introduce these objectives into the conversation.

The Problem of Bias

Can our executive interviewer now be confident that the information he gets will be accurate and complete? Unfortunately, not quite; he still requires techniques for handling the interaction with the subordinate *after* a key question has been asked. Few subordinates spontaneously give answers that are complete and on target. They are much more likely to wander from the objectives or give only a partial answer. When the interviewer tries to redirect the interview to the objective or to encourage further response, he may unintentionally influence the respondent to withhold or distort information, and thus introduce bias into the interview. The interviewer, therefore, needs skills and insights enabling him to use an informal kind of probing that maintains the motivation to communicate and focuses the respondent's conversation on the objectives of the interview.

Let us look into the office of the executive vice president of a company about to open a new plant. A conversation is in progress between the vice president and one of his assistants, Bill Cranston. Bill is talking:

"Mr. Todd, I really came in to talk to you about something that's pretty important to me. I've been here now for over ten years, as you know, and I want to talk to you about the job of managing that new plant in Southfield.

I want a job with more responsibility, and I feel that that's a job I can really handle."

What the vice president wants to know is how well motivated Bill is to make a go of this job, how well he would work out in the position, and why he wants to manage the Southfield plant.

Alternative Tactics

How should the vice president respond to Bill's statement? Consider several possible responses.

1. "Bill, that job at the new plant is going to take a man who is especially good at working with people, organizing them into a team. I'm convinced that that part of the managerial job is going to be more important than the technical side of the work. How do you feel you stack up on the human relations side?"

2. "Bill, I'm glad you came in to talk with me about that Southfield job. Tell me, what are some of the things that have led you to become interested in it?"

3. "Well, Bill, you're one of the men who might be in line for that job. As a matter of fact, you've done very well in your present assignment, particularly in handling the men under you. And the new job is really going to take a great deal of that kind of human relations skill. Tell me, what is it about that situation that makes it look attractive to you?"

One Way That Works

Any one of these three responses by the executive sounds reasonable, but only the second does an acceptable job. Response No. 1 is inadequate because it tells Cranston that Mr. Todd considers human relations skills the key qualification for the job. Cranston has, in effect, been instructed to emphasize his strengths and aptitudes for this aspect of the work, whether or not he actually possesses them.

No. 2 is a satisfactory response. It is a low-pressure bid for information and offers no clues to the aspects of the work or the candidate aptitudes that are of special interest to the executive. It is also encouraging. The brief expression of pleasure at the conversation contributes to the friendly climate necessary to obtain accurate information. It seems likely that if Mr. Todd continues and builds on this beginning, he will get the information he needs to evaluate his subordinate for the new job.

No. 3 looks good superficially, but it overdoes the job. In an attempt to build up a friendly atmosphere, the vice president appears to commit himself to Bill. Another serious fault in this probe is that it tells the respondent what the appropriate answer should be. While Responses 1 and 3 are very different in the kind of emotional climate which they create, they are almost equally likely to develop biased information because of the cues provided the respondent.

The technique of developing adequate and unbiased information is called "controlled nondirective probing." This technique is "supportive," and so motivates the respondent to report fully and freely; it controls the interaction by focusing it on the objectives, eliminating irrelevant material. Instead of suggesting responses, it leaves the development of the topic to the respondent.

Probing for Information

Controlled nondirective probing is a general approach that cannot be reduced to a number of stock phrases. But it lies at the heart of successful executive interviewing, as the following example will show.

Fred Patterson, a supervisor in the accounting department, has just entered the office of the president of the Blackstone Manufacturing Company. Ordinarily, Patterson does not report directly to the president but to the company controller. Patterson begins the conversation:

Patterson: Mr. Smith, I wanted to talk with you about my job . . .

Smith: Fine Fred, I'll be glad to talk with you. What did you have in mind?

Patterson: Well, what I really wanted to talk about was the possibilities of promotion.

I've been with the company a long while, you know, and on my present job for some time.

Smith: Um-hum.

Patterson: As a matter of fact, I figured that I was due for a promotion before . . . well . . . before now. [Pause]

Smith: I see. Fred, can you tell me a little more about that?

Patterson: Well, a couple years ago when John Green left I thought I was going to get his job.

Smith: I see.

Patterson: But I didn't . . .

Smith: [Waits attentively]

Patterson: [continuing] . . . and then when this new accounting opening came up, I thought for sure I'd get it.

Smith: Um-hum.

Patterson: And the first thing I know, Bill Johnston got the job instead.

Smith: Well, I can see how this would bother you, Fred.

Patterson: Yeah, it sure did. When Bill's appointment was announced, I really got mad!

Smith: I can understand that, Fred.

Patterson: I'm beginning to think I don't understand what's going on around here.

Smith: And how *do* you see it, Fred?

Patterson: Well, frankly it looks to me as if someone has it in for me.

Smith: How do you mean?

Patterson: Well, two jobs that I was in line for went to someone else and I know I could have handled either of them.

The Probe Continues

Up to this point the interview has proceeded quite satisfactorily. From a noncommittal beginning the president has been able to develop an impression of some of the things that are bothering Patterson. This has been done primarily by reliance on three unbiased probing devices—(1) the skillful use of pauses, (2) the use of short phrases of assent or understanding; and, (3) where necessary, simple requests for additional information. Toward the end of the interchange, however, the subordinate has hinted at material that appears to be too sensitive for him to talk about it freely. He has said that "someone has it in" for him, but he has not followed up this lead.

Mr. Smith now faces the problem of getting Patterson to speak more frankly about who or what he believes is blocking his advancement in the company. This will require a more potent probing device. The president's behavior so far has been so supportive and non-threatening that he now feels he can afford the risk of going rather directly for the information required. Let's see how he does it.

Smith: It looks to you as though someone were standing in your way?

Patterson: It sure does. I know I'm as good as either of those other two fellows, but I'm not sure that everyone agrees.

Smith: You feel that someone has questions about you then?

Patterson: Well . . . You know, I've tried to talk to my boss about this, but I just don't seem to get anywhere with him. Several times I've tried to get information from him and I just don't get any place.

Smith: You're wondering how he feels?

Patterson: Yeah, I think my own boss may be the one that's blocking me.

Smith: I can see that this would really bother you.

Patterson: It does, and I'm wondering whether I ought to look for another job if I'm not going to get anywhere around here. I just don't know where I stand.

Smith: And finding out how *I* feel about you would help?

Patterson: It would help a lot. I really need to know what my chances are. There's no use just doing the same job if I'm not going to get anywhere.

In this part of the interview the president's probes consist mainly of summarizing or reflecting the feeling that the subordinate is expressing. This is a powerful technique for stimulating further communication. The summaries used by Mr. Smith in the previous example are noncritical; they do not evaluate or judge Patterson. The effect of this neutrality is to free the subordinate from fear of reprisal or criticism. He feels no need to hide information or to cover up. This is the essence of a supportive atmosphere.

Summarizing or reflecting the expressed feeling serves another purpose: It demonstrates to the subordinate that he is communicating successfully, that he is being understood. Therefore, it stimulates further communication. Finally, it fulfills the requirement of objectivity, or lack of bias. Since it merely reflects what the subordinate has said, it doesn't suggest responses or lead the respondent to talk about particular topics.

The Prime Requirements for Successful Interviewing

In all this, two prime requirements for successful interviewing have emerged. First, the superior must be motivated to communicate to his superior. Second, the superior must focus the content of the communication on the specific objectives of the interview. Each of his questions or probes should contribute to meeting both these requirements.

Unfortunately, nobody acquires interviewing skills from reading an article. Like the neophyte golfer who has faithfully memorized Ben Hogan's instructions and diagrams, the executive-interviewer will find that playing the interviewing game is both more difficult and more satisfying than reading about it. But the executive who acquires the techniques of interviewing will discover that he has acquired a management tool of the utmost value.

LISTENING to PEOPLE

By Ralph G. Nichols
and Leonard A. Stevens

Recently the top executives of a major manufacturing plant in the Chicago area were asked to survey the role that listening plays in their work. Later, an executive seminar on listening was held. Here are three typical comments made by participants:

- "Frankly, I had never thought of listening as an important subject by itself. But now that I am aware of it, I think that perhaps 80% of my work depends on my listening to someone, or on someone else listening to me."

- "I've been thinking back about things that have gone wrong over the past couple of years, and I suddenly realized that many of the troubles have resulted from someone not hearing something, or getting it in a distorted way."

- "It's interesting to me that we have considered so many facets of communication in the company, but have inadvertently overlooked listening. I've about decided that it's the most important link in the company's communications, and it's obviously also the weakest one."

These comments reflect part of an awakening that is taking place in a number of management circles. Business is tied together by its systems of communication. This communication, businessmen are discovering, depends more on the spoken word than it does on the written word; and the effectiveness of the spoken word hinges not so much on how people talk as on how they listen.

The Unused Potential

It can be stated, with practically no qualification, that people in general do not know how to listen. They have ears that hear very well, but seldom have they acquired the necessary aural skills which would allow those ears to be used effectively for what is called *listening*.

For several years we have been testing the ability of people to understand and remember what they hear. At the University of Minnesota we examined the listening ability of several thousand students and of hundreds of business and professional people. In each case the person tested listened to short talks by faculty members and was examined for his grasp of the content.

These extensive tests led us to this general conclusion: immediately after the average person has listened to someone talk, he remembers only about half of what he has heard — no matter how carefully he thought he was listening.

What happens as time passes? Our own testing shows — and it has been substantiated by reports of research at Florida State University and Michigan State University [1] — that two months after listening to a talk, the average

AUTHORS' NOTE: The material for this article comes from our forthcoming book, *Are You Listening?* (New York, McGraw-Hill Book Company, Inc., scheduled for publication September, 1957).

[1] See E. J. J. Kramar and Thomas R. Lewis, "Comparison of Visual and Nonvisual Listening," *Journal of Communication*, November 1951, p. 16; and Arthur W. Heilman, "An Investigation in Measuring and Improving Listening Ability of College Freshmen," *Speech Monographs*, November 1951, p. 308.

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listener will remember only about 25% of what was said. In fact, after we have barely learned something, we tend to forget from one-half to one-third of it *within eight hours*; it is startling to realize that frequently we forget more in this first short interval than we do in the next six months.

Gap in Training

Behind this widespread inability to listen lies, in our opinion, a major oversight in our system of classroom instruction. We have focused attention on reading, considering it the primary medium by which we learn, and we have practically forgotten the art of listening. About six years are devoted to formal reading instruction in our school systems. Little emphasis is placed on speaking, and almost no attention has been given to the skill of listening, strange as this may be in view of the fact that so much lecturing is done in college. Listening training — if it could be called training — has often consisted merely of a series of admonitions extending from the first grade through college: "Pay attention!" "Now get this!" "Open your ears!" "Listen!"

Certainly our teachers feel the need for good listening. Why then have so many years passed without educators developing formal methods of teaching students to listen? We have been faced with several false assumptions which have blocked the teaching of listening. For example:

(1) We have assumed that listening ability depends largely on intelligence, that "bright" people listen well, and "dull" ones poorly. There is no denying that low intelligence has something to do with inability to listen, but we have greatly exaggerated its importance. A poor listener is not necessarily an unintelligent person. To be good listeners we must apply certain skills that are acquired through either experience or training. If a person has not acquired these listening skills, his ability to understand and retain what he hears will be low. This can happen to people with both high and low levels of intelligence.

(2) We have assumed that learning to read will automatically teach one to listen. While some of the skills attained through reading apply to listening, the assumption is far from completely valid. Listening is a different activity from reading and requires different skills. Research has shown that reading and listening skills do not improve at the same rate when only reading is taught.

This means that in our schools, where little attention is paid to the aural element of communication, reading ability is continually upgraded while listening ability, left to falter along on its own, actually degenerates. As a fair reader and a bad listener, the typical student is graduated into a society where the chances are high that he will have to listen about three times as much as he reads.

The barriers to listening training that have been built up by such false assumptions are coming down. Educators are realizing that listening is a skill that can be taught. In Nashville, for example, the public school system has started training in listening from elementary grades through high school. Listening is also taught in the Phoenix school system, in Cincinnati, and throughout the state of North Dakota. About two dozen major universities and colleges in the country now provide courses in listening.

At the University of Minnesota we have been presenting a course in listening to a large segment of the freshman class. Each group of students that has taken listening training has improved at least 25% in ability to understand the spoken word. Some of the groups have improved as much as 40%. We have also given a course in listening for adult education classes made up mostly of business and professional people. These people have made some of the highest gains in listening ability of any that we have seen. During one period, 60 men and women nearly doubled their listening test scores after working together on this skill one night a week for 17 weeks.

Ways to Improvement

Any course or any effort that will lead to listening improvement should do two things:

1. Build awareness to factors that affect listening ability.
2. Build the kind of aural experience that can produce good listening habits.

At least a start on the first of these two educational elements can be made by readers of this article; a certain degree of awareness is developed by merely discussing factors that affect listening ability. Later we shall discuss some steps that might be taken in order to work at the second element.

Tracks & Sidetracks

In general, people feel that concentration while listening is a greater problem than con-

centration during any other form of personal communication. Actually, listening concentration *is* more difficult. When we listen, concentration must be achieved despite a factor that is peculiar to aural communication, one of which few people are aware.

Basically, the problem is caused by the fact that we think much faster than we talk. The average rate of speech for most Americans is around 125 words per minute. This rate is slow going for the human brain, which is made up of more than 13 billion cells and operates in such a complicated but efficient manner that it makes the great, modern digital computers seem slow-witted. People who study the brain are not in complete agreement on how it functions when we think, but most psychologists believe that the basic medium of thought is language. Certainly words play a large part in our thinking processes, and the words race through our brains at speeds much higher than 125 words per minute. This means that, when we listen, we ask our brain to receive words at an extremely slow pace compared with its capabilities.

It might seem logical to slow down our thinking when we listen so as to coincide with the 125-word-per-minute speech rate, but slowing down thought processes seems to be a very difficult thing to do. When we listen, therefore, we continue thinking at high speed while the spoken words arrive at low speed. In the act of listening, the differential between thinking and speaking rates means that our brain works with hundreds of words in addition to those that we hear, assembling thoughts other than those spoken to us. To phrase it another way, we can listen and still have some spare time for thinking.

The use, or misuse, of this spare thinking time holds the answer to how well a person can concentrate on the spoken word.

Case of the Disenchanted Listener. In our studies at the University of Minnesota, we find most people do not use their spare thinking time wisely as they listen. Let us illustrate how this happens by describing a familiar experience:

A, the boss, is talking to B, the subordinate, about a new program that the firm is planning to launch. B is a poor listener. In this instance, he tries to listen well, but he has difficulty concentrating on what A has to say.

A starts talking and B launches into the listening process, grasping every word and phrase that comes into his ears. But right away B finds that, because of A's slow rate of speech, he has time to think of things other than the spoken line of thought. Subconsciously, B decides to sandwich a few thoughts of his own into the aural ones that are arriving so slowly. So B quickly dashes out onto a mental sidetrack and thinks something like this: "Oh, yes, before I leave I want to tell A about the big success of the meeting I called yesterday." Then B comes back to A's spoken line of thought and listens for a few more words.

There is plenty of time for B to do just what he has done, dash away from what he hears and then return quickly, and he continues taking sidetracks to his own private thoughts. Indeed, he can hardly avoid doing this because over the years the process has become a strong aural habit of his.

But, sooner or later, on one of the mental sidetracks, B is almost sure to stay away too long. When he returns, A is moving along ahead of him. At this point it becomes harder for B to understand A, simply because B has missed part of the oral message. The private mental sidetracks become more inviting than ever, and B slides off onto several of them. Slowly he misses more and more of what A has to say.

When A is through talking, it is safe to say that B will have received and understood less than half of what was spoken to him.

Rules for Good Reception

A major task in helping people to listen better is teaching them to use their spare thinking time efficiently as they listen. What does "efficiently" mean? To answer this question, we made an extensive study of people's listening habits, especially trying to discover what happens when people listen well.

We found that good listeners regularly engage in four mental activities, each geared to the oral discourse and taking place concurrently with that oral discourse. All four of these mental activities are neatly coordinated when listening works at its best. They tend to direct a maximum amount of thought to the message being received, leaving a minimum amount of time for mental excursions on sidetracks leading away from the talker's thought. Here are the four processes:

(1) The listener thinks ahead of the talker, trying to anticipate what the oral discourse is leading to and what conclusions will be drawn from the words spoken at the moment.

(2) The listener weighs the evidence used by the talker to support the points that he makes. "Is this evidence valid?" the listener asks himself. "Is it the complete evidence?"

(3) Periodically the listener reviews and mentally summarizes the points of the talk completed thus far.

(4) Throughout the talk, the listener "listens between the lines" in search of meaning that is not necessarily put into spoken words. He pays attention to nonverbal communication (facial expressions, gestures, tone of voice) to see if it adds meaning to the spoken words. He asks himself, "Is the talker purposely skirting some area of the subject? Why is he doing so?"

The speed at which we think compared to that at which people talk allows plenty of time to accomplish these four mental tasks when we listen; however, they do require practice before they can become part of the mental agility that makes for good listening. In our training courses we have devised aural exercises designed to give people this practice and thereby build up good habits of aural concentration.

Listening for Ideas

Another factor that affects listening ability concerns the reconstruction of orally communicated thoughts once they have been received by the listener. To illustrate:

The newspapers reported not too long ago that a church was torn down in Europe and shipped stone by stone to America, where it was reassembled in its original form. The moving of the church is analogous to what happens when a person speaks and is understood by a listener. The talker has a thought. To transmit his thought, he takes it apart by putting it into words. The words, sent through the air to the listener, must then be mentally reassembled into the original thought if they are to be thoroughly understood. But most people do not know what to listen *for*, and so cannot reconstruct the thought.

For some reason many people take great pride in being able to say that above all they try to "get the facts" when they listen. It seems logical enough to do so. If a person gets all the facts, he should certainly understand what is said to him. Therefore, many people try to memorize every single fact that is spoken. With such practice at "getting the facts," the listener, we can safely assume, will develop a serious bad listening habit.

Memorizing facts is, to begin with, a virtual impossibility for most people in the listening situation. As one fact is being memorized, the whole, or part, of the next fact is almost certain to be missed. When he is doing his very best, the listener is likely to catch only a few facts, garble many others, and completely miss the remainder. Even in the case of people who *can* aurally assimilate all the facts that they hear, one at a time as they hear them, listening is still likely to be at a low level; they are concerned with the pieces of what they hear and tend to miss the broad areas of the spoken communication.

When people talk, they want listeners to understand their *ideas*. The facts are useful chiefly for constructing the ideas. Grasping ideas, we have found, is the skill on which the good listener concentrates. He remembers facts only long enough to understand the ideas that are built from them. But then, almost miraculously, grasping an idea will help the listener to remember the supporting facts more effectively than does the person who goes after facts alone. This listening skill is one which definitely can be taught, one in which people can build experience leading toward improved aural communication.

Emotional Filters

In different degrees and in many different ways, listening ability is affected by our emotions.[2] Figuratively we reach up and mentally turn off what we do not want to hear. Or, on the other hand, when someone says what we especially want to hear, we open our ears wide, accepting everything — truths, half-truths, or fiction. We might say, then, that our emotions act as aural filters. At times they in effect cause deafness, and at other times they make listening altogether too easy.

If we hear something that opposes our most deeply rooted prejudices, notions, convictions, mores, or complexes, our brains may become overstimulated, and not in a direction that leads to good listening. We mentally plan a rebuttal to what we hear, formulate a question designed to embarrass the talker, or perhaps simply turn to thoughts that support our own feelings on the subject at hand. For example:

The firm's accountant goes to the general manager and says: "I have just heard from the Bureau of Internal Revenue, and . . . ." The general manager suddenly breathes harder as he thinks, "That blasted bureau! Can't they leave me alone? Every year the government milks my profits to a point where . . . ." Red in the face, he whirls

[2] See Wendell Johnson, "The Fateful Process of Mr. A Talking to Mr. B," HBR January–February 1953, p. 49.

and stares out the window. The label "Bureau of Internal Revenue" cuts loose emotions that stop the general manager's listening.

In the meantime, the accountant may go on to say that here is a chance to save $3,000 this year if the general manager will take a few simple steps. The fuming general manager may hear this — if the accountant presses hard enough — but the chances are he will fail to comprehend it.

When emotions make listening too easy, it usually results from hearing something which supports the deeply rooted inner feelings that we hold. When we hear such support, our mental barriers are dropped and everything is welcomed. We ask few questions about what we hear; our critical faculties are put out of commission by our emotions. Thinking drops to a minimum because we are hearing thoughts that we have harbored for years in support of our inner feelings. It is good to hear someone else think those thoughts, so we lazily enjoy the whole experience.

What can we do about these emotional filters? The solution is not easy in practice, although it can be summed up in this simple admonition: *hear the man out.* Following are two pointers that often help in training people to do this:

(1) *Withhold evaluation* — This is one of the most important principles of learning, especially learning through the ear. It requires self-control, sometimes more than many of us can muster, but with persistent practice it can be turned into a valuable habit. While listening, the main object is to comprehend each point made by the talker. Judgments and decisions should be reserved until after the talker has finished. At that time, and only then, review his main ideas and assess them.

(2) *Hunt for negative evidence* — When we listen, it is human to go on a militant search for evidence which proves us right in what we believe. Seldom do we make a search for evidence to prove ourselves wrong. The latter type of effort is not easy, for behind its application must lie a generous spirit and real breadth of outlook. However, an important part of listening comprehension is found in the search for negative evidence in what we hear. If we make up our minds to seek out the ideas that might prove us wrong, as well as those that might prove us right, we are less in danger of missing what people have to say.

Benefits in Business

The improvement of listening, or simply an effort to make people aware of how important their listening ability is, can be of great value in today's business. When people in business fail to hear and understand each other, the results can be costly. Such things as numbers, dates, places, and names are especially easy to confuse, but the most straightforward agreements are often subjects of listening errors, too. When these mistakes are compounded, the resulting cost and inefficiency in business communication become serious. Building awareness of the importance of listening among employees can eliminate a large percentage of this type of aural error.

What are some of the specific problems which better listening can help solve?

Less Paper Work

For one thing, it leads to economy of communication. Incidents created by poor listening frequently give businessmen a real fear of oral communication. As a result, they insist that more and more communication should be put into writing. A great deal of communication needs to be on the record, but the pressure to write is often carried too far. The smallest detail becomes "memoed." Paper work piles higher and higher and causes part of the tangle we call red tape. Many times less writing and more speaking would be advisable — *if* we could plan on good listening.

Writing and reading are much slower communication elements than speaking and listening. They require more personnel, more equipment, and more space than do speaking and listening. Often a stenographer and a messenger are needed, to say nothing of dictating machines, typewriters, and other writing materials. Few people ever feel it is safe to throw away a written communication; so filing equipment is needed, along with someone to do the filing.

In oral communication there are more human senses at work than in the visual; and if there is good listening, more can often be communicated in one message. And, perhaps most important of all, there is the give-and-take feature of oral communication. If the listener does not understand a message, he has the opportunity to straighten matters out then and there.

Upward Communication

The skill of listening becomes extremely important when we talk about "upward communication." There are many avenues through which management can send messages down-

ward through a business organization, but there are few avenues for movement of information in the upward direction. Perhaps the most obvious of the upward avenues is the human chain of people talking to people: the man working at the bench talks to his foreman, the foreman to his superintendent, the superintendent to his boss; and, relayed from person to person, the information eventually reaches the top.

This communication chain has potential, but it seldom works well because it is full of bad listeners. There can be failure for at least three reasons:

- Without good listeners, people do not talk freely and the flow of communication is seldom set in motion.
- If the flow should start, only one bad listener is needed to stop its movement toward the top.
- Even if the flow should continue to the top, the messages are likely to be badly distorted along the way.

It would be absurd to assume that these upward communication lines could be made to operate without hitches, but there is no reason to think that they cannot be improved by better listening. But the first steps must be taken by top management people. More and better listening on their part can prime the pumps that start the upward flow of information.

Human Relations

People in all phases of business need to feel free to talk to their superiors and to know they will be met with sympathetic understanding. But too many superiors — although they announce that their doors are always open — fail to listen; and their subordinates, in the face of this failure, do not feel free to say what they want to say. As a result, subordinates withdraw from their superiors more and more. They fail to talk about important problems that should be aired for both parties' benefit. When such problems remain unaired, they often turn into unrealistic monsters that come back to plague the superior who failed to listen.

The remedy for this sort of aural failure — and it should be applied when subordinates feel the need to talk — is what we have called "nondirective listening." The listener hears, really tries to understand, and later shows understanding by taking action if it is required. Above all, during an oral discourse, the listener refrains from firing his own thoughts back at the person talking or from indicating his displeasure or disapproval by his mannerisms or gestures; he speaks up only to ask for clarification of a point.

Since the listener stands the chance of hearing that his most dearly held notions and ideas may be wrong, this is not an easy thing to do. To listen nondirectively without fighting back requires more courage than most of us can muster. But when nondirective listening can be applied, the results are usually worth the effort. The persons talking have a chance to unburden themselves. Equally important, the odds are better that the listener can counsel or act effectively when the time comes to make a move.

Listening is only one phase of human relations, only one aspect of the administrator's job; by itself it will solve no major problems. Yet the past experience of many executives and organizations leaves no doubt, in our opinion, that better listening can lead to a reduction of the human frictions which beset many businesses today.

Listening to Sell

High-pressure salesmanship is rapidly giving way to low-pressure methods in the marketing of industrial and consumer goods. Today's successful salesman is likely to center his attention on the customer-problem approach of selling.

To put this approach to work, the skill of listening becomes an essential tool for the salesman, while his vocal agility becomes less important. *How* a salesman talks turns out to be relatively unimportant because *what* he says, when it is guided by his listening, gives power to the spoken word. In other words, the salesman's listening becomes an on-the-spot form of customer research that can immediately be put to work in formulating any sales talk.

Regardless of the values that listening may hold for people who live by selling, a great many sales organizations seem to hold to the conviction that glibness has magic. Their efforts at improvement are aimed mainly at the talking side of salesmanship. It is our conviction, however, that with the typical salesman the ability to talk will almost take care of itself, but the ability to listen is something in real need of improvement.

In Conference

The most important affairs in business are conducted around conference tables. A great deal has been said and written about how to talk

at a conference, how to compromise, how to get problem-centered, and how to cope with certain types of individuals. All these things can be very important, but too frequently the experts forget to say, "First and foremost you must learn to listen at a conference."

The reason for this is simple when we think of the basic purpose for holding almost any conference. People get together to contribute their different viewpoints, knowledge, and experience to members of the group, which then seeks the best of all the conferees' thinking to solve a common problem. If there is far more talking than listening at a conference, however, the oral contributions made to the group are hardly worth the breath required to produce them.

More and better listening at any conference is certain to facilitate the exchange of ideas so important to the success of a meeting. It also offers many other advantages; for example, when participants do a good job of listening, their conference is more likely to remain centered on the problem at hand and less likely to go off on irrelevant tangents.

The first steps toward improved conference listening can be taken by the group leader. If he will simply make an opening statement calling attention to the importance of listening, he is very likely to increase the participants' aural response. And if the leader himself does a good job of listening, he stands the chance of being imitated by the others in his group.

Conclusion

Some businessmen may want to take steps to develop a listening improvement program in their companies. Here are 14 suggestions designed to carry on what we hope this article has already started to do — build awareness of listening.

(1) Devote an executive seminar, or seminars, to a discussion of the roles and functions of listening as a business tool.

(2) Use the filmed cases now becoming available for management training programs.[3] Since these cases present the problem as it would appear in reality, viewers are forced to practice good listening habits in order to be sure of what is going on — and this includes not only hearing the sound track but also watching the facial mannerisms, gestures, and motions of the actors.

[3] See George W. Gibson, "The Filmed Case in Management Training," HBR May-June 1957, p. 123.

(3) If possible, bring in qualified speakers and ask them to discuss listening with special reference to how it might apply to business. Such speakers are available at a number of universities where listening is being taught as a part of communication training.

(4) Conduct a self-inventory by the employees regarding their listening on the job. Provide everyone with a simple form divided into spaces for each hour of the day. Each space should be further divided to allow the user to keep track of the amount of time spent in reading, writing, speaking, and listening. Discuss the results of these forms after the communication times have been totaled. What percentage of the time do people spend listening? What might improved listening mean in terms of job effectiveness?

(5) Give a test in listening ability to people and show them the scores that they make. There is at least one standardized test for this purpose.[4] Discuss the meaning of the scores with the individuals tested.

(6) Build up a library of spoken-word records of literature, speeches, and so forth (many can be purchased through record stores), and make them available in a room that has a record player. Also, lend the records to employees who might wish to take them home to enjoy them at their leisure. For such a library, material pertinent to the employees' jobs might be recorded so that those who are interested can listen for educational purposes.

(7) Record a number of actual briefing sessions that may be held by plant superintendents or others. When new people go to work for the company, ask them to listen to these sessions as part of their initial training. Check their comprehension of what they hear by means of brief objective tests. Emphasize that this is being done because listening is important on the new jobs.

(8) Set up role-playing situations wherein executives are asked to cope with complaints comparable to those that they might hear from subordinates. Ask observers to comment on how well an executive seems to listen. Do his remarks reflect a good job of listening? Does he keep himself from becoming emotionally involved in what the subordinate says? Does the executive listen in a way which would encourage the subordinate to talk freely?

(9) Ask salesmen to divide a notebook into sections, one for each customer. After making a call, a salesman should write down all useful information received aurally from the customer. As

[4] Brown-Carlsen Listening Comprehension Test (Yonkers-on-Hudson, World Book Company).

the information grows, he should refer to it before each return visit to a customer.

(10) Where a sales organization has a number of friendly customers, invite some of the more articulate ones to join salesmen in a group discussion of sales techniques. How do the customers feel about talking and listening on the part of salesmen? Try to get the customers to make listening critiques of salesmen they encounter.

(11) In a training session, plan and hold a conference on a selected problem and tape-record it. Afterwards, play back the recording. Discuss it in terms of listening. Do the oral contributions of different participants reflect good listening? If the conference should go off the track, try to analyze the causes in terms of listening.

(12) If there is time after a regularly scheduled conference, hold a listening critique. Ask each member to evaluate the listening attention that he received while talking and to report his analysis of his own listening performance.

(13) In important management meetings on controversial issues try Irving J. Lee's "Procedure for 'Coercing' Agreement." [5] Under the ground rules for this procedure, which Lee outlined in detail in his article, the chairman calls for a period during which proponents of a hotly debated view can state their position without interruption; the opposition is limited to (a) the asking of questions for clarification, (b) requests for information concerning the peculiar characteristics of the proposal being considered; and (c) requests for information as to whether it is possible to check the speaker's assumptions or predictions.

(14) Sponsor a series of lectures for employees, their families, and their friends. The lectures might be on any number of interesting topics that have educational value as well as entertainment features. Point out that these lectures are available as part of a listening improvement program.

Not all of these suggestions are applicable to every situation, of course. Each firm will have to adapt them to its own particular needs. The most important thing, however, may not be what happens when a specific suggestion is followed, but rather simply what happens when people become aware of the problem of listening and of what improved aural skills can do for their jobs and their businesses.

[5] HBR January-February 1954, p. 39.

Application to health, social welfare, and family planning

Despite the fact that they were written primarily for executives in industrial and commercial (profit-oriented) organizations, all of the articles reproduced above are worthy of careful study by health, social welfare, and family planning administrators. The qualifications which a good manager should possess, as stated in these articles, are fully applicable to not-for-profit enterprises. For example, each reader should consider which of the four "styles" of management (realist, idealist, opportunist, reconciler) discussed in the first reading is most needed in his work, and how adequately and consistently he is following the appropriate style.

Questions for discussion and exercises

1. Which of the four styles of management (realist, idealist, opportunist, or reconciler) do you think is most appropriate for a personnel manager of a large health, social welfare, or family planning organization? Explain your choice.

2. In the past, executives for health, social welfare, and family planning have tended to be important people from other areas of work, such as medicine, law, or business. The experience of coming up through the ranks, and thereby knowing in some detail the work of each department, is often lacking. Do you think a policy should be adopted of grooming younger men who have chosen health, social welfare, or family planning as a career to become future managers, or do you think the past procedures should be continued?

3. Discuss point by point how the materials in the article "Listening to People" are applicable to (a) the personnel office of a health, social welfare, or family planning organization, (b) the heads of the various departments, and (c) the executive director.

4. Get permission to investigate how the executive director of a health, social welfare, or family planning organization actually spends his time. Keep records of his activities for one week of three successive months. Meanwhile, study his job and work out suggestions for better use of his time.

5. The readings in this chapter certainly do not exhaust all of the possible topics that could have been listed. Try your hand at writing an essay on, "Some Self-Improvement Tips for Executives and Managers of White-Collar Workers," incorporating summaries of items mentioned in the readings and adding additional ones you think are important.