DEVELOPING
EXECUTIVE SKILLS

NEW PATTERNS FOR
MANAGEMENT GROWTH

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In a free society like our own, each member is encouraged and, in fact, expected to develop to his fullest potential in character, capacity, and achievement. This means that the worth of our various institutions—the home, the church, our businesses and industries—can be measured by the degree to which they provide opportunity for the growth of men and women.

American management's contribution to this process is the furnishing of goods and services in such a way that, over and above satisfying those who consume the goods or use the services, it offers those who produce them a sense of accomplishment. In other words, management works through people. And, if management consists of working through people, the more they do and the better they do it, the more effective that management will be. Management, in short, is the development of people.

At the same time, it is a fact that men and women cannot be "developed" by external pressures and influences; they can only be led to develop themselves. They do this, not by concentration on themselves, but by absorption in a task—and a challenge—that calls forth their best effort. Motivated by a management which encourages participation in all phases of the job, including planning, and which offers all qualified employees full opportunity for development, they turn naturally to the various training aids and programs available.

This concept is as old as scientific management itself. The pioneers of the movement stressed new and better methods of operation, but men like Frederick Winslow Taylor were no less insistent that the heart of the manager's task is to choose personnel carefully and give them the necessary stimulus, training, and chance of promotion.
Frank and Lillian Gilbreth, too, emphasized the need for attracting desirable people to the company and holding their interest and loyalty by seeing that they are ready for advancement when the opportunity arises. The plan they suggested as early as 1916 included a “man in charge of promotion,” a “master promotion chart,” “individual promotion charts” (“fortune sheets”), and regular meetings between the promotion man and the worker—all recognizable as standard features of development programs today.

It was, of course, the professionalization of management, coupled with the need for new leadership as companies outgrew one-man or family control, that brought about the application of this concept at higher and higher levels. In the 1920’s AMA meetings already were investigating the identification and development of executive potential. But it remained for World War II, with its unprecedented demands on industry, to bring home the shortage of management manpower. And when—far from producing a depression—the postwar era saw business activity expanding still further, competition for managerial talent reached crisis proportions and “management development” suddenly was a magic phrase. Even those firms that had heretofore given only lip service to development responsibilities, and to promotion from within, set up programs and whole departments aimed at correcting newly recognized weaknesses.

Management development, that is to say, is a postwar phenomenon—at least in the sense of a more or less formalized plan. It is questionable just how many companies are involved; a 1954-1955 survey of AMA member firms, which possibly are more progressive than industry as a whole, showed 54 per cent with formal programs and an additional 21 per cent that disclaimed programs but reported assigning a member of the organization to guide development efforts. It is clear, however, that the great majority of company programs are relatively new: over 80 per cent of this sampling was no more than 10 years old, over 60 per cent no more than 5.

This upsurge of interest and activity may be traced in the record of the American Management Association. Take, for example, the single year 1952. In March, the Board of Directors formally approved the request of The Fund for Adult Education that it undertake the important study of “Management Education for Itself and Its Employees” directed by Lyndall F. Urwick of Great Britain. In April, the Management Personnel Development Research Com-
committee was established to provide a solid foundation and a series of guideposts for continuing progress. Finally, in midsummer, came *The Development of Executive Talent*, a pioneering volume which met the need for a definitive handbook in the field and was to be twice reprinted within a 10-month period.

The next few years kept pace. Col. Urwick and his group published their findings in an extended four-part report; top company executives weighed problems of selection and development for AMA's audiences; and experts evaluated trends in its periodicals. An AMA Research Report—*Current Practice in the Development of Management Personnel*—provided fresh data; and in 1957 the two-volume, 900-page *Selection of Management Personnel* appeared as a companion to the highly successful *Development of Executive Talent*.

By this time a change, a shift in emphasis, was apparent. Since the war the spotlight had focused on *methods*, on the formal development program as such. Yet often, for all the proliferation of company plans, those responsible were frankly dissatisfied with the results. Still convinced of the basic needs involved, and the benefits to be had from management development, they asked themselves just why it sometimes fell short of the mark. Were too many programs being attempted with too little thought and planning, perhaps simply to be in the swim, to be doing what others were doing? Was management development in danger of becoming a fad and giving way to the next new "frill" after a fad's brief existence?

Thoughtful practitioners and observers began more and more to cite the dangers of "packaged" programs and the one-time, one-shot approach. "A management development program," warned one company coordinator, "does not automatically produce the result of identifying management talent. Concentration on program rather than result to be obtained may cause the whole endeavor to deteriorate." Urging a general re-evaluation of needs and methods alike, these spokesmen for management development stressed the *individual* rather than the across-the-board approach; formal training as a supplement, not a substitute, for on-the-job coaching.

Approached in this way, management development is not so much a program as a state of mind, a way of life. It presupposes acceptance of the principle that developing one's subordinates is a fundamental responsibility in any management job. It requires particularly the
conviction and encouragement of top management, but is dependent as well on the wholehearted participation of all management echelons, for management development has no value except as the men concerned respond through improved performance.

In the light of today's changed emphasis, the editors recently decided to review *The Development of Executive Talent*. Out of this review has come what is essentially a new book, which includes certain basic chapters from the previous volume but adds to them a large amount of material from more recent AMA sources. In addition, the subject matter has been recast in a fresh and more convenient form. The resulting volume will, it is hoped, reflect the best current thinking on management development and bring the log of company experience up to date.

—Lawrence A. Appley  
President  
*American Management Association*
Acknowledgments

The American Management Association, basing its publications program—and, indeed, its full range of activities—on the exchange of information between managements and between managers, is continually indebted to those members and friends who contribute so generously to the common pool of experience. This book is of course no exception: It would not have been possible without willing, competent assistance from the many sources represented.

The editors owe much, first of all, to the authors listed on pages 5-8. All have busy schedules; yet all took time out to update individual chapters, reporting on this program or that project and weighing—out of mature experience—the present values and probable future benefits of planned management development.

Among AMA staff, particular credit belongs to Theodore B. Dolmatch, Business Manager, Publications and Films, for advice and assistance throughout the planning and production stages of the work. In addition, the following members of the Editorial Department shared the load of copyediting, manuscript typing, and proofreading: Joan K. Harrell, J. G. Samoylenko, Beverly G. Vener, and Helen Rougon. To them and to all the others who helped to make the finished book a reality, many thanks.

—H. F. M.
E. M.
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PART ONE

Essentials of Management Development
Introduction: Does Management Development Develop Managers?

What is a manager? How does a manager manage? These are questions that must be answered in detail before we can undertake to develop managers. We cannot arrive at a satisfactory answer by saying that management is leadership, or supervision, or that a manager is anybody who gets results through others. If we are to make this phenomenon we call "management development" actually result in the development of managers, we must determine what work we expect managers to perform in managing, and focus our efforts on the development and improvement of these skills. Only in this way can we educate and train professional managers as we do physicians, lawyers, and engineers.

What Is a Manager?

We can identify a manager, first, as one who guides and directs the work of other people. Thus a manager is always both a leader and a supervisor in that he has other people reporting to him. However, this organizational relationship gives rise to a common fallacy—that since the manager, by definition, is a leader, developing managers is primarily a matter of leadership or "human relations" training. This is true only in part. It makes a plausible equation of the skills of management with the skills of human relations, but the equation does not balance. While a good manager must be an effective leader, many outstanding leaders have, in fact, been exceedingly poor managers.

What is the difference? A leader guides and directs other people.
He does this largely by personal direction, by encouraging, inspiring, and motivating others. A leader is primarily an expert in human relations.

A manager also secures results through people. But he does so by performing a special kind of work of which human relations is only a part. Organizationally, the manager is removed from the immediate responsibilities of those he supervises. Thus he is the only man who can view the individual needs of his subordinates with objectivity, perspective, and balance. And, because he is a member of a group of supervisors who in turn report to a common superior at a higher level, only he is in a position to interpret and reconcile the needs of the group he supervises with the requirements of his superior and of the organization as a whole.

A manager manages by performing that work which cannot be performed effectively by those he manages or by those who manage him. A manager should be taught to do just this kind of work—and, in fact, this should be the focus of the hundreds of millions of dollars which are being spent in business and industry every year on manager training.

Why Development Can Fall Short

The manifestations of this training effort are many. Take, for example, the periodic dispersal of executives to conferences and seminars to upgrade their management skills. Rare, also, is the up-and-coming manager who does not bear service stripes to mark two or more forcible uprootings and transfers from one plant or office location to another in the course of learning the business. And, cumulatively, the time and energy spent by managers on company courses devoted to leadership, human relations, and related subjects would undoubtedly be sufficient to run a sizable enterprise.

However, despite this wholehearted devotion to a vitally important objective, many companies are beginning to ask: Is management development actually developing managers? The answer, of course, will vary with the company. But, in a large number of cases, it can only be a decided "no."

There are many reasons for this answer. One is “programmitis”—a blind faith in a set of procedures which purports to turn out well-machined, perfectly integrated management talent.
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sumption here is that if people are appraised, counseled, and coached, required to attend their quota of conferences, and shown in two colors on a management replacement chart, they will inevitably develop as managers. Why is this assumption so frequently unfounded? Because companies that make it fail, at the very outset, to answer the key question: What are these managers being developed for?

Consider, also, the common endeavor to develop managers to fit some theoretical "ideal type." Here every effort is focused on producing individuals who are dynamic, aggressive, decisive, stable, cooperative, tactful, and adaptable. Where do such paragons exist? Dynamic, aggressive, decisive, "entrepreneurial" men are, from their very nature, anything but patterns of conformity and stability; they are people first, showing many different characteristics of temperament. Moreover, it is a variety of personalities which makes the most effective team—not one stereotype, endlessly repeated. The conclusion: Management development must come to focus on the work a manager performs, not on an illusory set of personal characteristics he is supposed to possess.

Again, it is not uncommon for companies to find that their development programs have produced functional specialists instead of managers. There are many instances where capable men have served efficiently and well, working themselves up, position by position, through the ranks of manufacturing, or engineering, or sales. Eventually, after 15 or 20 yrs., the culminating opportunity opens—a divisional vice-presidency, perhaps, or the position of executive vice president. Over and over, the faithful retainer is found wanting and the prized opportunity goes to someone else. Yet, on investigation, the failure is often found to be due not so much to personal inadequacy as to the fact that the man has been hammered into such a narrow mold during his long years of service that he cannot expand himself to master real management responsibilities—and another key job goes to an outsider who has developed managerial as well as functional skills.

Whatever the reason, the fact remains that many management development programs are not producing the expected results. Basic here are two factors. First is the failure to identify, from the beginning, what a manager must do in managing and to develop and train managers to do this kind of work. Second is the assumption that
managers can be trained to manage away from the job. While courses, seminars, and conferences are an indispensable part of the training process, the most they can accomplish is to fill gaps in knowledge and provide a certain amount of practice in management techniques. In the final analysis, managers can learn to manage only through the direct application of managerial knowledge and skills to the responsibilities of their jobs.

**The Manager's Job Analyzed**

The work performed by managers in managing can be analyzed under five main heads: planning, organization, coordination, motivation, and control.

*Planning.* A manager first looks ahead to the future. He visualizes and assesses as specifically as he can the conditions and circumstances which will confront him tomorrow, next year, and five years hence. Before work is undertaken under his direction, he sees to it that the work is planned, and he makes the final decisions that determine the nature of the plans.

In planning, the manager sets goals or targets. These goals are generally subordinate to, and part of, the larger objectives set for the enterprise as a whole. As such, they specify what he and his group will have to accomplish if the company is to attain its over-all objectives.

The manager makes those decisions which he expects to be continuously applicable to the on-going work. By making these policy decisions once, or by interpreting for his subordinates the policies made by his superiors, he eliminates the need for reconsidering decisions on repetitive situations.

To insure that the specific activities necessary to achieve his goals will be carried out, the manager prepares programs, or statements of the work to be accomplished. He appends schedules, or a time sequence, to these programs. Where he wants to standardize work, or make certain that it will be performed in a uniform manner, he establishes procedures. Finally, he estimates what money, materials, facilities, and people will be needed to carry out his programs and accomplish his goals, and he states these as budgets.

*Organization.* Having decided what he wants done and what he will need to do it, the manager looks to the organization he has
Does Management Development Develop Managers?  

available for the task. First, he identifies the primary functions that must be performed. Then he groups all related work within these functions so as to form a logical, balanced structure. He delegates to the subordinate positions thus created as much as possible of the work to be done, reserving for his own performance only that management work which cannot be done to best advantage by his subordinates. The manager clearly defines the responsibility, authority, and accountability of each of these subordinates and establishes harmonious relationships among all positions, so that the members of his group can work effectively together as a team toward their common goal.

Coordination. In managing, the manager coordinates. That is, he times, unifies, and integrates the work proceeding under his direction to insure that each different activity is part of a consistent whole, aimed at the accomplishment of a common over-all objective.

Motivation. An important element—and perhaps the most important single element—of the manager's work is motivation. The manager must see to it that his people are encouraged and impelled to produce at highest productivity. How does he do this? At one time, it was commonly believed that the manager secured his results by command and direction. We now know that authority of any kind can be exercised effectively only to the extent that the people being directed are willing to accept that authority. Many a manager has found his carefully laid plans, his detailed edicts, completely nullified by the reluctance or failure of his people to perform.

What factors lead to high motivation? We know that every normal individual has a deep-seated, ineradicable desire to gain recognition and to be accepted and liked. He wants to become a member of the team and to perform according to its standards. The manager is always a member of the cohesive, productive team; he works as part of the team, not by direction from without. Where the climate is unfavorable, where managers are continually enjoining their subordinates to "get on the team" but are never really accepted by the team itself, it is more pertinent for them to examine their own actions than to bewail the poor attitudes of their subordinates. Too often, and too unknowingly, managers themselves create a climate which encourages discontent, resentment, and high turnover. Sound motivation stimulates productivity by establishing the conditions necessary for human aspiration and accomplishment.
The manager first selects the people he needs to build a well-balanced, cohesive team. He places these people in jobs that suit their aptitudes, interests, and abilities. He recognizes their importance and makes them feel part of his team by providing for full and effective communication up, down, and across his group.

He sees to it that his men are compensated fairly and equitably, in line with similar work, inside and outside the company. He provides for the maximum development of individual skills by careful appraisal, counseling, and coaching. And—highly important—he gives his people every opportunity to make independent decisions related to their work and to stand or fall, and hence to grow, by the results. These are management activities which can help to lift work from meaningless routine to solid and satisfying accomplishment.

Control. Finally, a manager controls the work for which he is accountable. That is, he adopts a systematic means of reviewing operations, to determine whether the results he expects are being accomplished.

How does a manager control? First, he establishes standards of performance, based on the goals, policies, programs, budgets, and other plans he established to guide the work in the first place. He provides for accurate measurement of this work through the development of a system of records and reports. Next, he interprets and analyzes results by comparing actual performance against the standards that have been set up. Then he takes corrective action in terms of the exceptions identified.

Managing Versus Operating

The manager, in short, concerns himself largely with initiating activity and making final decisions relating to it. However, in addition to performing this management work, every manager is called upon to do a certain amount of non-management or operating work. For example, the president sees an important customer, the personnel manager interviews a potential executive, the chief engineer steps in and lays out a design detail, the treasurer calls on the banker to get a more favorable discount rate.

Managers at top organizational levels tend to spend only a small proportion of their time on operating functions. The percentage
Does Management Development Develop Managers?

It seems to increase level by level as we go down the organization to foremen and first-line supervisors who may spend half or more of their time "operating." Much of this is necessary, because the closer a manager is to the actual work situation, the less opportunity he has to delegate details to others and the oftener he must step in to do the work himself if it is to be done at all.

One important aspect of management development, therefore, is minimizing the need for a man to perform operating work. This can be done by careful analysis of each management job and reassignment of detail and routine to subordinate staff or line positions, thus forcing the manager to concentrate on improving his managerial skills. Difficulty in developing managers frequently stems from difficulty in bridging the gap between theory and practice; in other words, omitting to establish a means for the manager to learn how to apply the principles and techniques of his profession to his everyday job.

Development Through Actual Doing

This process of bridging the gap has many precedents in other fields—in the apprentice and journeyman stages of the developing craftsman, for example, and in the internship, residency, and continuing clinics of the medical profession. Management is an identifiable skill that can be learned; its students can and must master its theory, but they must also have opportunity to make that theory come alive by practical application. This calls for a form of apprenticeship or internship in management, which is best accomplished through superiors who help their subordinates to manage in terms of everyday assignments.

Under this plan, the superior requires management performance of his subordinates. He reviews their shortcomings with them, on the basis of his observations, and helps them to improve on succeeding assignments. This is the key factor in the development of managerial talent. No matter how comprehensive programs of management development may be, if they do not provide for the direct application of these new skills on the job, there can be no improvement in a man's performance as a manager.

It is true that this sort of learning takes place on every job in the course of the day-to-day working relationship between the supervisor.
and his superior. But it is usually fortuitous, inevitably following the managerial pattern which the supervisor happens to have developed for himself. The resulting techniques may be admirable, and the best possible ones for a subordinate to emulate. On the other hand, they may be so closely identified with the personality traits of the superior as to be inappropriate for anybody else.

Effective management development can proceed only within a framework of effective management. It is almost axiomatic that excellent managers do not develop in poorly managed companies. The development process is most effective on a company-wide basis when all members of management habitually plan, organize, motivate, coordinate, and control the work of the people who report to them. Routine and consistent performance of these activities establishes the only successful climate for development of managers. If this is present, formal programs can fall into the secondary status they should occupy. Failing sound management practices, managers either will grow slowly, and with great difficulty, or will not develop at all.

Delegation and Participation

The first step in development of this kind is delegation. Each subordinate manager must be assigned clear-cut management responsibilities which are carefully defined to eliminate overlapping and duplication of the work being performed by others.

One major psychological hurdle confronts every manager at this point—the fear of delegation. He may be frightened to let go. He may fear that his subordinate will not perform his assignment properly and, as a result, will reflect discredit on his superior. On the other hand, he may be afraid that his subordinate will perform only too well. This fear has the greatest traumatic possibilities: The boss may feel he is outshone by his junior; or, worse still, he may feel that his job is threatened and that outstanding performance on the part of this subordinate will mean his own displacement. Either attitude is fatal to effective delegation and development. Sometimes the manager himself is at fault; in other instances, the trouble may be due to poor promotion practices within the company, in which case personnel policies should be reviewed and improved.

In delegation for development purposes, it is vitally important
to delegate authority commensurate with the responsibility assigned. The subordinate should be able to approach his assignment as a challenging problem, one that will test his powers of judgment and decision. He can have this feeling only if he is given the authority he needs to carry the job through to completion, without constantly having to refer to his superior for decisions on minor details.

The autocratic, one-way flow of instruction and direction is universally condemned as a deadening influence on aggressive, productive performance. Nevertheless, it is common to find many managers, in the shelter of their own organizational niches, getting things done through command and edict as a matter of course.

To be successful, management development cannot be based on blind obedience. Subordinate managers must know why they perform the management activities prescribed for them. They should be given the opportunity, through systematic, consistent participation, to take part in the decisions that precede the major assignments delegated to them. This encourages each junior to contribute his own ideas, experience, and knowledge, thus giving him a feeling of importance and recognition. It also helps to establish a feeling of proprietorship, so that the man feels he is doing something for himself, not simply carrying out a routine task because he was ordered to do so.

**Full Management Performance**

When an assignment is delegated for the specific purpose of improving a subordinate's managerial skills, it is important that full management performance be required. In other words, the subordinate should first be asked to plan what he intends to do—to relate his task to existing company or department objectives and policies. Where the total task of which the assignment forms a part has been programmed, he should be provided with full information and asked to program his own work in terms of the over-all plan. Where no master program exists, the junior should outline in writing the sequence of activities he plans to follow. In all cases, management work should be budgeted. An estimate of all the costs involved should be prepared, and the subordinate should be held strictly to performance within these limitations.

The junior should also be required to organize his work for
effective performance. He should carefully analyze and group his activities, define the authority and responsibility which he delegates in turn to his subordinates, and establish effective working relationships among all the positions which he supervises or with which he will have contact.

The subordinate should be held accountable for coordinating his work and for appropriately motivating those he supervises. Finally, he should control the activity by measuring the work against the standards he has established and taking appropriate action to bring discrepancies and exceptions into line.

For his part, the superior must review and evaluate the performance of his subordinate in management terms. Here the first step is self-appraisal. The subordinate himself must judge how well he has performed; and, at the same time, the superior should make an objective review of the activity as it appears to him. The superior can then discuss the performance of his subordinate in a helpful, understanding fashion. He has before him the other man's point of view and a clear idea in his own mind of the results he hopes to accomplish. When training and counseling are thus established as part of the day-to-day activity, they become meaningful and important, not a set of vague cautions based on half-forgotten incidents which are reviewed once or twice a year.

* * *

It should be emphasized that the approach to management development outlined here and detailed in the following pages is effective only if it is part of the business of managing the company. As a concept, it does not depend solely on formal programs, courses, conferences, or seminars, although—as will be seen—it can be strengthened and buttressed by such activities. Development of this sort can be practiced effectively by one manager or by the organization as a whole. It is applicable to both large and small companies. It lends itself to modification and adaptation to meet the needs of jobs and of individuals. By requiring managers to manage, by evaluating their performance in terms of management results, it makes development an integral part of every management job.
THE PROGRAM AND ITS SETTING

The Over-all Company Plan

Sound Organization: Keystone of Management Development

Executive Standards of Performance

The Problem of Company Climate

The Role of Top Management

Evaluation of the Management Development Program
The perfect solution to all management development problems has not yet been found—and probably never will be! Experience indicates, however, that there are certain requisites for a well-rounded program. Essentially, management development represents the systematic application of simple techniques which have already proved effective in other phases of personnel administration. These include:

1. A down-to-earth approach.
2. Finding out what works and doing more of it.
3. Creating the necessary climate.
4. Providing for all essential elements.
5. Organizing to carry out the program.
6. Following through.

DOWN-TO- EARTH APPROACH

"It seems to me that at this time we need education in the obvious more than investigation of the obscure." This observation by Oliver Wendell Holmes could well have referred to management development.

The success of a management development program depends on doing a few simple things well and sticking to them. Methods which all managers understand are more likely to be effective than a
theoretically better approach which is so technical that trained experts are required to apply it. The soundest program of all is one which line organization—which generally shirks its personnel responsibilities—can and will administer.

It should be remembered that it is usually difficult to introduce radically new ideas. A program should start with a sharpening-up, extension, and more conscious and wide-scale application of things which have been done informally in the past.

A simple, down-to-earth program is also more likely to survive the rigors of the business cycle. Benefits of a personnel program tend to be intangible and long-term, while costs are measurable and immediate. For this reason, elaborate personnel programs have often been wiped out by the first reversal of the profit trend. The same conditions affect management development programs to an even greater extent, and there is a grave danger that some programs may be casualties of the next recession. To minimize this risk, it is desirable that such programs be as closely geared to actual operations as possible.

"FIND OUT WHAT WORKS"

The rule of success—"find out what works and do more of it"—applies particularly to management development. While the same basic essentials apply to all companies, certain techniques work well for some and not for others. Therefore, in embarking on a management development program, each organization should analyze its own experiences. What kind of managers succeeded particularly well? What can be gained from studying failures? What devices, such as conferences, committees, and staff work used in the regular operation of the business, have by-product value as training methods? From such analyses, guidelines can frequently be identified, and a sound program can be consciously built out of what was previously done informally.

For example, one company made such an analysis and found that several of its most successful top executives had, by coincidence, experience in both manufacturing and sales. Systematic rotation between departments was therefore built into the management development program.
One of the most important jobs of top management is to create the necessary climate for the development program. This can be done only by establishing sound personnel policies and then adhering to them. There must be confidence in the soundness and fairness of the company's policies; otherwise, several aspects of a management development program may inspire a feeling of insecurity among many executives. That is why most successful programs are in companies with a background of sound and considerate dealings with all classes of employees.

It should be a basic policy that every manager must take on the responsibility for the selection, training, and development of his subordinates. The company must make each executive and supervisor realize, beyond any question, that his value to the company is increased—not decreased—when he finds and trains understudies. It is important to instill in men a sense of pride in leaving behind them a strong organization. This challenge can be used in discussing with the individual the development of the men under him. It should be stressed that higher-level positions are usually vacated, not by retirement or death, but by promotion of the incumbents. And each manager should understand that further promotions are often governed in part by the quality and availability of understudies.

Equally important is the education of all personnel to accept interdepartment transfers as a part of the "planned experience" program. The success of the program often depends on the willingness of executives to make candidates available to other departments and locations, and continual refusals to release men should be understood as a negative mark on an executive's record. In fact, one company includes the number and caliber of men an executive is able to release to other departments as one of the factors on which he is judged. Interdepartment promotions may, of course, create problems of jealousy and ill feeling. Personnel who appear to have been overlooked may become envious or discouraged. However, they can be educated to realize that this policy will also benefit them, since their own promotional opportunities will not be limited to their own department.
Administration of a program of planned management development will be made easier and simpler if the company has an integrated and equitable compensation program. Many companies have discovered that the framework of executive salary administration needs to be brought up to date. Others have realized the benefits of fair wage and salary administration at non-executive levels and have set out to gain similar benefits for management personnel.

As a practical matter, therefore, a company-wide management development program should include a survey of current executive compensation practices. And, in order to get the maximum benefit out of the program in terms of executive morale, company policies with respect to the selection, development, promotion, and compensation of executives should be established and announced.

E L E M E N T S O F T H E P R O G R A M

To be effective, any plan must be tailor-made, and the techniques employed must be adapted to the needs of the individual company. A complete and effective program, however, usually includes the following elements:

1. Organization planning—to determine the company's present and future needs.
2. Program targeting—to focus the company's efforts on areas of greatest importance.
3. Finding out what key positions require—to spotlight the basic requirements of selected executive positions.
4. Executive appraisal—to evaluate periodically the abilities, experience, and performance of individuals; discover those who show greatest promise for further development; and outline training needs.
5. Making replacement inventories—to show the availability and ready status of qualified executive replacements.
6. Planning programs for individual development—to write out the development programs (with dates and action steps) for all promising executives.
7. Providing new blood for executive positions—to meet im-
mediate emergencies which cannot wait for the longer-range action program and to provide an adequate source of good raw material from which younger executives can be selected and started on their own development programs.

It should be emphasized at this point that none of these elements is a "one-shot" proposition. Each is a continuing process, though in actual practice various companies emphasize different elements. The company which plans to include all these elements in a balanced program, however, will be most likely to achieve success.

Organization Planning

Organization planning is a "must" as the first element of a management development program. Top management must recognize its future as well as its present needs. Organization planning (1) provides a blueprint of those needs and (2) gives the content and relationship of the positions for which executives are to be developed.

The application of organization planning to management development includes these steps:

1. Appraisal of the present organizational structure.
   a. Are there certain groupings of responsibilities which, as a matter of expediency, have resulted from the unusual capabilities or deficiencies of individual executives? The retirement or promotion of such individuals may offer opportunity to realign responsibilities more logically.
   b. Can existing opportunities be regrouped in order to improve company operations now?
   c. Are all positions necessary? Review of the organization plan may point up real and immediate opportunities for cost reduction.

2. Review of the company's plans for the future. What growth is anticipated for the next 2, 5, or 10 years? This involves consideration of company objectives and policies. Does the company plan to expand its product line or facilities, enter new markets, or take similar steps which will result in the creation of new functions? Organization planning should also include consideration of possible cutbacks in operation.
3. Translation of the company’s plans for the future and its appraisal of present and future needs into the “ideal” organization plan. This should represent the best thinking of the top management group as to the sort of organization they are actually going to work toward.

Targeting the Program

Targeting the program simply means putting priorities on the needs revealed by organizational planning. Top management should review the two organization plans—the present plan and the “ideal” plan—and then ask:

- Which are the key positions in the company?
- Which positions present special development problems?
- Are there any positions for which it would be difficult to find qualified replacements?
- How far down the line should men and positions be earmarked for the program?

Ultimately, a well-integrated program should include all management personnel. At the outset, however, it is important to keep the program within a manageable scope.

Finding Out What Key Positions Require

Most executives believe they know the basic requirements of their subordinates’ positions. Orderly analyses or man specifications, however, will insure that no significant factors have been overlooked. Moreover, the executive who has written man specifications for subordinate positions has provided a useful means of transmitting his knowledge to others in the organization.

The man specification is principally a selection tool, though it is equally useful in planning the training or development program for an individual executive. It should summarize:

1. General management skills required in unusual degree. Does the position call for special planning ability or skill in coordinating the activities of several people or functions?
2. Desirable personal characteristics. In some positions, certain personal characteristics may be required in unusual
degree. An executive responsible for contract negotiations may need an extraordinary amount of tact, persuasiveness, and emotional balance. An executive in sales promotion may need even more imagination than others in the top management group. Those personal characteristics which are outstanding requirements of the given executive position should be singled out in the man specification.

3. Specialized knowledge, skills, or experience required for the position. To meet the minimum requirements of the job, must the candidate have background in specialized fields, and to what degree? What are the most likely sources of such knowledge and experience? What experience should he have in specific areas of company operations?

Some companies have found it helpful to supplement this information with a statement of the specialized know-how required for the next higher position—know-how which the executive should acquire before he is appointed to that position. Too often, a company will promote a successful regional sales manager, for example, to the position of general sales manager, only to discover that the man has never had an opportunity to learn sales promotion or sales forecasting—both important requirements of the general sales manager’s job.

4. Other requirements. The man specification frequently contains a statement of the desirable age bracket, special demands on the executive’s health, and other particular requirements. If psychological testing is part of the company’s executive selection program, desirable test scores or qualitative norms also should be included in the specification.

This information should be compiled in such a way that executives who work with the program can scan the man specification rapidly and match it with a summary of the individual’s capacities and experience.

Appraising Executive Capacity

The real work of developing the individual who will one day become a top-flight executive begins with an appraisal of his capaci-
ties and experience. Executive appraisal has a twofold objective. (1) to select those men who show greatest promise of development; and (2) to point up what such individuals require in terms of further development.

The techniques of appraisal are many and varied. They include simple performance rating, the whole range of psychological tests, the anonymous rating of an executive by his subordinates and associates, as well as his superiors, and interviews of all sorts, from the brief employment interview to the highly skilled clinical interview. Many companies are experimenting with these techniques, singly or in combination, with varying degrees of success.

In choosing the techniques to be used at the outset of a management development program, however, these cardinal principles should be followed:

1. Start with the tested, simple methods of appraisal and plan to use more advanced methods later.
2. Plan the program so that it can be administered by line management. Good technical assistance is valuable, especially if the appraisal program includes the use of advanced methods. But, regardless of methods to be used, it is basic that line management be trained to understand and use executive appraisal tools.
3. Design standard forms which will enable line management to sum up its appraisal easily, objectively, and uniformly. Whatever techniques may best fit a company's needs, they must be used to do four major things:
   a. Analyze the man's success in learning and using general management skills.
   b. Appraise the personal qualifications which make for outstanding executive success.
   c. Appraise the man's specific knowledge and experience, and determine how he meets other requirements.
   d. Evaluate this information and make an over-all judgment about his potential for promotion.

All experience in the field of executive selection shows that the pattern of basic abilities, interests, and personality traits found in successful executives is extremely complex. But certain attributes are so outstanding as requirements that companies can launch suc-
cessful development programs by searching for men with the following qualifications:

1. Ability to think effectively. The individual must be able to—
   a. Visualize things in perspective.
   b. Translate business experience into practical judgments.
   c. React readily and surely to problem situations.
   d. Come up with fresh, original ways of doing things.
2. Ability to get one's ideas across clearly and convincingly.
3. Human relations know-how. The individual executive must know how human beings react and how to motivate men to work together.
4. Purposeful energy.

Many companies regularly appraise executive job performance. Where this is done, the appraisal process should be followed by a frank discussion between each executive and his superior. One excellent technique is first to have the subordinate rate himself, using the same approach as his superiors. This provides a basis for discussion of the individual's strengths, weaknesses, job potentialities, ambitions, and training needs. By clarifying uncertainties and providing incentive for further improvement, such discussion not only helps the individual but gives strong impetus to the training program.

In addition to executive appraisal forms, it is helpful to design and use an executive qualifications record which summarizes all the pertinent selection and development data for the individual. Companies which have long used similar forms for rank-and-file selection and training, or for personnel planning and control, know how useful such a record can be.

Replacement Inventory

Three of the steps just described—earmarking executive positions for which the company must develop men, preparing man specifications for those positions, and appraising the qualifications of the present managerial group—provide the basic information which can be summarized in a replacement inventory. This will give top management an accurate yardstick for measuring company needs against the strengths and weaknesses of existing personnel.
The replacement inventory is a top management report. It shows the replacement need for each key position in terms of retirement age, expected promotion, and other pertinent facts about the present incumbent. It lists the most likely first and second replacements for each position, together with a statement of their ready status, their need for development, and any other qualifying remarks. And it points out those positions for which a qualified replacement cannot be found within the present organization or developed reasonably soon.

The replacement inventory does not necessarily express management's intentions of promoting any individual to a given position. It is a factual report which tells top management (1) what action could be taken today if an emergency vacancy were created; and (2) approximately how long it will take an executive now in the organization to ready himself for promotion.

Planning Programs for Individual Development

The development program of the individual executive must be laid out with both company and individual needs in mind.

Since the present chapter is primarily concerned with an over-all view of management development, we shall mention only briefly certain criteria and methods of approach to the actual work of individual development. Various training methods which companies have used to work out successful development programs will be covered in later chapters.

To maintain a down-to-earth approach, a development program should meet the following criteria:

1. It should be based on a real need.
2. It should be targeted at the areas where the need is greatest.
3. It should stress the development of an individual's ability to think effectively and his skill in human relations.
4. Insofar as possible, it should be integrated into regular operations.
5. Since we learn best by doing, the methods employed should be as close to "doing" as possible.
6. Methods should be appropriate to the status of the personnel involved. The program should be handled in such a manner that individuals will not find it objectionable. Development
methods will work and achieve best results only when individuals realize the benefits to themselves and want the program.

Executives who plan development programs for their subordinates have three basic methods at their disposal:

- **Help the subordinate get maximum experience out of his present job.** A resourceful executive frequently will seek out ways to modify the duties of his subordinate's present job in order to give the subordinate added responsibility and experience. He can do this by:
  a. Authorizing special work assignments, particularly those which bring the subordinate into work contact with other executives.
  b. Setting up problem-solving conferences, which will give the subordinate a chance to participate in "doing." The "junior board" is a form of this development technique.
  c. Building more responsibility into the present job.

- **Use job rotation, again to give the man wider experience.** Job rotation is a normal part of every executive's development, even though unsystematized and unplanned. There are few companies in which purposeful job rotation cannot become a major development method. It compels the man to adjust to new problems and new people, and develops his ability to think effectively and deal skillfully with human relations problems.

  In some cases, it will be difficult to "rotate" a man to an operating job. If this is so, the possibility of using staff or special "assistant to" positions to create planned experience should be explored.

- **Plan formal training programs.** A company may decide to supplement the foregoing development methods with formal training programs, either within the company or on the outside (for example, special courses in local business schools or courses such as the Harvard Business School Advanced Management Program). When management underwrites this kind of training, it should be sure that such courses will equip the trainee to deal more effectively with the types of problems he will later meet as a company executive.
Providing New Blood

Sometimes top management feels the need for a fresh viewpoint in the executive group. At other times, the replacement inventory may reveal a serious gap when an adequate replacement cannot be developed from within in a reasonable period of time.

In both cases, executives in charge of the program are responsible for selection of new members of the management group, and for planning adequate orientation and development opportunities. Too often, productive executive time is lost because no conscious effort is made to help new executives get the feel of company operations.

ORGANIZING THE PROGRAM

Experience has demonstrated that the success of any program of management improvement depends upon:

1. Top management support.
2. Key executive participation.
3. Staff assistance.

This is especially true of executive development, and no program should be undertaken without provision for all three.

Top Management Support

Among the many difficulties that must be overcome in launching and sustaining a management development program is the unfavorable attitude of some executives. The temptation to compromise on essential points, or even to abandon the program altogether, will always be present. A successful program can be developed only if the chief executive is convinced of its essentiality, conveys this conviction to his subordinates, and is willing to back up the program in bad times as well as good.

The head of the organization should initiate the program rather than have it sold to him. In addition, he should be willing to prove his interest by personally devoting time to the program. When top management delegates management responsibility to some subordinate without maintaining an active interest, results are usually of questionable value and the program tends to disintegrate.
Key Executive Participation

The selection and development of subordinates is a primary responsibility of every executive. It is important, therefore, that the program be developed on a cooperative basis with the key senior executives of the company. This will insure that the plan is practical in terms of the needs, operating conditions, and mores of the company. Also, having participated in its inception, these key executives are more likely to understand the program and make it work.

Frequently the program is guided and sponsored by a management development committee composed of top management representatives of the major company divisions. This group establishes the objectives, policies, and scope of the program, approves the methods to be employed, and periodically reviews progress. Some committees also participate actively by reviewing executive requirements, the qualifications and individual training schedules of personnel earmarked for special development, and even the promotion and transfer of executives.

In a large organization, the best results can generally be obtained if line responsibility for the administration of the program is decentralized. The responsibility of a man should be limited to those individuals he knows and has some contact with personally. Generally, this includes two organizational levels below his own position. One company which has a successful program finds that an executive at the vice-presidential level can follow the development of about 100 line and staff subordinates.

Staff Assistance

No plan will work by itself. Some member of management who understands the need for management development must be responsible for seeing that it is carried out. To insure an over-all objective viewpoint, this individual might well report to the president. Because the staff man frequently acts as counselor and father confessor, he must be mature in his reasoning and reactions; he must have high mental ability and personal stature. Above all, he must be able to work effectively with other executives and win the respect and confidence of top management.

In very large organizations, this may be a full-time job. The workload in most companies, however, will not justify this. (The experi-
ence of one company has been that a qualified individual can do the staff work necessary for a comprehensive and active program involving 800 to 400 executives.) Therefore, responsibility might be assigned to the director of personnel, the assistant to the president, or the director of organization planning. (If someone other than the director of personnel is selected, he must, of course, co-operate closely with the latter.) The choice depends on the company organization and the qualifications and interests of the individuals concerned.

THE REWARDS

To be effective, a management development program must be so planned, instituted, and followed through that it continues as an integral part of everyday operation. The rewards are many:

1. Increased management skills.
2. Development in each manager of a broad background and appreciation of over-all operations and objectives.
3. Greater delegation of authority because executives and supervisors down the line are better qualified and better able to assume increased responsibilities.
4. Creation of a reserve of qualified personnel to replace present incumbents and to staff new positions.
5. Improved selection for promotion.
7. Provision for the best combination of youth, vigor, and experience in top management and an increased span of productive life in high-level positions.
8. Improved executive morale.
9. Attraction to the company of ambitious men who wish to move ahead as rapidly as their abilities permit.
10. Increased effectiveness and reduced costs, resulting in greater assurance of continued profitability.

A long, hard road must be followed to achieve these benefits. But progressive and profit-conscious companies that have started management development programs—and then followed them through—have built a firm foundation for corporate security and increased profits in the highly competitive years to come.
Sound Organization: Keystone of Management Development

Management is more than individuals. It also comprises those things which weld individuals into an effective team. One of the most important of these is a sound organization plan. Thus companies that wish to attain or maintain leadership must take steps to overcome the shortage of trained executives by instituting programs of organization planning along with management development. Organization planning embraces those steps a company must take to assign and define responsibilities and authority so that individuals can work together in large numbers as effectively as they would alone.

Checklist for Diagnosing Organization Problems

Following is a checklist of questions, based on principles of organization, which has proved helpful in testing the soundness of organizations and isolating problem areas. Most of these principles are as well known to business executives as the Ten Commandments—and as commonly broken!

1. Has a specific provision been made for the supervision of all essential activities? In a small business, everybody feels responsible for everything. But, as an organization grows in size and complexity, each executive is forced to concentrate intensively on a narrow field of specialty, and there is much greater risk of a "fielder's choice" where specific assignments of responsibility have not been made.

2. Have any functions been assigned to more than one unit in the organization? Duplication and overlapping are common, particu-
larly in a rapidly growing or changing organization. They are not only wasteful but breed confusion and friction.

3. *Have the responsibilities of any member of the organization become too numerous and complex to be handled effectively by a single individual?* Many men have a tendency to bite off more than they can chew, and many bosses unintentionally work a willing horse to death. As a result, the executive becomes "jack of all trades and master of none"; and some, if not all, of the activities for which he is responsible suffer.

4. *Have responsibilities been properly classified when they are grouped under an individual?* Everyone does certain things better than he does others. Also, certain activities in a business are related. Yet the tendency, especially in a rapidly growing organization, to assign new functions to whoever is most available results in many individuals’ performing a hodgepodge of unrelated duties. Also, when a man changes his job in a company, he frequently takes some of his old duties with him, even if they are not related to his new assignment.

5. *Are the responsibilities assigned to each individual clearly defined in written form and thoroughly understood?* Every executive believes that his subordinates understand their responsibilities and those of others in the organization. Yet organization studies almost invariably bring to light serious misunderstandings that cause friction, frustration, or lack of effectiveness. Try this experiment: Ask any three executives in your company to write out for you a statement of their responsibilities. You will be surprised both by what they omit and what they include.

6. *Does each executive have authority commensurate with his responsibility?* We all know of businesses or departments where executives are frustrated, glorified errand boys for a boss who holds them responsible but doesn’t give them the authority that goes with their responsibility.

7. *Has authority been delegated to the greatest extent possible, consistent with necessary control, so that coordination and decisions can take place as close as possible to the point of action?* In many organizations, valuable time is lost, effectiveness is diminished, and the initiative and resourcefulness of the man on the firing line frustrated because all decisions must be cleared by higher authority before action can be taken.
8. Do executives have more subordinates reporting to them than they can supervise and coordinate effectively? The number of subordinates an executive can handle depends upon the variety and complexity of the work—and on the executive. As a rough rule of thumb, five to seven is considered to be about the maximum number for a top executive on a complicated job, and possibly up to 20 for a supervisor of simple, routine work.

9. Does each member of the organization know to whom he reports and who reports to him? and

10. Do some persons in the organization report to more than one supervisor—or to none? We all probably think that violations of these principles couldn't occur in our company. But organization studies, even in well-managed companies, generally disclose a number of subordinates suffering from the results of infractions of these rules.

11. Is the organization structure recognized by executives in dealing with subordinates? In many organizations, the morale of supervisors is undermined by executives who disregard organizational relationships and deal directly with their subordinates without the supervisors' knowledge. Presidents, incidentally, are the worst offenders!

12. Are the number of levels of authority kept at a minimum? Unnecessary "layering" causes delays, dissipates the flow of information from the operating level to top management and instructions from top management to the operating level, and saps the vitality of the organization through lack of personal contact.

13. Do top executives exercise control through attention to policy and problems of exceptional importance rather than review of routine operations of subordinates? There is nothing more pitiful than the individual elevated to an executive position who busies himself by having every routine transaction flow across his desk and thus hides his head in the sand from the bigger—perhaps too big for him—problems that should occupy his attention.

14. Are the distinctions between line and functional authority and staff work recognized? As we all know, line authority says do; functional authority says when you do it, do it this way; and staff is purely advisory and has no authority. When functional and staff executives forget the limitations on their authority and start giving orders out of their domain, trouble begins.
15. *Is the basic pattern of the organization best adapted to the job at hand?* Frequently businesses change their character—through changes in products, methods of distribution, or geographical coverage—and the organization fails to adjust to these changes. Size also affects the best plan of organization. For example, some merchandising, manufacturing, and utility companies have found that when they become very large the *functional plan* of organization is too cumbersome. They have turned with great success to the *unit plan* of grouping functions together by product, class of customer, or some other small subdivision to effect closer teamwork, reduce overhead, and increase production.

16. *Has adequate provision been made for coordination of related activities?* This is a major problem in very large organizations. The budget, the use of staff officers, and well-conducted committee meetings will all help to solve this problem.

17. Last, but by no means least, *has the organization been kept as simple as possible?*

*A Tested Program of Organization Planning*

While we may recognize all these as desirable objectives, how do we go about achieving them?

There are several ways in which organization planning can be approached. One, advocated by many leading authorities, is a series of conferences of key executives to develop jointly the definition and integration of objectives, organizational relationships, extent of authority and responsibility, and standards of accomplishment. This is probably the best way, but it is the hardest because of the amount of executive time required and the difficulty of finding times when all the executives involved can get together.

The easiest way is to bring in outside consultants or have a qualified individual or group in the company make the study and turn over the completed product to the management. This method offers many advantages, but when used exclusively it lacks the benefit of having those who must live under the plan help develop it.

*Operation of the Plan*

Assuming that the chief executive is prepared to support the plan and has assigned a staff executive or group to direct the study, here
Sound Organization: Keystone of Management Development

is a study plan which has been tested both in private consulting practice and in the army:

1. A brief organization questionnaire is prepared to be filled out by every executive down to the lowest supervisory level. This asks such questions as: "To whom do you report? From what other executives do you receive instructions? Who reports directly to you? Describe briefly the objectives and principle functions of your job. What are your relationships with other organizational units? What is the extent of your authority in connection with the above (i.e., to make final decisions, to approve, to approve jointly with, to collaborate with, to recommend, review, or submit to)?" It also invites suggestions for improvement.

2. The chief executive then explains the study to all senior executives and asks them to fill out the form and send it in to the executive designated to coordinate the study. He asks each executive to repeat this process with his subordinates—and so on down the line. To insure uniformity of presentation and prevent misunderstandings, a guide is prepared containing key points to assist each executive in explaining the program to his subordinates, and a form letter from the president should accompany each questionnaire. The talks and letter stress the benefits to be derived from the study and give assurances to calm any fears as to its consequences.

3. When the questionnaires have been collected, they will give a complete picture of what each executive and supervisor believes to be the case in connection with his job. They will contain a wealth of information that may lead to improvements. They are therefore analyzed to determine whether there are—

   a. Any essential functions not provided for.
   b. Activities currently performed which appear non-essential,
   c. Apparent duplications or overlappings in functions performed by two or more units,
   d. Apparent conflicts in lines of authority or misunderstanding of individuals as to their responsibilities and authorities, to whom they report and who reports to them.

4. The executive coordinating the study discusses any questions on these points with the individuals concerned. This either corrects or confirms the impressions gained from the questionnaires. Where necessary, further clarification of the statements can also be obtained.
5. Next, a brief statement of each function is placed on a 4" by 6" card, keyed to the unit currently performing the function. This facilitates various tentative groupings and at the same time retains the identity of the function in its present unit.

6. These cards are then sorted so that like or related functions are grouped together. This is done without regard to the present placement of the functions in the organization. The purpose is to assemble functions that can be handled by individuals with the same broad classification of abilities.

7. Those carrying out the study place themselves in the position of the chief executive and examine this material to determine—

   a. What functions must be performed to accomplish the objective of the organization.
   b. The best type of organization to accomplish the purpose: whether functional, product, geographic, line and staff, or a combination of several.
   c. The number of subordinates that should report directly to the chief executive so he can spend ample time with each and still have sufficient time for planning, conferences, outside contacts, and so on.

They draw up a tentative plan and decide on the mission and principal functions of each organizational unit reporting directly to the chief executive.

8. They next test this tentative organization by assuming that each activity reporting directly to the chief executive is a basket on his desk. They take typical operating conditions or problems and decide which basket he would put them in (i.e., who would be responsible). If he would be forced to hesitate in the disposition of a particular matter, either because there is no basket for its disposition or because there are two or more into which it might go, there is need for further study of the organization at this point.

9. They then place themselves in the position of each executive reporting to the chief and determine whether—

   a. The grouping of functions assigned to each executive is logical.
   b. Responsibilities and authority are clearly defined.
   c. Relationships with other executives at points of contact are fully explained and not subject to misinterpretation.
10. Having satisfied themselves on the external relationships of each top executive, they now repeat the processes described above in organizing the activities under the supervision of these top executives.

11. After completing the organization of the top echelons, they repeat this procedure for each lower echelon down to the lowest supervisory level.

12. As an added check, they take each major operation, such as handling a sales order, and trace the flow of the procedure through the organization by means of a correlation chart to determine whether—

   a. All necessary functions are provided for.
   b. Work flows in the simplest and most direct manner, with no unnecessary steps or backtracking.
   c. On procedures involving more than one department, responsibilities and authority at points of contact are clearly defined.

This is a very important check, since one of the basic purposes of any organization study is to facilitate the flow of work. Often, apparently sound organization plans will show defects when this test is applied.

13. The study group is ready at this point to make a preliminary proposal of the revised organization plan. They prepare “before” and “after” pictures showing the present and proposed plan, including organization charts, statements of functions, and correlation charts depicting the flow of basic operating procedures under both plans. They also prepare a statement of the deficiencies of the present plan and the benefits to be derived from the proposed changes, and finally a schedule showing the transfers necessary to put the plan into effect.

14. They discuss this plan with the chief executive, make whatever changes he desires, and obtain his permission to discuss the plan with his principal subordinates.

15. In their discussion with other members of top management, they make any modifications suggested by these executives which they feel will improve the plan. They make careful note of any suggestions or objections with which they are not in agreement.

16. A revised presentation is then prepared for the chief execu-
tive. This sets forth in detail suggestions and objections which are not incorporated in the plan, together with the reasons for not accepting them.

17. When the chief executive has made his final decision on the plan, the group members prepare an organization chart and manual setting forth the duties and authority of each executive, and an announcement of the plan of organization, including assignments of executives, for issuance over the chief executive's signature.

18. A series of meetings is held with executives and supervisory personnel to be sure they fully understand their new responsibilities and authorities and how the new organization is to work. The chief executive first meets with the senior executives. Each of these men then holds similar meetings with his immediate subordinates, and so on down to the lowest supervisory level. A member of the group coordinating the study generally sits in on all meetings to answer questions.

19. Generally, the "ideal" plan cannot be installed at once. Those changes which cannot be put into effect immediately are held in abeyance until, as opportunities present themselves, they can be reintroduced for consideration.

20. To insure that the benefits of the study are maintained and future changes are consistent with the over-all plan, the chief executive should issue instructions that no organization changes are to be made without his approval. He can then refer these changes to the staff executive whom he is holding responsible for organization planning. This serves the dual purpose of heading off unsound departures from the original plan and keeping the organization charts and manual up to date.

Benefits of Organization Planning

In addition to correcting the deficiencies and offering the advantages discussed earlier in connection with the principles of organization, this program should produce the following benefits:

1. Each executive will be required to think through his objectives and what he believes his responsibilities and authorities to be.

2. Agreement will be obtained among the executive group as
to how responsibilities will be divided. Any questions as to whether a particular duty will be performed by one individual or another will be settled and agreed to by both.

3. Each executive will have a better understanding of his own responsibilities, as well as those of every other executive.

Clarification of the executive's job is essential to his development. If the right men are to be selected and effectively trained for key jobs, the jobs themselves must be clearly defined and related to one another. This is the first step in any management development plan.
Executive Standards of Performance

Most informed business executives believe that their management teams know what is expected of them—simply because, through the years, they have acquired a general, informal idea of what constitutes satisfactory performance. The trouble with this system, however, is that subordinates usually follow suit, forming their own opinions as to what constitutes good performance and what is expected of them—opinions that in many cases, unfortunately, are vague or even inaccurate. They do not know, in short, whether their performance is good or bad.

Contribution to Superior-Subordinate Relationship

If an individual does not know whether his performance on a job is satisfactory, he is operating under a serious psychological handicap. He cannot generate the enthusiasm and drive which bring out the best that is in him. Moreover, all of us who work through people recognize that constructive leadership consists of helping the individual to grow and, through that growth, to take more responsibility and discharge it effectively.

In establishing a relationship between supervisor and subordinate, progress will be slow unless the latter has a definite idea of what management expects of him, and what he should expect of himself if he wishes to consider himself successful. By setting standards, a major contribution to developing this kind of relationship is therefore made.
Value of the Standard-Setting Process

Nearly all companies have engineered standards in manufacturing; through time and motion study and work measurement, it is even possible to set up acceptable standards in clerical and routine work. In supervisory and managerial jobs the task is more difficult: The results are not always subject to finite measurement, and judgment plays an important role here. But the process of developing formal standards of performance widens the area in which satisfactory performance is self-evident.

Through this process of setting standards we can bring about a clearer understanding, on the part of the individual, of what is required in the job he is occupying. We can bring about a mutual agreement, a meeting of minds, on what constitutes good performance in that job. At the same time, we can help the many superiors who do not know clearly what they want from a subordinate and find it difficult to tell him how he stands.

We can also hope for many corollary benefits: that self-appraisal will be stimulated; that the development of future leaders will be motivated and accelerated; that the basic attitude of the individual may be improved; and that we will see the general level of performance raised.

Today, after initial attempts at standard setting which involved our field sales management group (consisting of our regional and district sales managers) and a marketing manager, the Tremco Manufacturing Company is experiencing all these benefits.

THE GROUP APPROACH

It has been Tremco's practice for many years to hold, twice a year, a two-day meeting of our field sales management and our headquarters group. In these meetings we tear down our entire sales plan and rebuild it, discuss problems, determine policies, and so on. In advance of the May 1955 meeting of this group, we advised the participants that we were going to spend one day in setting standards of performance for regional managers. Accordingly, on the second day of our two-day conference, we set out to accomplish this task.
Step-by-Step Procedure

Our first step was to list all the major functions of the regional manager's job. This was done without reference to job descriptions or other notes. The men themselves were asked to suggest what the major segments of their responsibilities were. At first, the suggestions came slowly; but the men soon caught on, and their ideas developed more easily. We wrote down everything they suggested and finally had listed 61 different "major" segments of responsibility of regional sales managers in the Tremco organization.

After we had listed all these major segments of the regional manager's job, we proceeded to define them. (It is important, we learned, to spell out the meaning of each responsibility or function as fully and as clearly as possible, to the point that there appear to be complete understanding and agreement within the group.) We found that there were many duplications, and that many definitions were closely related and overlapped, so that we were able to boil the original 61 down to 32.

The third step was the actual setting of the standard for each segment listed. This is, of course, most difficult. It is not easy, when you are dealing largely with intangibles—as you are in the field of sales management—to put in writing a clear-cut and simple state-

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**FIELD SALES MANAGEMENT**

1. **Function**
   - Obtaining acceptance of a realistic sales objective (on the part of the field representative)

2. **Definition**
   - (same as above)

3. **Standard**
   - When an objective acceptable to the regional manager and top management has been agreed upon by the field representative; and when subsequent contacts indicate the field representative has retained an awareness of the objective and he continues to believe he can achieve it

EXHIBIT 1
FIELD SALES MANAGEMENT

1. **Function**
   
   Appraising attitude of the field representative toward his job and future

2. **Definition**
   
   Maintaining morale of the field representative:
   
   a. Appraising accurately and continually the representative's attitude toward his personal situation in respect to recognizing the impact or effect of external forces
   
   b. Obtaining acceptance on his part of the appraisal of his situation; and obtaining his acceptance and conviction of the soundness of the program agreed upon for adjusting himself to the condition

3. **Standard**
   
   Satisfactory performance on the part of the regional manager is achieved when
   
   a. Appraisals are crystallized and reported and subsequent events bear out the accuracy of the appraisal
   
   b. Plans formulated for meeting the situation successfully are accepted and satisfactory progress is made toward adjustment to the situation

EXHIBIT 2

ment of the conditions that would exist or the results that would have been achieved if the performance had been satisfactory. We expected to improve the clarity of the standards written as we reviewed them year by year, but we did achieve a result with which we were all satisfied as a beginning.

**Function—Definition—Standard**

Exhibits 1 and 2 are examples of actual three-part statements developed by the group. First the function of the field sales manager was interpreted, then the definition, and finally the standard. Other segments of the regional manager's job dealt with included the following:
1. Development of the field representative in respect to—
   a. Understanding and accepting the basic philosophy of the business.
   b. Teaching planning:
      (1) Determining who is a prospect and how to evaluate him, including optimum period of contact.
      (2) Zoning his territory.
      (3) Planning each season's calls.
      (4) Planning for the interview.
      (5) Making most efficient use of time through letters, phone calls, self-addressed return cards, leaving complete list of equipment required, instruction only by specific appointment, making appointments conform to plan.
      (6) Recording observations.
      (7) Developing a nose for business.
   c. Dealing effectively with complaints and adjustments for his long-term interest.
   d. Cooperating with the laboratory in field tests and research.
   e. Making proper use of reference manuals.

2. Discovering and developing field representatives for district manager responsibilities.

Several Meetings Found Advisable

We did not complete the standards-writing process in the one day set aside for the purpose. We did not, in fact, define all the functions at this meeting of the group. Time would not permit our finishing the entire job that day, and we wanted to test the actual setting of the standards on some of the functions, so that the men would have experienced the entire process and would retain an over-all picture of what we had been trying to do. Since that time we have learned that it is better, when working with individuals who have never set standards before, to give them an over-all view of the process in a first session and then give them time to think about it. In short, they should have an opportunity to become oriented to the process. Thus several meetings, preferably not more than a month apart, are preferable to one continuous session.
THE INDIVIDUAL APPROACH

The process of setting standards for the market manager followed a similar pattern. A very capable salesman who is also one of our regional managers, he has a great deal of drive, initiative, and imagination. The new responsibility of market manager had recently been conferred upon him. It was a relatively new area for us, too, so we had only a vague idea of what we should expect. On several occasions, we had discussed the scope of his duties and the objectives of his position, but there was no clear-cut understanding of what would constitute good performance.

This man agreed readily when asked whether he would be interested in working to develop concrete, formal standards for his job. Allowing two hours for the purpose, we followed the same pattern used in setting standards for our regional sales managers.

We covered some of each step in the first session: listing the major segments of the job, defining each function, and then setting the standard for that function. In all, it took us three sessions to complete the task. Exhibits 3 and 4 are samples of the standards set.

CONCLUSIONS

We have since set standards for all management people in the entire organization—from top management down to first-line supervisors. In dealing with the top echelon, we met with the group as a whole and set standards common to all. When we had completed our work so far as a member’s functions were concerned, he in turn duplicated the process with his immediate subordinates—and so on down the line.

Some Important Points

A few points should be emphasized in connection with setting standards:

1. Most important, the standard should be set by the individual whose performance is going to be evaluated. At Tremco we were careful not even to suggest a standard. The superior
THE MARKET MANAGER

1. Function

Training men who are devoting time to industrial business to be effective.

2. Definition

Developing an understanding on part of salesman of the kind of information and data he must supply laboratory to facilitate development of product to meet prospect's needs, including price, packaging, samples, method of use, conditions under which used, etc.

3. Standard

Satisfactory performance on part of market manager is achieved when information supplied where a product is to be developed or adapted for a prospect is sufficiently complete that the product may be properly formulated, price determined, type of packaging determined, kind and number of samples provided, approximate volume known, and shipping schedule given.
THE MARKET MANAGER

1. Function

Obtaining a volume of sales at a cost which will be profitable

2. Definition

Concentrate on products which are sold in volume and which return a satisfactory profit

3. Standard

Satisfactory performance on the part of the market manager is achieved when

a. $___________ of new business is obtained in 1955 in the U.S.
b. $___________ of new business is obtained in 1955 in Canada
c. Cost of sales effort in relation to volume is not over _______%
d. Cost of research time does not exceed $___________
e. Other costs, such as instructor-mechanic and field application engineering, do not exceed $___________
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can safely rephrase or restate the ideas suggested, but should refrain carefully from advancing his own ideas. (Don't be afraid that the standards set will not be high enough; more often they will be too high, and you will have to scale them down.)

2. The standards must be considered fair and attainable by the individuals for whom they are being set.

3. The standards should be as specific as possible. Where actual data or statistical information is obtainable, it should be used.

4. Where the results are intangible, an effort should be made to arrive at as clear-cut and simple a statement and understanding as possible.

5. If, in setting a standard, a lack of clear-cut authority and responsibility on the part of any individual is discovered, the confusion should be cleared up at once.

6. Theoretical ideas should be guarded against. Keep asking the question, “What do I hold you responsible for?” Draw out the individual until there is a meeting of minds, and then write down the result. Don't worry about semantics. Get to the heart of the matter in simple words that everybody understands well.

Added Benefits Seen

Over and above the original benefits that we expected to obtain for Tremco, many more have been realized.

In the case of the regional managers, the process has resulted in a better understanding of their functions and their responsibilities and a greater willingness to accept the responsibilities assigned—despite the fact that we previously had job descriptions which covered most of the segments. The group reaction to the experience was well brought out when, upon the close of the first regional managers' meeting, it was suggested that we should continue the job at our next semi-annual meeting. The group spontaneously and almost unanimously urged that a special meeting be held before the next regular session for the sole purpose of getting ahead with the job of setting standards.

The reaction of the market manager was similar: A much clearer
understanding of his responsibilities and what is expected of him has been achieved; a rapport, previously non-existent, between this man and his superior has been established; and a much more direct road to the realization of his objectives has been laid down.

A Better Way . . .

To repeat, it is the process of setting formal standards, rather than the standards themselves, that is chiefly responsible for the benefits obtained: first, the writing down of all the major segments of the job; then the thinking through of the definitions, so that the man and his boss really understand what is meant; and, finally, the understanding that results from the effort to crystallize into as factual and clear a statement as possible what constitutes good performance. Indeed, if the standards themselves should be lost or torn up, 75 per cent or more of the benefits would still be retained.

At Tremco, we have learned, too, that when agreement has been reached as to what constitutes satisfactory performance:

1. There is immediate improvement in the work.
2. Relations between the man and his boss are improved.
3. Conditions conducive to the growth of the individual are established.
4. It is difficult to obtain adequate performance by simply giving orders. However, in the process of setting standards, what is said by the individual for whom the standard is being set will affect his future performance.
5. Social pressure in the group causes high standards to be set.
6. Self-appraisal is made easier. Motivation is strengthened and development of the individual accelerated.
7. There is opportunity to see how logical the thinking of the group members is, and to spur those whose thinking is not too orderly to greater effort in this area.

Above all, setting executive performance standards constitutes a way of discharging more effectively management’s duty toward its subordinates. In the words of Lawrence A. Appley, it is a better way to “increase the knowledge, sharpen and add to the skills, improve the habits, and change the attitudes of many of those for whose development we are responsible.”
The Problem of Company Climate

When we sit down to think about how men develop and grow within a company, and how that development and growth can be stepped up, we sooner or later come face to face with the all-important effect of climate. By the right "climate," or "management climate," we of course mean that way of doing business which emphasizes the development and growth of men at all levels through delegation, training, coaching, and communication. Essential though adequate tools and techniques may be, not to speak of effective recruitment and selection, the greatest influence on a man within a company is his working environment—including company policies; his associates; the way he is treated; the instruction, information, and advice furnished him; the examples set for him; his working conditions; the interest displayed in him; and the things that the company emphasizes and stands for.

The industrial situation differs sharply from that encountered by a student attending college or being tutored. Most industrial managers wear two caps at once: They are individuals whose personal growth and development are sought and, through whom, at the same time, the growth and development of others must be accomplished. They are the students, and they are the faculty. They are the players, and they are the coaches. As they are being tutored, they are themselves tutors.

A manager's personal attitudes and skills, when inadequate, become a block to his ability to convey the desired attitudes and skills to his subordinates. When the same man is involved both as a trainee and as the trainer of others, many theories and procedures that are highly desirable and feasible, under other conditions, may
actually be impossible. Or, to look at it another way, even if an individual is taught new methods, skills, and attitudes, they are not likely to mean much or to last long if the individual's boss is unsympathetic and discourages their use.

What this boils down to is the fact—stated many times over—that the boss (and this holds true from the highest managerial levels down) is primarily responsible for management development as well as for gaining acceptance among his subordinates of any program or procedure. His attitudes and skills are all-important.

**Mass Approach Indicated**

This reasoning leads us to the question of how best to speed up the process of identifying and developing managers. If we proceed from the principle that, for the most part, managers must be developed within the organization, efforts must be directed at our present management and pre-management group—not as individuals but as faculty, as trainers and coaches, rather than as individuals. The most important objective is to help them better assume their inescapable role as selectors, motivators, and developers of men; and, of course, as they become better coaches, they also become better managers and better men.

At the outset, this would seem to call for a mass rather than an individual approach, which must be a part of, or closely related to—as opposed to separate from—the daily work situation. Business climate, after all, is the way the whole management, or the majority of the management, is thinking and acting. Therefore, to influence that climate or management emphasis, large numbers must be influenced at the same time and in such a way that the results will be clearly reflected in what they emphasize as managers. In other words, if we are going to speed up the development of managers, we must get our present managers at all levels vitally concerned with and involved in developing and stimulating subordinates. We must get them interested in improving their delegation, coaching, and communicating, and we must help them accomplish this improvement. We must help sharpen their ability to recognize the best man for each job and to see that he is selected without bias or favoritism.

By involving the majority of management in these matters simultaneously, we can set in motion maximum influences from all
directions at the same time—from the top down, from the bottom up, and laterally—to put more emphasis in our business climate on the development of men.

Statement of Company Philosophy

Curiously, with so much being said and written about the importance of management climate, there is available little actual description of tangible programs or efforts designed specifically to do something about it.

Here is how General Mills attacked the problem. First, we prepared and adopted a detailed policy statement describing the philosophy of management we believe in and encourage in General Mills. We called this “The General Mills Way of Management and Manpower Building.”

While this whole statement of concept and policy was an attempt to be specific and to avoid platitudes, probably the most important part was the listing of 12 major areas of managerial effectiveness, in each of which each manager is responsible for increasing his competence. These have come to epitomize the kind of management expected in General Mills. They stress the things we believe to be most important in challenging and developing men. They are:

1. Stressing the importance of high moral and intellectual integrity that entails adherence to principle, impartiality in personal decisions, and straightforwardness that creates an atmosphere of confidence and a feeling among subordinates that they know where they stand.
2. Filling each position under our supervision with the most capable man available. In order to fulfill this key responsibility, it is expected that each of us will become familiar with and utilize the most reliable methods for appraising the capabilities of all qualified candidates for positions to be filled.
3. Making recommendations regarding the salaries of our subordinates which will fairly reward each in proportion to the value of his services; maintaining equitable relationships throughout the company based on relative differences in duties, responsibilities, and individual performance; and
administering salaries in such a way as to stimulate employees to maximum productive effort and to provide incentive for personal growth.

4. Delegating authority and responsibility to subordinates clearly and to the fullest extent practicable, causing them to feel the weight of it—and doing so without abdicating our own over-all responsibility.

5. Developing and stretching the capacities of subordinates by assigning them all the work they can do; by keeping work experience as challenging as possible; by holding rigorously to high standards of accomplishment; and by refusing to do men's work for them.

6. Making a special effort to know and understand each subordinate as a unique person, thus building a close relationship of mutual respect and confidence that will enable and stimulate him to attain his best level of performance.

7. Assisting subordinates to increase their effectiveness by training and coaching, giving credit for good performance and making criticism constructive; by periodically reviewing their performance and progress with them, letting them know what is being done well and what is not being done well, and discussing how improvement can be made; by encouraging discussion of their aims and plans and, if these are realistic, helping them to prepare themselves; and by providing opportunity to discuss any problems affecting their jobs.

8. Communicating all company objectives, policies, operational plans, and developments which are not confidential and which will assist subordinates to set and work toward common and purposeful job goals; and explaining fully and freely all matters affecting employee relations.

9. Encouraging and providing opportunity for employees to express their thinking on matters affecting their jobs or on those daily operations of our business about which they feel they have a right to be consulted, giving consideration to their views before decisions are made and permitting participation in policy-making and problem-solving activity as fully as practicable.

10. Providing and having on record recommendations of one
or more capable replacements, thus making ourselves available for advancement.

11. Consciously employing whatever percentage of our time is necessary for the development and building of our men.

12. Personally adopting and helping to implement and extend this "bottom up" philosophy of management and manpower building, making use of the facilities, programs, and methods available in General Mills to assist in its accomplishment.

To define further the responsibility for carrying out policies, the policy statement provides:

Each general manager and each executive in charge of a corporate staff department is assigned the responsibility for seeing that these principles and policies are understood throughout his organization and made an active part of daily operations.

Together with a resolution of the Board of Directors emphasizing the importance of manpower building and a statement by the president describing his personal belief in and support of this philosophy of management, these policies were combined into a booklet and, also, adapted into a film presentation. In addition, "The General Mills Way of Management and Manpower Building" was presented orally at group meetings of our entire management force; in fact, it was presented in all three ways to our entire employee group exempt under the Fair Labor Standards Act.

Company-wide Conference Program

Because policy booklets and films tend to mean much more to their authors than they do to their audiences, the real impact of "The General Mills Way" probably came through a combination, over a two-year period, of the media described and a company-wide conference program analyzing and illustrating policies which it stresses. The conference program became significant in part because of its scope, which was considerably broader than anything ever done previously in the company, thus indicating that management meant what it said and was backing it up.

General Mills has about 13,000 employees. Our management force totals about 1,900. Many of our managers are scattered in such remote locations that we could not include them in conference
groups. Nevertheless, in 1956 we had 1,200 of them (including all our top executives) organized into 72 groups throughout the United States, meeting regularly to discuss materials centrally prepared and designed to bring out the full implications of "The General Mills Way of Management and Manpower Building."

Each conference group contained several levels of managers in a variety of activities, so that the problems and feelings of each level were laid before the group. The conferences were led by our own operating people—75 of whom were given a week's training to prepare them for this assignment. It is true that these men had limitations as conference leaders; yet they made the conferences practical company meetings, discussing company policies and applying them to daily situations. It is also true that some of the concepts were beyond the experience of these men to communicate forcefully; to get around that, each leader was furnished with a tape recorder and professionally prepared recordings for each session, which put over the important principles through the use of dialogue and dramatization. After each point was made with the tape recording, the conference group immediately entered into a full discussion of the point, its implications, and its application.

The theme for the first year's conferences was "The Manager-Man Relationship." The topics covered were "Building Men Through Coaching," "The Art of Delegating," "Communicating and Consulting for Teamwork," "Obstacles and Aids to Mutual Understanding," "Letting People Know How They Are Doing," "Handling Problem Situations," and "Overview of the Manager-Man Relationship." In this series, we were explaining policies and principles and attempting to gain acceptance for them. During the second year we discussed the application of these policies and principles through an adaptation of the so-called "incident process"—which is, of course, a form of the case method. Each incident, with its solution, was discussed in the light of our philosophy of management and manpower building. Thus we further emphasized our 12 main points.

In this second year, our participants increased from 1,200 to 1,350, and our conference groups from 72 to 85. And, in the third year, 83 leaders are presiding over 88 conference groups made up of 1,300 management people considering the planning, organizing, directing, and controlling phases of a manager's work as they apply to the particular individual responsibility.
Results of the Project

Some training men, granted, are not impressed with mass techniques such as we are using at General Mills. We do not, however, consider the program primarily a training process; rather, we see it as a means of communication, explanation, and application of company policy. It is quite true that personal attitudes and skills are involved which cannot be adjusted at will simply to follow policies. The result, naturally, is that some people have been much more receptive than others and some are applying these policies more fully than others.

The important point is that the management climate is changing perceptibly. Management as a whole is much more conscious today of the importance of stimulating and building men. The problem is on all our managers' minds. They are talking about it. There is a conviction that more careful attention to selection, delegation, coaching, and communication is expected of them; and nearly all are trying, in their own personal way, to carry out that expectation. For the pressure to do so continues to be felt—coming as it does from clearly enunciated top-level policy and action, from subordinate managers who have participated in conference discussions (and speak up when these policies are not carried through with them), and even from car-pool discussions.

This has been our way of promoting a management climate emphasizing manpower building. It seems to have worked. It has also provided a notable personal development experience for the 250-odd selected men who have served or are now serving as the conference leaders, and it has demonstrated clearly that one of the most effective means of self-development is to teach others. Personal growth in this instance has resulted, not only from study and the actual process of leading discussions, but also from the need felt by these men, as leaders, to set an example by their own use of the basic principles of management which they have been teaching.

We believe that, through these efforts, we have fostered a much greater interest in manpower building and that, as a result, we have more widely developed management resources today.
A management development plan, procedure, program, or philosophy is practically worthless unless the top management role is adequately filled. In other words, there is no particular reason for an organization or section of an organization to embark on the use of management development techniques unless the person in charge wants, understands, and directs the use of the technique. There are, moreover, three major determinations which must be made by anyone in top management in his consideration of management development. The first important consideration for this top management person (any man or woman in charge of an organizational unit) is that he have a basic philosophy of management. The second is that he have a basic plan or method of operation for the effectuation of that philosophy; and the third has to do with the actual way in which he starts his plan and keeps it in operation. For the sake of easy understanding, we might call these three considerations a philosophy, a plan, and participation.

A PHILOSOPHY

"Philosophy" here denotes a "way of thinking." Experience has shown that it is important that a positive philosophy of management be formulated. Many managers have a philosophy of management which they have never tried to formulate. Putting it in words sometimes does a great deal toward clarifying what the philosophy really is. This does not mean that management should turn over a new leaf
and start anew; however, it does mean, in many cases, that it will do better that which it is already doing.

In determining a philosophy, the top man has to know what it is he wants and needs in the way of management development. Of course, this takes him into the ramifications of organization structure, planning, controlling, and company objectives.

The Development Process

There are two ways in which a man in top management can determine his philosophy of management development. Either he can develop it as a part of his own thinking, or he can help his subordinates arrive at it with him. It is immaterial which procedure is followed, but it is important that the philosophy be a part of the top man himself. It is evident that if he has formulated a philosophy, has determined it himself, or has been sitting with a group of his subordinates and has helped them formulate it, he probably will understand it. However, it will become a living philosophy for management in his business only when he has a real involvement in it—an involvement with conviction. In understanding this philosophy, he has to know the part he personally will play in planning it, controlling it, directing it, and participating in it.

While there are still many people who run companies of many different sizes by a so-called rule of thumb, it is becoming increasingly difficult for them to do so successfully. A systematic approach is just as important to the development of your own management personnel as it is for any other phase of your management duties. Unfortunately, too little time is given to this responsibility. The need for understanding the philosophy and being a part of it is second only to actual knowledge of what it should be.

Need for Articulacy

There is yet another consideration within the over-all framework of basic philosophy: the top man has to be articulate with the philosophy. He must be able to explain it, make it known and understood by others.

Many of us have been present at meetings in which the senior man in the organization reads from a sheet of paper—or has some-
body read for him—a statement of policy which is to be practiced by all members of the group. When the meeting is over, many go out scratching their heads and asking, "Now, what are we supposed to do about this?" The philosophy will not be a living philosophy, a working philosophy, a way of thinking—or, better still, a way of operating—unless the top man in the organization has helped determine it and therefore knows and understands it so well that he can make it understood by others. In other words, it must be so much a part of him that others feel it and use it just by contact with him.

An Over-All Canopy

What should a philosophy of management development embody? First of all, an understanding, or a statement of policy, as to who is responsible for it. If this statement of philosophy can accept the idea that management development is a part of the whole management picture, then much of the problem of whether we will look on management development as fad or fancy fades into the background. When management development is accepted as one of the skills of management along with planning, controlling, directing, and the others, then the problem of supplying this skill becomes one of knowledge and practice rather than one of education and direction or delegation.

When the top man has made his philosophy known to his subordinates, and, further, as he continues to expand their understanding with each daily contact, it is not too many months before his entire management staff recognizes that this is a method of operation he expects them to follow. He expects them to follow it because he practices it and demands it.

Thus a philosophy of management development may become an over-all canopy under which many of our individual corporate problems may be handled in an easier, better, and faster way.

A P L A N

In general, where a plan is successful within a company—that is, when a systematic approach to management development seems to be successful—we find four areas of activity. These are (1) individual
evaluation; (2) higher management control; (3) individual guidance; and (4) intelligent utilization of the many specific development techniques available today. It does not matter what type of activity one uses, or what terminology one employs to describe the activity in these areas. It will vary by companies, by the demands of different companies, by geographical limitations, and by the number of employees or personnel involved. But it appears that the variations are not important so long as there is activity in each one of these areas.

**Individual Evaluation**

There are many different ways in which the evaluation of an individual can be made, but there seem to be two general ways: by the use of rating scales or by the appraisal technique. Too often the two terms are confused. Common usage shows that the rating technique involves a known list of factors in which a person is rated according to some kind of conventional measuring scale. In the appraisal technique, the opinions of a person or a group of persons are set down according to that person's or that group's standards and not according to any particular list of known factors.

Evidence seems to show that the important thing in this whole area of individual evaluation is that the evaluation actually be made of the individual. This also keeps us from falling into industry's age-old habit of saying that all people in a certain kind of occupation, all the people in a certain level of management, get some specific type of training. Too often, the top man in the organizational unit is susceptible to the sales talk of his subordinates and of consultants when it comes to the utilization of training skills. Too often, he agrees that his company should put all the people of a given category through some kind of specific training course. There is no question that many training courses do help a good many people. But the important thing to consider is that people get the training they individually need.

It is important to find out who in the organization needs a particular kind of training, who would gain something from it, and send that person to get that information. The need will be apparent by rating, by appraisal, or by any of the other well-known techniques. The top man, however, has the responsibility for seeing to it that adequate individual evaluations of his subordinates are made.
If the top man will ask two questions when one of his subordinates or a member of his staff suggests programs or development techniques for use in his company; if he will first ask, "Why?" and then, "How do you know?" and if he gets good answers to both questions, he will have a basis for a sound decision.

Higher Management Control

The second area which is part of this whole plan, perhaps the most important part, is the area of higher management control. The top man himself must understand and must have a real involvement in the procedure. In other words, top management control is not merely the giving of his "blessing"—it is the directing, planning, and participating which make it a part of the supervision of his own immediate subordinates.

There are many ways in which he can exercise control. One of the most common techniques used is the executive review. In this review, higher management considers the individual evaluations made of its subordinates. We might say that this higher management control is the heart of our basic philosophy.

Individual Guidance

The third area—often disregarded—is that of individual guidance. The person is told of his evaluation; if it's an appraisal, he finds out what his appraisal is; if it's a rating, he finds out what his rating is. Oftentimes, activity in this area is called an interview.

There are those who would have us believe that this whole area of individual guidance should be sidestepped by the average management person because it is too technical. However, management people of all levels are counseling or guiding in every contact they have. One of the points mentioned in determining a philosophy was that it is not necessary to turn over a new leaf. It is necessary, however, to do better what we are doing right along. All that needs to be done in this area of individual guidance is to improve the technique of our counseling; to use a systematic approach to it, to give the person concerned the results of his evaluation so that he himself will know where he stands, what is expected of him, and what he needs to do to improve.
I have heard representatives of companies say, "We couldn't possibly get our department heads to talk to their supervisors in an appraisal interview or counseling session. We just don't believe that they could do it. We would have to give them a course in counseling first." This seems to me to be a very shortsighted approach, because these same people are counseling every day. They will be the first to recognize their own shortcomings when they use a systematic approach, and the chances are good that they will be the first to want to improve and will seek out their own methods of improving themselves.

It has been said here and elsewhere that you do not develop people, you merely make available to them the ways whereby they can develop themselves. Here we have an admirable application of such a technique.

Utilization of Techniques

The fourth area in this planned approach has to do with the utilization—the intelligent utilization—of the many specific development techniques that are described further on in this book. We are already familiar with them, available as they are in our own companies, from consulting firms, and from our schools and colleges: day-to-day activities, production meetings, staff meetings, use of the group procedure to develop company policies. Yet top management has often neglected to use these methods of management development.

There is one caution that experience prescribes. Top management should make certain that the blanket technique is no longer applied in regard to pure training courses. It should make certain, instead, that specific techniques are applied to persons who can use the particular information in question to improve on their present jobs.

PARTICIPATION

The details of spreading a philosophy of management are too varied to discuss. There are too many individual plant conditions which cause one organization to operate differently from another. However, there is a basic uniformity in the necessity for the top
management person actually to start and spread such a philosophy as a part of his daily work in his organization. He must live it himself; he must always practice it; he must set fires under his subordinates, so that they live it and practice it.

If there is a maligned phrase in personnel and training circles it is the term “follow up.” It has been looked upon as the panacea for almost every personnel policy, plan, practice, or training program which has been initiated. And, when the policy or program fails, it has always been assigned as the one reason for the failure: Nobody “followed it up”? The term “follow up,” when applied to management development, is misleading. What we are talking about here is the need to live it, direct it, participate in it; to utilize every facet of communication between the levels of supervision. The top manager must delegate those responsibilities which have to be delegated. But he must recognize that he cannot delegate his primary responsibility to his subordinates. In other words, he himself must direct it, not just “follow up” on it.
Few aspects of management development lend themselves to as much heated argument as does the evaluation of results achieved. Some protagonists maintain that evaluation is impossible; a few say it is unnecessary; others hold that their programs have not been in existence long enough to arrive at any fair evaluation of results. After all the debate, however, the fact remains that programs are constantly being evaluated—formally or otherwise. The choice, therefore, is not between evaluation or no evaluation, but hinges upon the quality of the evaluation methods to be applied.

Current usage in management development discussions reflects considerable variation in terminology. For the purposes of this paper, therefore, the following definition is suggested: Evaluation of management development programs is an attempt to arrive at a correct judgment of their value or worth in either monetary or non-monetary terms. The significance of an evaluation is dependent upon the context. The next question to be considered, therefore, is that of context.

**What Is Being Evaluated?**

A survey of management development programs made at the University of Michigan mentions 13 ways in which a program may be considered to be of value:

1. Improves technical performance.
2. Improves supervision and leadership at each level.
3. Improves interdepartmental cooperation.
4. Highlights individual weaknesses.
5. Attracts good men to the firm.
6. Facilitates sound promotion-from-within policies.
7. Permits qualifications of key people to be better known.
8. Creates reserves in management ranks.
9. Makes organization more flexible by increased versatility of its members.
10. Improves organizational structure.
11. Stimulates junior executives to do better work.
12. Keeps firm abreast of technical progress and economic conditions.
13. Broadens key men in middle management.

These values can be reduced to two major objectives which most organizations say they are striving for in their management development programs. The first is an adequate reserve of qualified managers, and the second is improved performance in current positions. These objectives must be analyzed further. If an individual manager is asked to improve his current performance, he is, in effect, expected to change in some way. If he is expected to become qualified to take over greater responsibilities in the future, he is expected to change over a period of time. Thus both objectives imply the need for change in individuals. The end result—the payoff of a management development program—is individual growth. Each organization must of necessity stipulate the type of growth required. From a practical standpoint, growth can be defined as an increase in the ability of an individual manager to achieve the company goals for which he is responsible. Thus the evaluation of the effectiveness of a management development program requires measurement of the extent to which there has been an increase in the ability of the individual executives to achieve the goals set for them by the organization.

Who Wants What Kind of Evidence?

The chief executive tends to look at the management development program as an effort to accomplish certain end results; he has only minor interest in the mechanics by which the results are
accomplished. Having approved the objectives of the program, he wants information on progress being made in achieving these objectives. Having approved a budget for the program, he wants to assure himself that returns on the expenditure are satisfactory. Some executives are also interested in knowing how well their stated policies are being implemented in actual practice. Thus the chief executive is concerned, not with "how" and "when" questions, but with concrete evidence of progress and accomplishment.

Department heads and other key executives share the chief executive's concern with end results. In addition to being concerned about budget expenditures, they also want some return for the time they and their subordinates have invested in developmental activities.

A third group having considerable interest in evaluation is the coordinator or head of the development program and his staff. The obvious vulnerability of this staff group, particularly during the early period of its existence, puts it under considerable strain. Evidence that progress is being made, that results are being achieved, helps to reduce this strain. The coordinator tends to feel that his neck is out until the program has proved its value; evidence of satisfactory results vindicates his recommendations. In addition to these rather personal considerations, the coordinator often seeks evidence of strength or weakness in the program's operation as a basis for providing more effective assistance and achieving more worth while results.

A fourth interested group is comprised of outsiders. Whether they are research men from universities or borrowers from other organizations, they are often the most avid searchers for concrete information. The university man has an academic interest in the program and is looking for reliable evidence of its worth. The borrower, on the other hand, is looking for ammunition for selling his company on some plan of action. The more examples and reports he can obtain of satisfactory results, the more confidence he has in making recommendations to his top management group.

A fifth and final group concerned about evaluation is made up of the participants themselves—particularly executives at the lower levels. They are not concerned with general results but, rather, are interested in the effect of the program on their future. Their chief questions are: "How can I fit into the overall executive development program? To what extent will this program permit me to
achieve my own objectives, or to what extent will it interfere with them?"

Current Practice in Evaluation

A review of literature on evaluation, and the results of numerous interviews with coordinators of management development, provides information on evaluation practices and suggests certain trends. Three levels or degrees of thoroughness appear to be characteristic of program evaluations:

“Common-sense” evaluation. The evaluator, in the “common-sense” approach, looks around for evidence, which may include reported facts—such as number of promotions made; inferences—conclusions based on experiences or observations; or feelings—reported expressions of convictions. Thus it may be observed that top management approved a budget request for a program, and so it is inferred that this indicates approval of the program. Or it may simply be reported that management “seems pleased” with the results. Or some other such evidence may suggest that the program is meeting with management’s approval. This kind of evaluation obviously lacks precision and—in many cases—authority. While it is impossible to know how much evaluation effort falls into this category, it certainly predominates. However, more and more organizations are advancing beyond this level and adopting more precise methods.

Systematic evaluation. The type of evidence to be collected is decided upon in advance when systematic evaluation is practiced. Methods are used which permit quantification. Judgments or inferences are collected systematically by interviews, questionnaires, or group discussions.

A good example of the use of such a method is provided by Koppers Company, Inc. Here, attitude surveys of employees were used to get information on the extent to which management development activities had resulted in a change in subordinates’ feelings toward their supervisors and thus toward the company as a whole. Another example is the use of questionnaires by Consolidated Edison to secure systematic reactions to the job-rotation program. In this case, information was obtained from participants in the program as well as from their superiors. As a third case in point, the
Interview technique was used by The Psychological Corporation in its study at Detroit Edison, where both subordinates and supervisors were interviewed on their reaction to the management development program.

Certain evidence as to the value of a management development program can also be drawn both from regular reports and records and from special reports. Standard Oil (N. J.) has used this technique in reporting the number of jobs for which replacements are available. Johnson & Johnson has employed it in analyzing the extent to which within-company promotion policies are being followed. Occasionally, a situation is sufficiently clear-cut that credit will be given to a development program for having made a direct contribution to dollar savings. Lawrence A. Appley cites the example of a Montgomery Ward executive who attributed to the management development program a 27 per cent increase in tonnage of goods sold—accompanied by a reduction in total payroll costs.

It is, of course, necessary to understand the limitations of measures of judgments. The search for objectivity is likely to be a vain one in this area. Even facts concerning costs or sales, though specific, must have some value judgment placed on them before they are useful. Their presumed objectivity is lost once inferences are made. However, in the day-to-day course of administrative decision making, subjective judgment is applied to a great many problems; and in this case, also, the collection of systematic judgments need not be postponed because they do not meet some abstract idea of objectivity.

Efforts to secure systematic judgments, whether by interview, questionnaire, some merit-rating plan, or the use of reports and records, are of course preferable to the more casual approach of the "common-sense" evaluation. However, the systematic method will have to find wider adoption if it is to yield enough precise information to permit quantification of data, which will facilitate interpretation of results.

Experimental evaluation. The data for experimental evaluation are collected under certain controlled conditions. For example, attitudes may be measured before the program begins and after it has been under way for a while. Measurements may be taken thereafter at regular intervals during the course of the program. The most rigorous design provides for a control and an experimental group, with the aim first to equalize the conditions and then to provide
some treatment for the experimental group, leaving the control group alone. If changes are observed in the experimental group but not in the control group, it follows that these are effects of the variable of treatment.

**Effectiveness of the Formal Approach**

Executive growth has taken place, and doubtless will continue, even in the absence of systematic methods for fostering it. However, there is much to be said for the formal, systematic approach to executive development. It has among its merits the following. It—

- Insures more accurate, more satisfactory solutions to problems of assisting executives to grow.
- Provides for periodic consideration of problems encountered in the course of executive development and of possible alternative methods for solving them.
- Makes for gradual improvement in the development process, since it provides recorded evidence of successful and unsuccessful results.
- Permits sustained improvement as policies, procedures, techniques, and philosophies are tested and built into the regular process of dealing with problems affecting individual executive growth.

From a practical standpoint, it is important to consider the relative effectiveness of the formal approach. Would a certain number of executives have reached a certain level of effectiveness within a given period of time—with or without the program? It is true that a report on the progress of a program could be made which would reflect accurately what had happened but leave unanswered the question whether results were due to chance or to the formal program. Thus, in addition to specifying the objectives toward which growth is pointed, it is also necessary to establish a reference point or a reference group if the crucial question is to be answered.

**Under- or Overemphasis on Evaluation**

A strong case could be made for the contention that there is an overemphasis on evaluation of management development programs.
Many companies have delayed initiating any formal approach to management development because of their apprehension that the costs could never be realized. Such organizations look for proof that other companies have received some dollars-and-cents return on their investment. Companies delaying establishment of a program for lack of such proof would seem to be overemphasizing evaluation. In other cases where organizations have launched management development programs with fanfare, the chief executive shortly thereafter becomes concerned about results and wants evidence that progress is being made. Most programs have individual growth as an objective, and to expect evidence that such growth has taken place in a short period of time is certainly expecting the impossible.

Another type of overemphasis has to do with the effort to attach a dollar value to program results. The seeming concreteness of figures leads top management to require financial evidence of the value of management development programs. Yet, in most cases, statements of dollars-and-cents savings must be qualified. The qualifications, more often than not, leave little solid evidence. Those responsible for the coordination of a program also strive to reflect results in terms of dollars and cents. This desire seems to be motivated by budget-protection or budget-justification considerations.

Often those who attempt to attach a dollar value to their programs are also guilty of overemphasizing evaluation. In one large company, where competition had caused management to be extremely cost-conscious, the director of executive development related the progress of the development to sales volume and administrative payroll costs. It happened that sales volume went up and payroll costs went down. The director used these figures to support his contention that the program was paying its way. It is impossible, however, to determine the validity of such a contention; there are few situations where it is possible to relate effects of executive development to operating results in such a direct manner that results can be attributed solely to the program.

It is possible that the concern with evaluation is due largely to the mushroomlike growth of executive development programs. They are new ventures for many organizations. Many members of management have committed themselves to the success of such a program, which does involve some changes in the usual way of doing business and usually requires the establishment of a special budget. It is
natural, therefore, that the organization should be concerned with results. There is a tendency for concern to be greater in situations in which chief executives are not certain of the direction the program is going or in which they are not provided with evidence that progress is being made toward known objectives.

Is evaluation underemphasized? Certainly, if we are referring specifically to experimental evaluation, it is safe to conclude that evaluation is underemphasized. The same point might be made of systematic evaluation, since most evaluation efforts fall into the so-called "common-sense" category, whose inadequacies have already been mentioned. In short, despite occasional examples of overemphasis, the amount and type of evaluation currently going on would appear to justify the conclusion that evaluation is underemphasized.

What Is Needed to Improve Evaluation?

Evaluation, as stated, is taking place whether we like it or not. In some companies developmental activities are the first to be dropped during a cost reduction program—a step that in itself reflects one type of evaluation. Those with long memories can well recall what happened in the 1930's, when development went by the board. In the absence of concrete evidence of the value of development programs, the same thing might happen at some time in the future. Thus a crusader might be moved to sound the warning: evaluate or perish.

The choice is between unsystematic, fragmentary, impulsive evaluations and planned, comprehensive, seriously considered studies. If the importance of the management problems justifies formalizing the approach, then these problems also justify formalizing the evaluation.

A few suggestions for improving evaluation would include the following:

1. Top management should ask for periodic evaluation.
2. Neither top management nor coordinators should be satisfied with "common-sense" evaluation.
3. Courageous pioneers are needed to cross the frontier into the relatively unexplored territory of experimental evaluation.
4. Evaluation requires as serious attention and as much advance planning as any other phase of executive development.

5. Greater utilization of the professional psychologist is needed. The psychologist can be expected to contribute improved measuring instruments and improved evaluation techniques, and to assist in efficient conduct of studies.

6. The emphasis in all evaluation must be on improving the program, not justifying it. Evaluation, in the final analysis, reflects how line management, assisted by a staff group, is carrying out its responsibility.

7. Evaluation to determine increased capacity to do a current job should consider:
   a. Final results (reduced costs, higher return on investment, etc.).
   b. Intermediate results (improved planning, higher morale, etc.).
   c. Practices deemed to influence results (such as regular coaching of subordinates).

8. Exchange of information is a major pastime of coordinators of management development. Pooling of evaluation results, particularly negative results, will stimulate more and better evaluation.

9. A conviction that evaluation can and must be attempted is an underlying necessity.
TOOLS AND TECHNIQUES

Management Development Methods Surveyed
On-the-Job Coaching
Training Your Understudy
The Job-Rotation Method
Management Apprenticeships
Highlights of Multiple Management
The Problem-Solving Conference
Using the Case Study
Role Playing in Action
The Lecture as a Training Technique
Training Outside the Company
Performance Appraisal: A Common-Sense Approach
Counseling Executives After Appraisal
Management Development Methods Surveyed

Previous chapters will have outlined the objectives of management development, the preliminary diagnostic steps, and the broad requisites of the program. Now, assuming that the diagnosis has been completed, the needs successfully defined, and a program established, we may approach the problem of how best to achieve management development: the various methods of putting the program into action—that is, getting across the information, ideas, and attitudes which it involves. In other words, we are concerned here, not with the program itself—which, as stated earlier, must always be tailor-made—but with the tools and techniques whereby its objectives may be attained.

The problem, of course, is one of individual development and group development. Realistically, however, the individual is always part of a group, and he both influences and is influenced by it. For this reason, we shall attempt no sharp lines of demarcation between individual and group methods. Suffice it to say that individual development calls for further refinement of the tailor-made approach.

ON-THE-JOB TRAINING

If we are to put first things first in approaching management development, we must begin by examining what can be done about developing managers in their present jobs. For the most effective training, as we have seen, is built into daily, on-the-job experience.
It is true that we learn best by doing—but doing must be more than mere mechanical activity. The new concept—participation—involves sharing in the determination of the nature, scope, and type of the doing. The worker or executive who simply performs a series of mechanical or habit-formed activities is not really participating.

The greatness of our nation derives from the fact that we, as citizens, can play a vocal, active, formative role in shaping our own destinies. One of the problems of business management is to provide that same kind of participation, rather than a work atmosphere in which executives are “paid to work, not to think.”

This need for true participation must be kept uppermost in considering such development techniques as coaching (pages 99-110), job rotation (pages 124-130), and understudy or apprenticeship plans (pages 111-123, 131-140).

Central Role of Coaching

No program of management development will really produce results until every superior recognizes and discharges his personal responsibility for developing the people entrusted to his care. The key is greater delegation of authority, coupled with thoughtful, understanding handling of subordinates to bring out their good qualities.

Here the great responsibility of the superior is to lead rather than drive, to develop rather than stifle. He must be aware at all times of the subordinate’s responsiveness to his views and attitudes. He must let the subordinate know how he stands, both through day-to-day contacts and by means of periodic reviews.

It is important that coaching cover all major phases of the job. All too often, executives will stress certain elements to the exclusion of others. Use of the company’s organization guide and of an executive appraisal form will help here, as well as the so-called “experience profile.”

We must bear in mind, too, one of the penalties of our era of specialized management—the fact that executives usually cannot see the business as an organic whole, and that they may fail to get needed experience in coordinating various functions. Many companies are attacking this problem through decentralization: Subordinate executives are given profit responsibility for all phases of a particular unit
of the business, subject, of course, to functional supervision and guidance by top management.

Decentralization is most commonly practiced where a company's plants and sales activities are widely scattered geographically, or where the company has a number of different products which have dissimilar sales and manufacturing problems. However, where the nature of operations and the workload permit, and where profit responsibilities are clearly isolated and defined, it is sometimes possible to practice decentralization on a limited scale within a single plant or office. Some insurance companies, for example, divide certain home office activities into a number of identical units on a workload basis, while, in department stores, "basement" and other separate types of management have provided excellent training grounds.

Provision for Varied Experience

Frequently, an executive requires varied types of experience to equip him for promotion. For example, a top manufacturing executive should have experience in industrial engineering and production planning, as well as direct production, and a well-rounded top sales executive needs experience in advertising, sales promotion, and market research, along with his grounding in direct selling and sales force supervision. Job rotation can provide this broad experience, plus the ability to adjust to new problems and new people.

Job rotation between highly specialized departments, or at the higher levels in any department, is often difficult. Accordingly, wherever feasible the rotation should take place as early as possible in the executive's career. Where the work of a group is extremely technical, assignment to some relatively non-technical position in that department has proved a workable plan.

Rotational assignments may fall into a number of categories. The executive may be placed in a regular line job, serve as assistant to a major executive, or be assigned to a staff position.

1. Line positions. Generally speaking, the individual will develop most if he has full line responsibility. For job-rotation purposes, positions should be selected which offer especially good training possibilities and where the work will not be seriously affected by executive changes.

2. "Assistant to" positions. It occasionally proves impractical to
give the individual full line responsibility; the work may be too technical or require too much background. Under these circumstances, some companies have had excellent results from establishing or utilizing positions as "assistant to" major executives for training purposes. While such positions do not offer the intensive experience of full responsibility, they do permit rapid rotation of assistants without great disruption of operations. Properly planned, this approach permits the rotated individuals to acquire wider experience with relative speed.

3. Staff assignments, perhaps more than others, can develop an executive's ability to think clearly and to handle people. The typical line executive spends most of his time dealing with routine matters. The staff man, on the other hand, has a minimum of routine and deals with new problems constantly, thus having opportunities to improve his analytical ability through practice. Also, since he lacks line authority and must get results through persuasion, the good staff man acquires considerable skill in human relations.

A staff assignment is an excellent way to test an executive's real ability. Many line executives, bolstered by experience and surrounded by their subordinates and familiar routines, often appear better than they really are. In staff work an individual is necessarily on his own, and his skill in dealing with problems and people can be appraised more accurately. Consequently, companies with top management staff units set up to handle planning, organization, and coordination find that a tour of duty with these units is excellent training. Here the executive gets the over-all company viewpoint, becomes familiar with all phases of the business, and is indoctrinated in the best management methods. He also acquires concentrated experience in the analysis and solution of top management problems.

Temporary staff assignments can be employed to provide a reservoir of executive talent. For example, a promising line executive can be put on a high-level staff job for a few years. Then, when a line vacancy occurs, he can move into it. This is often more acceptable than bluntly by-passing other executives.

Two Heads Are Better

Progressive companies have long recognized the consultative processes as highly effective in gaining participation and for releasing
the creative power of groups toward common objectives. In its simplest terms, consultative management puts into practice the old theory that two heads are better than one. Various tested methods of using consultative management offer ideal means for developing and testing potential executives. The most widely used forms include such administrative techniques as management councils, committees, and, in its highest form, *multiple management*. Some of the training benefits derived from this approach include:

1. Direct, frequent participation.
2. Acquisition by younger executives of management skills and attitudes through close participation with their superiors.
4. Knowledge of the interrelationships of all phases of the business. Teamwork is promoted as subordinates become more conscious of each man's part in the company picture.
5. Maturity—the ability to accept other people's ideas and opinions and to respect varying viewpoints.

Multiple management, as pioneered by McCormick & Company of Baltimore (pages 141-147), provides the strongest kind of social motivation to acquire desirable management attitudes and skills. The individual not only is strongly influenced by his desire to win approval, but also feels that his rating is not in the hands of any one judge—an important point, since men will accept group verdicts more readily than individual edicts.

**OFF-THE-JOB TRAINING**

Learning by doing can be augmented by a number of valuable off-the-job training methods. This part of the program may run the gamut from briefing on company policies and plans through discussions of our economic and political systems to instruction in managerial tools and techniques, labor relations, and specific operations such as cost-saving projects. Naturally, a wealth of devices and techniques is available; almost every educational process may be utilized. The crux of the problem is how to get executives to translate off-
the-job training into on-the-job behavior. In general, the more closely off-the-job training is geared to real company problems, and involves participation, the more likely is it to prove effective.

**Drawing on Actual Company Problems**

Types of training which meet these requirements well, drawing on real-life company problems for material, include problem-solving conferences, case studies, and role playing.

*Problem-solving conferences* (pages 148-157). In making the most of planned, periodic conferences at the various management levels, participation is again the key as the solutions to common problems are worked out together under an experienced conference leader. Ideally, the conference leader should be the superior of the group. Among the more successful programs have been those which include conferences conducted by top management executives on various phases of profit responsibility. Each of the participating executives then acts as conference leader in discussing the same subject with his subordinates. This process is repeated on down the line.

*Case studies* (pages 158-166). The case-study method presents a written outline of a business problem. Various alternative solutions are then discussed by the group under the guidance of a leader. Where applicable, useful generalizations are drawn from the discussion. The real strength of the case study lies in the tangible evidence it offers of the value of collaborative decisions. Its weakness lies in its inability to do full justice to the "feel" of a given situation.

*Role playing* (pages 167-182), or psycho-drama, is a method which applies the same approach as the case study, except that the case is acted out. As background, the action leading up to the chosen situation is related, and it is then up to the players to show how they would handle the problems involved. Thus the trainees help to train themselves.

**Using All Company Resources**

Numerous other techniques and tools are useful in developing better managers. For example, a number of companies are approaching off-the-job training through *interdepartmental meetings* at the higher executive levels. The objectives, once more, are improved
teamwork and new ideas. Meetings generally involve a presentation (perhaps employing audio-visual techniques), followed by group discussion. Typical subjects include organization principles, human relations, and conference leadership.

As a change of pace, lectures (pages 183-189)—by company or outside experts—may prove useful. For the most part, the training methods discussed thus far involve learning to use know-how, which, we assume, the trainee already possesses. The lecture, in contrast, provides a means of transmitting know-how.

Planned reading programs have the advantage of enabling executives to concentrate on the material most useful to them. Also, they can be pursued at the time and pace best adapted to the individual's needs. It is usually hard to trace the direct effect of money spent on the company library, but many firms find it an excellent investment.

Many a company fails, too, to realize the wealth of experience which is embodied in such mundane reading as its reports. In every large organization these contain information which would interest the entire management group. Too often, however, they are routed only to "action" executives, whereas a careful review might reveal training value for the whole organization.

Today's management periodicals are clearly gold mines of development material. The trouble is that, while the company may subscribe to many of them, their routing to executives may be haphazard. An organized approach to the use of periodicals can be of real value.

Assistance from Outside the Company

A variety of educational facilities are available outside the company in or near most communities. In fact, educational institutions have long played an important part in technical and junior executive training. An especially interesting development is the role of graduate schools in training executives for general management responsibility (pages 192-193). Among traditional leaders in this field are the Harvard Graduate School of Business Administration, the University of Chicago, and the Massachusetts Institute of Technology. Some concerns have brought in prominent educational or professional figures to lead classes on an in-plant basis. Others offer payment of part or all of the cost of enrollment in the many excellent
courses—regular or correspondence—offered by graduate schools and colleges.

Less costly of time and money are visits to other companies and membership in the professional management groups which act as clearinghouses for current practice and thinking.

CONCLUSION

As in the case of any other major effort, the design and installation of a management development program require a great deal of careful research, planning, and educational work. Superficial expedients can lead only to disappointment in the long run. One practical approach entails the use of a pilot program, involving these steps:

1. Select one phase of the business (a division, subsidiary, or branch plant, for example) as a pilot operation for developing the mechanics of the program and the methods for its introduction. This has the obvious advantage of developing and testing the program more rapidly and inexpensively than on a company-wide basis. The unforeseen "bugs" that are likely to occur in any new program can be dealt with more effectively in the smaller pilot operation. Finally, since nothing succeeds like success, it will be easier to win general acceptance for the program after it has proved itself in one section of the company.

2. When the pilot installation is in operation, it should be studied by top management to determine whether it meets the needs of the company as a whole and is applicable, with appropriate modifications, to other sections of the company. If it meets these requirements, appropriate programs, together with manuals and other training material, then may be developed to assist the other divisions in adapting the program to their needs.

Three points merit repeating in connection with formulating the company's development program—that is, selecting the actual tools to be relied upon: First, make a great effort to analyze your needs correctly. Second, tailor the program to these special needs. Third, get active top management support and participation.
On-the-Job Coaching

A. The Superior’s Responsibility
Toward His Subordinates

Fanciful pictures to the contrary, the executive of tomorrow will not be a walking digital computer, complete with high-speed input and output devices but no judgment. Nor will he need a Ph.D. in mathematics in order to fulfill his functions. In all probability, the executive of tomorrow will bear a marked resemblance to the executive of today.

This is not to say that the computer can fail to have a dramatic impact on business. Data-processing equipment can provide more quantitative, accurate, economical, and up-to-date information on which to base decisions; computational methods can cope with hundreds of variables and thus permit intellectual consideration of various alternatives. The computer is, however, merely an aid to decision making, and the problem of technological employment among management personnel will not materialize. In other words, it is still the responsibility of the executive to apply the necessary judgment.

Unless, in short, we reach the science-fiction stage of complete mechanization, the skills of administration are here to stay. The executive’s job of getting things done on a cooperative basis through people and with a profit will continue to be his role in the future.

* By Mr. Mace.
Creating the Opportunity to Learn

How, then, do we prepare members of the organization to perform the jobs of the future? How do we help them to become more competent administrators of men? How do we help them develop the judgment required in responsible positions? The most effective way, as has already been suggested in these pages, is through the performance of the day-to-day job.

Essentially and simply, people learn by doing. The process of administration does not consist of dealing with static units of matter whose reactions are fixed and predictable. If this were the case, anyone who had read a book or memorized a series of rules on administration presumably would qualify as an executive. In practice, it has been found that few reliable rules or dependable guideposts exist for the automatic solution of administrative problems. Each administrator, therefore, must have opportunities to practice his skills and to exercise his capacities if he is eventually to fill a higher-level post.

The Superior as a Coach

To repeat, people do learn by doing. But the extent of their learning and the speed with which they learn depend largely on the immediate superior to whom they are responsible. The superior controls the working environment, and it is he who contributes most importantly to the growth of his subordinates.

Strategically, the superior is in the best possible position to help subordinates grow because—

1. He knows, or ought to know, his subordinates better than anyone else in the organization. With this knowledge he can more advantageously use them on the job.
2. He has the opportunity to assign tasks to subordinates which strengthen their weaknesses or shortcomings and, when the job is completed, can discuss their performance with them. The learning process is thereby re-related to a concrete working situation which is part of the environment in which the subordinate hopes to grow and progress.

The job of the superior can be described as coaching, which is also
On-the-Job Coaching

the basis of the process of administration—in other words, getting things done through people on a cooperative basis. Coaching is not a new technique; it is going on all the time. We coach, teach, and administer every day on the job. Thus the real challenge of management development is to do still better what we are doing already.

Elements of Coaching and Administration

Let us briefly consider the five elements of coaching and administration for possible evaluation against our own administrative experience.

1. Delegation of authority. If people learn by doing, and subordinates must be given opportunities, then superiors must delegate. Many executives indicate that, in theory, they accept the idea of delegation; however, in practice, they find it difficult to divest themselves of their authority. A typical comment (especially for those superiors who have had years of experience as “doers”) runs as follows: “I had this job before I moved into my present one, and nobody can do it as well as I can. I want to continue doing it myself.”

The concept of delegation requires judgment, of course, to determine when and what to delegate to each subordinate for his individual growth and development. The objective is, as L. F. Urwick has so concisely said, “to break the chaps loose by giving them opportunities.”

2. Counseling. When subordinates are given opportunities to perform on the job, the occasion is provided for affirmative counseling by the superior. The primary emphasis should be on helping the subordinate to learn the techniques of administration. This may involve job knowledge, managerial skills, or personality adjustment. However, if superiors relate the counseling to the tasks encountered in the work situation, they can contribute most effectively to the growth of their subordinates.

A division sales manager in a major oil company’s overseas operating unit stated recently: “During the 20 years I was in India, not one person from the higher echelons of management ever discussed with me how I, as an individual, could do a better job. Today our concern is to help the young men who will be the managers in a few years.”

Some people, however, still resist the idea of counseling. “We are
getting soft!” they claim. Certainly it is not soft-minded or sentimental to help subordinates do a better job. Rather, it is soft-minded to neglect the chance.

3. Creating a team. Much of what has been said and written about creating a team sounds trite, yet the concept itself has deep meaning.

What are the characteristics of a good team? First, the superior knows his people’s strengths and weaknesses, uses these people properly, and concentrates his coaching attention where it is needed. Second, the superior lets his subordinates know what their jobs are, where they fit in the organization, and what others in the organization do. A company president once reported that, when he became controller several years earlier, the monthly profit and loss statement had been top secret. “Even my department heads never saw the whole document,” he said. “But I changed all that. They were part of the controller team and therefore had a right to see it.”

Third, to create a real team, the superior must let his subordinates participate in decisions. Letting them only “feel” that they participate is an administrative fraud which any subordinate will quickly perceive. Sometimes the autocratic organization attitude is “I’m the boss. I’ll make the decisions, and you’d better fall in line.” However, participation does not mean the abrogation of authority and respect. It means a larger input of information on which wiser and better decisions can be based. There never was a solution to a business problem which was not the better for the addition of other points of view.

Finally, a good team expects and receives fair treatment: Subordinates must know that they will be managed and judged impartially.

4. Mutual confidence. The basis of the whole relationship between the superior and subordinate is mutual confidence, and this confidence must be manifested by action. As an executive of General Mills commented: “If you as an administrator want results from a subordinate, your success is in direct proportion to the subordinate’s belief of your belief in him.” This faith, moreover, can’t be artificial or superficial; it must be genuine and sincere.

5. Standards of conduct. Lastly, the superior must set up personal and business standards that his subordinates may follow. Simply to establish mutual confidence, a superior doesn’t approve every-
thing his subordinates do. His approval must have meaning, and this meaning should evolve from a reasonable set of criteria.

The Central Role of Character

It is difficult to envision the kinds of problems that subordinates will face in the next 10, 20, or 30 years. Therefore, in addition to insuring that our employees acquire sound, substantial business knowledge, the best thing we can do to assist them in facing the future is to contribute to their understanding of the role of integrity, honesty, and sincerity.

More important than the intellectual acceptance of the concept of coaching is the adoption of that concept as part of our day-to-day behavior on the job. Education has meaning only insofar as it is reflected in conduct and character. Every superior can therefore do much—in fact, must assume primary responsibility—for the growth and development of those subordinates who are destined to be the executives of tomorrow.

B. Effecting a Change in Individual Performance

Many managers are blessed with a team of highly competent subordinates who give them a sense of satisfaction and confidence. Other managers, however, are discontented with, or lack faith in, one or more of their men. Exactly how do they set about changing the performance of these individuals?

* By Dr. Mahler.
Two Types of Orientation

At the risk of oversimplification, subordinates can be thought of as falling into one of two types (which, in reality, represent the two extreme positions on a continuum).

The first is the radar-oriented type. His concept of a job to be done is limited to that which will keep his boss happy. We often refer to an executive of this type as one who fails to accept responsibility. We often worry about the decisions he makes. He seems to have difficulty in developing strong subordinates, and he seldom seems to have much potential. Usually, he's unhappy, and fails to get real personal satisfaction out of his position.

The second type of subordinate is the gyro-oriented individual. His concept of the job to be done is a broad one. Consideration is given to his supervisor's requirements, but he may go beyond expectations. His concept of the job well done is centered in direct concern for the best interests of the company. We often refer to this kind of subordinate as "a man who can get things done." He's a natural leader; he assumes responsibility; he thrives on challenges; he justifies confidence. He gets the results required and also develops a team that will get results tomorrow.

The Problem of Change Defined

The problem of changing an individual's performance may be defined as threefold, involving—

1. The attitude problem. Why should every manager feel that changing the performance of his subordinates is one of his major responsibilities?
2. The practice problem. How can a manager integrate informal and formal training practices into his regular process of managing?
3. The subordinate-orientation problem. How can a manager stimulate a shift away from radar-orientation to gyro-orientation?

Of course, this threefold definition may be disconcerting to some managers, since it suggests that they must first consider changing their own attitudes and their own practices as a means of changing
their subordinates' performance. However, whether we are thinking of changing ourselves or some other manager, the basic problem is still overcoming an individual's resistance to change. The individual whose performance is to be changed must (1) see and feel a need to change, to adopt a new way of behaving; (2) develop skill and confidence in using the new way; (3) try out the new way; and (4) find out that it works.

Complacency About Current Practices

One factor which may account, at least partly, for failure to secure a change in managerial behavior is the supervisor's complacency about his current coaching practices. A survey of seven different organizations, located in every section of the country, illustrates the need for improvement in this area.

The questions asked, with the response in each case, are as follows:

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
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<tbody>
<tr>
<td>1. Do you know what is expected of you in your position?</td>
<td>65 per cent reported that they had a very good idea or knew exactly what was expected of them.</td>
</tr>
<tr>
<td>2. How well do you know what your superior thinks of your work?</td>
<td>51 per cent said they either knew definitely or had a very good idea.</td>
</tr>
<tr>
<td>3. How frankly does your superior tell you what he thinks of your performance?</td>
<td>49 per cent said their superior was frank or very frank; the others indicated their superiors were general or vague.</td>
</tr>
<tr>
<td>4. Within the past year, has your supervisor told you of specific responsibilities on which you need to improve?</td>
<td>47 per cent reported that they had received suggestions on one or more responsibilities.</td>
</tr>
<tr>
<td>5. When was the last time an immediate supervisor held a formal interview with you about your over-all performance?</td>
<td>In companies with a formal management appraisal and interviewing program, 55 per cent said they had had an interview within the last year; 10 per cent said they had never had such an interview.</td>
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In this survey, a written questionnaire of the multiple-choice type was used. All replies were anonymous. The sample included more than 2,500 individuals who held top and middle management posi-
tions in all major functions. It cannot be assumed that this sample was representative of American industry; however, it was sufficiently large and varied to be worthy of serious consideration.

Obviously, these replies indicate a real need for improvement in coaching practices. Consider the potential opportunity for achieving growth and effective change when the remaining one-third of these managers learn fully what is expected of them and the remaining one-half know what their superior thinks of their work!

**Formal Versus Informal Coaching**

Once an organization recognizes the need to improve its coaching practices, the question of methods arises. Which are the most effective? Is it really necessary to have position descriptions? Should there be performance appraisals and interviews? Do these formal efforts really make a contribution over and beyond informal coaching on the job?

Take, for example, the matter of interviews. It will have been noted that, in one of the seven organizations surveyed, more than 35 per cent of the top 100 managers reported that they had never received a formal interview concerning their overall performance. These managers, of course, responded to the other questions as well, and an analysis was made to determine whether their answers were similar to those received from individuals who reported that they had been interviewed.

For convenience, the men in the two groups will be referred to as having “informal” and “formal” managers. We can logically assume that those in the non-interviewed group received only informal coaching from their superiors, whereas those in the interviewed group had probably had the benefit of both formal and informal coaching.

The following data are reported in terms of the percentage of respondents in each group who selected the two most positive responses. It will be apparent that the men who had been interviewed were much more likely to report positively about the other coaching practices of their superiors. Although the differences between the formal and informal approach are sufficiently great on all questions to assume that they are significant, it is impossible, of course, to establish cause-and-effect relationships between the practice of regular ap-
praisal interviews and a positive report by subordinates on other coaching practices. However, the survey results do suggest that managers who make the effort to provide formal interviews differ considerably in their coaching practices from those who do not. In addition, they put the burden of proof on those managers who contend that their informal coaching efforts do the entire job and that such formal techniques as appraisals and interviews are unnecessary.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response (Per Cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men with “Formal”</td>
</tr>
<tr>
<td></td>
<td>Men with “Informal”</td>
</tr>
<tr>
<td>1. Do you have a very good idea or know exactly what is expected of you in your position?</td>
<td>85</td>
</tr>
<tr>
<td>2. Do you have a very good idea of what your superior thinks of your performance?</td>
<td>60</td>
</tr>
<tr>
<td>3. Does your supervisor supervise you about right—neither too loosely nor too closely?</td>
<td>78</td>
</tr>
<tr>
<td>4. Is your superior frank in telling you what he thinks about your performance?</td>
<td>59</td>
</tr>
<tr>
<td>5. Does your superior make suggestions about responsibilities on which you need to improve?</td>
<td>64</td>
</tr>
</tbody>
</table>

This analysis, in short, would seem to document the suggestion that managers need to consider changing themselves before they try to secure change in others.

**Some Suggestions**

Here are a few general suggestions which can be adapted to individual situations and problems:

1. *Don’t try to change personality. Concentrate on changing performance.* A manager who had expressed strong dissatisfaction with a subordinate was asked whether the man failed to maintain sched-
uled production. No, he was on schedule. Quality? That was O.K. Costs? Not too bad. Employee relations? Excellent. "Well, then," came the retort, "why aren't you satisfied?" Sheepishly the other replied, "Well, he just isn't my type of manager." What this manager meant was: "He doesn't do the job the way I would!"

This story illustrates the wisdom of concentrating on performance rather than personality. For one thing, personal characteristics are difficult to change. For another, dictating ways and means of obtaining results is poor managing; individuals resent such efforts, and often they aren't necessary.

Some may complain, "But personal traits are responsible for failure to get results!" Fine, but fix your sights on getting improved results. Don't limit yourself to one type of action and—most important—don't think of the subordinate as having an unsatisfactory personality. Instead, think of him as an individual who fails to get the results you expect. It will open up many new ways of helping him.

2. Improve your own personal coaching skills. Stimulating individuals to change requires skill—in fact, a variety of skills. Yet how many managers have invested any time in increasing their own ability to observe, listen, appraise, discuss, and counsel? One common excuse for ignoring the need for self-improvement in this area is fear. A top manager may admit: "I do appraise and interview my men, but I dread it."

Ask a local management development staff man or a practical professor from a nearby school to help you and others in your group increase your skill. Don't assume you can just read a book or watch a movie or listen to a lecture. Coaching must be practiced under the observation of a competent trainer.

3. Determine the extent of agreement between you and your subordinate on what is expected of him. A new general manager and a research director once came to a parting of the ways in what was explained as a personality clash. The real problem, however, lay in failure on both sides to discuss, and agree on, what was actually expected. Such disagreements, in fact, often develop—not about major responsibilities but about the priority to be assigned to each.

Don't assume agreement exists. Discuss matters thoroughly and reduce the understanding to writing. Well-prepared standards of performance can be useful here.

4. Determine the extent of agreement between you and your sub-
ordinate on how well he is doing. One manager was well satisfied
with a subordinate’s production, but extremely unhappy about his
relationships with others. In an interview with this subordinate, he
found that the man held exactly the opposite opinion of his per-
formance.

So—discuss the objectives or responsibilities established by stand­
ards of performance. And, in interviewing, listen to the subordinate’s
own views first. That will give you a better basis for determining the
extent of agreement that exists.

5. Establish a need for changed performance and secure under­
standing and acceptance of this need. “There’s not to reason to why”
may be an old saw, but it is quite pertinent to some supervisor-
subordinate relationships. Overcoming resistance to change requires,
as we have said, that the individual both see and feel a need to change.
This he may be led to do verbally or by being allowed to stub his
toe on a tough problem.

6. Explore the causes of poor performance before planning action.
Deciding that improvement is necessary is a good step, but it is not
the only decision that must be made before you jump into action.
Discuss your subordinate’s performance with him first. He may lack
knowledge, skill, experience, or the proper attitude. Perhaps you, as
his supervisor, are hindering his performance, and other individuals
or groups may also need to change.

7. Consider changing the situation as well as the individual.
Usually the last thing to be considered, this is often ignored alto­
tgether. A plant manager, for example, deplored his foremen’s per­
formance throughout years of fruitless training, until thorough
study at last revealed that the key change needed was additional fore­
men to reduce the overload of work. Similarly, another manager
tried every technique in the book to improve a subordinate’s per­
formance. Finally, in desperation, he transferred the man to another
type of work, at which he’s doing very well.

Still a third manager had about concluded that his chief engineer
would never become an administrator, would never really delegate.
Somewhat inadvertently, a change in the organization structure oc­
curred. Since this change, a decided improvement has become ap­
parent in the administrative ability of the chief engineer.

8. Use special help when you have done your best. Assisting
subordinates to change can be difficult. You may try all the sug-
gestions mentioned and still not be successful. If you've done your best but haven't gotten the desired changes, you may need the help of skilled specialists. More and more companies have such men on their management development or their industrial physicians' staffs, and local universities also employ specialists who may be of assistance.

One final comment: Most of us are chiefly concerned with our own success—but one of the surest ways by which to improve yourself is to seek actively to help others improve.
Training Your Understudy *

What is an understudy? An understudy is a person who is trained to assume all the responsibilities of his supervisor, either as a substitute or as a replacement.

Who should have understudies? Every member of management who supervises people should be bringing understudies along. We often speak of training an understudy; however, you may want to train several understudies. It is always a good idea to have several people in a group to choose from when replacing a manager. If you are not sure who would make the best supervisor, you will discover during the training period who the best man is. Develop all those in the group who show promise. There will always be plenty of room on the management team for good supervisors.

Selecting Understudies

It is most unfair to the individual, as well as to the company, to give more responsibilities to an employee who does not have the necessary qualifications for successfully handling them. Though being a good worker is the most readily recognizable trait in an employee, you must remember to seek out other important factors.

When selecting understudies, you must consider their knowledge of operations to be supervised, organizing ability, judgment, knowledge of and cooperation in executing company policies, and personal

* Reproduced, by special permission, from a guidebook distributed by The Cleveland Electric Illuminating Company to its supervisory staffs.
and physical qualifications. Serious consideration must be given to their ability to lead, guide, and direct people. Technical ability is necessary and important, yet it is only a small part of the total job requirements for a good executive.

Much thought and planning are given to selecting proper tools and materials; you should be no less careful in selecting the men who manage your company. Unless the man selected has the necessary qualifications and capacity, not even a well-planned and well-executed program of training will be successful.

What We Should Teach Understudies

Basically, what are we trying to teach our understudies? What qualities of leadership and good management are we trying to instill in our understudies?

We want to teach them the basic fact that work is accomplished through people. The successful leader must be able to organize the activities of those under him and enlist their wholehearted support in the accomplishment of the work which must be done.

The most important quality of leadership in any phase of life is the ability to win and retain the confidence of other people. Without this confidence in their leader, subordinates accept direction with doubt and hesitation and thus lose the capacity for teamwork which is essential for proper work performance.

A leader must know his job well, but this is not enough. Employees must also have confidence in the leader as a person. They must believe that he always acts in ways which will contribute to and strengthen the general welfare of the company.

Employees are dependent upon their leader in many important ways: for a fair division of work, for proper recognition of effort, for a fair hearing on grievances, for job security, for personal progress and advancement. Employees are very much aware of this dependence and are likely to be deeply disturbed by any indication that their leader is abusing his trust, or taking unfair advantage of his position, or failing to accept his full share of responsibility for group

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1 Much of the material under this heading was taken from a talk delivered by James C. Worthy at a Midwest Alumni Conference of the Harvard Business School Association.
and individual welfare. Where employees have reason to be satisfied on this score, as well as on the score of the leader's job knowledge, they will accept the leader and do everything in their power to help him fulfill the work requirements.

In addition to giving leadership and guidance to others, the successful man must also be able to accept the guidance and direction of those in positions of higher authority. In fact, he should be eager to secure the counsel and guidance of others.

We must help our understudies acquire all the other qualities that a good leader must have. We must teach an understudy—

*To think*—to be able to make up his mind and be decisive. He should carefully weigh various alternatives, but he must be able to force his way to a conclusion and to act upon it. If he does not have this quality of decisiveness, he is not likely to have the self-confidence a leader needs. He must be able to plan, to see problems as a whole with details in their proper perspective, and to set a course of action which will take first things first.

*To develop a strong urge to accomplish*—to have a great capacity for hard work, but to know how to conserve energy. He should want to get things done, to handle problems as they come up, to dispose of them, and to get along to new and more challenging problems. He should receive satisfaction from the actual doing of a task. He should be constantly alert for new jobs to be done, for new problems to be handled, for new goals to be reached and passed.

*To have ambition*—to seek the satisfaction of personal progress. He should want to get ahead and be willing to work hard to do so. He should be willing to accept responsibility and the risks that go with responsibility.

*To be emotionally mature*—to be able to get along easily with others. Most supervisory positions involve considerable pressure. Unless these pressures can be handled constructively, the individual is likely to become overly worried and tense, to the point where his judgment and ability may be seriously affected. He should allow others a difference in opinion and accept their ideas and suggestions. He should not pretend to know it all and should be willing to accept help or good ideas from wherever they may come. His feelings and pride should not be easily hurt.

*To be self-confident*—to be able to take defeat in stride. The successful man can accept responsibility for his own mistakes. He does
not try to blame his associates for his own shortcomings or the failure of his plans. He must have faith in his ability and confidence in his ideas. He must be sure of himself, and strong in his belief that he can handle anything that comes his way.

To be tolerant—to accept people pretty much as they are. He should accept the shortcomings of others, yet work that much harder to help them improve. High standards of performance should be insisted upon, but impractical and unrealistic goals should not be set.

Never to stop learning—to have mental curiosity. A successful leader learns in many ways, but especially from experience. He is able to analyze the reasons for failure as well as success, and to guide future efforts accordingly. He can analyze why his judgment was good or bad.

Responsibilities of Understudies

Understudies also have responsibilities for their own training. It is the responsibility of an understudy to accept wholeheartedly the training offered him by his supervisor. Training is not possible unless the person being trained wants to learn. An understudy must possess this will and desire to learn.

An understudy must also have an open mind. He will be exposed to many new ideas which may conflict with his own thinking. If he has an open mind, he can accept the new ideas and reserve final judgment until he has seen how all the parts fit into the whole.

Reasons for Training Understudies

There are many important reasons why understudies should be trained. The benefits to supervisors and to the company are as follows:

Benefits to supervisors:

1. Work will go on smoothly when we have to be away from the job, thus relieving us of worry and giving us peace of mind.

2. We shall be relieved of some details, leaving more time for
planning, for self-improvement, and for greater responsibilities.

3. We shall be ready for promotion by having someone who can take over our job when we move up.

4. Training responsibility broadens us; we learn through teaching; we get the benefit of an understudy's opinion.

5. A sense of responsibility is passed down through the whole group; group thinking is stimulated; morale goes up.

6. We have the self-satisfaction of doing a good training job.

7. We become better liked and respected by the people we supervise.

8. It develops our executive ability, and shows our supervisor that we have that ability.

9. We learn more about the ability of people under us.

10. A stronger organization is created, making our jobs more secure, and helping to insure continuation of benefits.

11. Safer methods of work will evolve because more trained people will be working toward that end.

**Benefits to the company:**

1. Training builds a management pool of trained men, helping the company to grow and to expand.

2. It builds a smooth-running, more efficient organization—increases productivity, economical operation, reduction of costs.

3. It builds employees' confidence in the company—develops loyalty, raises morale, increases teamwork, reduces turnover.

4. It assures continuation of company service and policies; emergencies can be handled quickly and efficiently, maintaining customer goodwill.

5. Supervisors are made available for important meetings.

6. Supervisors are better trained when they step up, making them more readily acceptable to others.

7. Hidden talents are revealed and developed; new ideas are brought out.

8. Accidents are prevented by having more trained supervisors.

These imposing lists of benefits to be derived from training understudies point up the great importance attached to this responsibility.
Methods of Training Understudies

The exact day-by-day procedure for training understudies cannot be set down in schedule form. In fact, we cannot really call understudy training a procedure; it is more a set of principles for the manager to follow. It is indoctrination of the understudy into your job. It should become natural for you to share your knowledge with your understudy—to make it possible for him to apply this knowledge and to gain experience in situations calling for good management judgment.

Though the exact way you go about this training will be tempered by local conditions and requirements, there are certain general techniques which the experience of many companies has shown to be very helpful:

2. "Get and interpret the facts" method.

"What do you think?" method. Most of us use this simple training method of drawing out an understudy’s opinion every day without realizing that it is a training method—a very effective one. It is an easy matter for us to say, "What do you think, Bill?" A realization of the benefits to be derived from drawing out an understudy’s opinion should make us want to use this method more and more.

Who knows but what the ideas of our understudy may be better than our own? It is entirely possible to open up new reservoirs of ideas by this method. New ideas resulting in better methods benefit all of us, regardless of who originates the ideas. Even if the understudy’s ideas are not always used, by this method you are teaching him to think and to analyze. This is an important responsibility of management people.

Furthermore, you are showing respect for the understudy’s opinion, and hence building his confidence. This is one of the many intangible traits that we must develop in our understudies. Attaining confidence is a long step on the road to becoming a good supervisor.

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2 These methods are developed in a training film produced for the Carnegie-Illinois Steel Corporation entitled "How to Prepare for the Future."
A supervisor's confidence is reflected in the whole group, and in the results it achieves.

This method is easy to carry out, but there are pitfalls to watch for if you are to be successful with it. If ideas suggested by your understudy are not used, the reasons should be carefully explained to him. Otherwise, you will smother his willingness to express himself. If his ideas are not logical, you have an excellent chance to pass knowledge on to him. It is quite possible to make him see his own faulty logic merely by discussing the whole problem with him.

Be careful not to create the impression that you are passing the buck. The final responsibility for decisions still rests with you.

If your understudy comes up with a good idea, see that he gets credit for it. Not only will it build his morale, but any improvement in your group, regardless of origin, is a feather in your cap, personally.

Above all, keep an open mind. There's not much use in asking an opinion from your understudy if your mind is already made up.

Remember, when you draw out your understudy's opinion, you show respect for his opinion, build his confidence, open up new reservoirs of ideas, and teach the understudy to think and analyze.

"Get and interpret the facts" method. Asking your understudy to get and interpret the facts on a specific situation is another way of developing his ability to think and to analyze. This ability must be developed because a successful leader must be able to see things as they are and not permit his thoughts and judgments to be confused by wishful thinking or preconceived notions. Though he must have a certain amount of imagination and vision, he must be careful to keep his feet on the ground and concern himself with practical, immediate problems.

An understudy, to be prepared for making decisions, must be taught that judgment is only as good as the facts upon which it is based. Every supervisor is called upon every day to make many decisions calling for judgment. Good decisions are based upon judgment, backed up by sound, factual, detailed information.

Gathering and interpreting facts will give an understudy training in organizing an attack on a problem, in separating important and unimportant details, and in giving a complete, orderly report. An understudy should be trained in this management essential. The best way for him to learn is by doing.
In addition to the experience this method gives your understudy, it aids in developing in him a sense of management responsibility. You know how important this is. Many factors contribute to it. They are all important, for no one can be a good supervisor unless he knows his responsibilities and accepts them.

This method also gives the understudy a chance to handle other than routine matters and to show what he can do. You cannot judge a man fairly unless he is given a chance. A good understudy will welcome a chance at a special assignment. He will throw himself into it wholeheartedly and do the best possible job of which he is capable. Not only does this provide an opportunity for you to judge him, but it will also take another job off your hands and give you more time to devote to other management duties.

The importance of details and the necessity for eliminating errors are brought home to the understudy by having him gather and interpret facts. Each assignment is another step in his progress and an addition to his experience. There is no substitute for this experience; so make it possible for your understudy to get his share.

A few words of caution on this method: Give your understudy the necessary authority to get the facts he is after. Responsibility without authority is as meaningless as speech without sound.

And, after he gathers the facts and interprets them, don't bury his report in a file. When you assigned the job to him, you explained to him why these particular facts were necessary. Now you should make use of them or else explain to him why they aren't being used.

When you have your understudy get and interpret the facts on a specific situation, you develop the understudy's ability to think, to analyze, and to make good decisions; give the understudy training in organizing; emphasize the importance of details; develop a sense of management responsibility; and have an opportunity to see what your understudy can do.

"Man-management" method. Fortunate indeed is the manager who has learned to lead his people rather than to drive them. He is the man who is truly a supervisor. For, after all, is not this—the ability to lead, guide, and direct people so that they want to work for you—the very essence of supervision? Almost every company needs more leaders. Supervisors can develop them by training understudies with the "man-management method"—training them to lead people properly and get along with them.
Why is this method so important? It is because work is accomplished through people. Therefore, a leader must know his people. No two persons are exactly alike. People with different attitudes have different opinions about the same facts. If the desired results are to be achieved, each man must be treated as an individual—his attitude must be understood.

You should teach your understudy that it is well worth a portion of his time to get to know the people in the group. People want to be known, especially by the man who leads them. This knowledge and understanding of people will do much to insure a harmonious, happy group of workers.

To learn to lead and get along with people, the understudy must be given a chance in real situations. With your experienced guidance, he should face the everyday problems that arise in dealing with people who work in the group. You can start out by putting him in charge of one or two people for a special job, and then gradually increase his responsibility until he can lead the whole group in your absence. It will take a great burden off your shoulders if you know the group is in capable hands when you are away.

You know the many situations of a human relations nature that can come up every day. You know how to head off these situations and prevent them before they arise. You know how to deal with your people, because you do it every day. Your understudy must acquire this knowledge by close contact with people. You can provide him with the opportunity.

This is also another way to give recognition to your understudy and enhance his prestige. As he learns to get along with people and lead them, he acquires respect. He will come to be accepted as a leader without question. People are not reluctant to work for a man who is capable of carrying out his responsibilities.

It may be necessary for you to direct this method of training closely. Leadership comes more easily to some than to others. The feelings of the group must always be given the utmost consideration. Contented workers are not good producers. Give your understudy the chance to lead, but watch him closely until he develops experience. Thus bad feelings will not develop in the group.

Here, again, the necessary authority must be delegated to the understudy. He needs this authority not as a weapon but as a symbol of leadership.
When you give your understudy training in leading, guiding, directing, and getting along with people, you provide recognition for the understudy and enhance his prestige, teach the understudy to work through people, give him closer contact with human relations problems, and prepare him to be more readily accepted as a leader.

"Send him upstairs" method. It is excellent training for your understudy to represent you before your supervisor or to attend a meeting in your place. By using this method, you will be making it possible for your understudy to receive information and training that are vital to his becoming a successful leader.

When you send your understudy "upstairs," you have a great responsibility to see that he is properly prepared. Make sure he has all the facts in hand and knows what he is going to say. He should be able to state his business concisely in an organized manner and then leave, unless the man he is conferring with indicates otherwise.

If an understudy does not handle himself properly when reporting to your supervisor, he may set himself—and possibly you—back several months. This is an opportunity for your supervisor to size up your understudy. He wants to know what kind of man is available to act in your place when necessary. He wants to judge whether your understudy is capable of replacing you, when you are promoted. He wants to see what kind of job you are doing in training your understudy.

You must also prepare your supervisor. Don’t surprise him; let him know that you are sending your understudy to see him. Your supervisor will be glad to talk to an understudy, but you must use good judgment when choosing the time and the occasion.

This method is an excellent confidence builder. It will help your understudy to acquire poise and assurance. When you send an understudy upstairs, you instill in him a great sense of responsibility and usefulness.

You give him an insight into the over-all workings of the department and the company. He learns to consider the man upstairs in his everyday decisions and actions. This is a very broadening aspect of his training that he can acquire only through experience.

Your understudy has probably wondered what goes on upstairs. Let him see for himself. However, there are practical limits to the size of a meeting; so you will not always be able to have your under-
study attend all the meetings you think would be good for him. Here you, the supervisor, have another big responsibility. You must keep your understudy fully informed on what takes place at departmental and other meetings. If you are training him to act in your place, or to take over your job, he must have the same information that you have on what goes on upstairs.

It is wise to live by this rule—when you can’t send your understudy upstairs, give him the information he would have gotten if he had gone upstairs.

Other ways to train understudies. The foregoing techniques are accepted methods for training understudies. They should prove helpful to you. In addition, there are many other things you can do to train your understudy.

As part of your understudy’s training, he should be receiving and reading magazines and business and technical service publications that will be helpful to him. You can have his name added to the circulation lists of those publications you and he select, or you can pass on to him those that you yourself receive. This will enable him to gain a broader perspective by knowing what is going on in the field in general and what other companies are doing.

Your understudy may want to improve himself by enrolling in a formal educational program. He may be eligible for some company-sponsored program. He may want to enroll in a correspondence or night school course. Your understudy may ask your advice as to what courses to take. Your experience can be very helpful to him.

Membership in organizations and participation in community affairs are other activities in which you should encourage your understudy. Such activities will give him experience in teamwork, in organization, and in leading people. These management essentials cannot be overemphasized.

It may be possible to have your understudy attend departmental meetings with you if he is not already doing so. It is important that an understudy be exposed to over-all departmental planning, so that he acquires a broad view of operations and does not confine his thinking and planning to his own small group. You can arrange for this phase of the training by conferring with your own supervisor.

See that your understudy meets as many people as possible. The purpose of this is twofold. By meeting other people in the company, he will come to know whom he can call on in everyday company
dealings. It is much easier to talk to someone you know and understand than to a stranger. Also, by meeting new people he will learn more about people in general. Understanding people is a difficult job to master. The more opportunities there are to add to this knowledge, the better.

Man-to-man coaching on the job constitutes probably 80 per cent of all training. It is timely—it meets specific needs of an individual. It presents a nearly perfect learning situation, inasmuch as the understudy who has a problem can talk it over with his supervisor and can put what he has learned into practice on a live problem of the moment. The man-to-man constructive criticism and suggestions you offer your understudy will do much to build his management ability.

Emphasize to your understudy the importance of effective communications. You can best do this by practicing what you preach—keep your understudy informed. If he is to be trained to act in your place when you are absent, or to fill your shoes if you are promoted, he must know what is going on and how to keep those under him informed. In teamwork there should be few, if any, secrets. Even little things that seem unimportant should be passed on. Just the fact that you let your understudy in on something will build his morale and let him know that you want him to be up to date on things. You will also find that this will work both ways—if you keep him informed, he will return the favor.

You can be sure there is considerable information he may be able to pass on to you on such matters as group feelings and reactions. Two-way communication is vital to good management. Your understudy must know and understand this.

Finally, you can strongly back up all the training you give your understudy by the example you yourself set. Example is a powerful force which affects all of us. Most of us try to do our jobs in a manner which will gain the approval of our supervisors. Consequently, there is a tendency for us to imitate or follow their examples. We may not imitate those actions which we believe to be wrong. Nevertheless, we are reluctant to take opposite action if our supervisors are looking on. What bearing does this have on our total training efforts? People are likely to discard the skills and methods taught them unless their supervisors apply these same skills and methods in their daily relationships with them. We learn by applying, and if we are not encouraged in our efforts or we see that what we have
been taught is not given much importance, we soon get discouraged and often give up our efforts—with the result that we never really complete our learning cycle.

Training understudies is one of our important management responsibilities. It’s up to each of us to carry out this responsibility. The real teacher always finds that he learns faster than the pupil. The one who instructs another, who gives of his knowledge in helping another, invariably gains additional knowledge thereby. Knowledge is one of the few things that can be given away without loss to the giver.
The Job-Rotation Method

In looking for a way to replenish depleted executive ranks, we of the Consolidated Edison Company have discovered the existence of what might be termed a lost generation among younger executives. Most of the present top-flight management men grew up with the system as it expanded and have wide knowledge of and experience in all phases of the business. Many of the younger or perhaps shorter-service executives, on the other hand, have come up through relatively narrow and highly specialized channels of the system's organization. In an organization of such large size, the manifold operations are divided among many departments, each of which may be large in itself and may perform many functions but is nevertheless only a part of the whole. The result is that many of the younger executives have not had an opportunity to gain experience outside their own specialized operations. Such men are likely to labor under a great disadvantage if required suddenly to step into top management, regardless of their latent abilities. The significant and somewhat embarrassing conclusion is that management has been slow to recognize the situation and to realize that corrective measures must be taken to insure the presence within the company's organization of a body of well-trained executives having a well-rounded background of experience, men who are well equipped to take over the driver's seat when the occasion demands.

A Systematic Program

In the light of these facts, management inspected its young executive group from all angles, individually and collectively, all the way
Considerable thought was given to ways and means of remedying these men's lack of opportunity to familiarize themselves with the company in general. As a result, a plan was proposed—somewhat audacious, very simple, but with excellent prospects of being highly effective and successful—whereby not only would the desired training be provided but the health, efficiency, and general well-being of the entire organization would benefit in many ways. The plan was facetiously dubbed the "merry-go-round" and consisted simply of a systematic program of moving and interchanging executive or high-ranking supervisory employees from one job to another, where practical, throughout the organization for suitable periods of time.

The merry-go-round program has many advantages, both to employer and employee, and has only minor, temporary disadvantages. Some of the more important advantages may be enumerated briefly as follows:

1. It provides a well-rounded training and a background of experience for the individual, familiarizing him with many phases of the company's operations. The man so trained considers his problems and makes his decisions more intelligently in the light of their effect on the operations of the organization as a whole.

2. It streamlines the organization through periodic introduction of new managerial viewpoints, eliminating practices or operations which may have been carried on unnecessarily over a period of years. It prevents overmanning and "dry rot" in the organization.

3. It stimulates the development of the individual because of the element of competition introduced.

4. It eliminates the assumption by an individual of any "vested right" in a particular job. It explodes men out of jobs inherited through favor which may or may not have been justified.

5. It tests the individual. The executive ability and versatility demonstrated in the progressive assignments provide an indication of which men are most suitable as material from which top-flight executives can ultimately be drawn, and any lack of executive ability is similarly demonstrated. The
merry-go-round also provides a means of placing individuals in jobs for which they are best qualified.

6. It improves, and should in most instances eliminate, any situation where the efficiency of the organization is being impaired by lack of cooperation between individuals. The periodic changing from one job to another and from one set of associations to another tends to minimize friction caused by personality clashes or personal feuds and to expose any chronic source of such friction to suitable corrective action.

7. It widens the trainee's circle of acquaintance among company executives. In one year's assignment he will probably meet and work with some 200 new acquaintances.

Scope of the Plan

The Consolidated Edison Company adopted this plan, tried it out first in a small way, and then expanded it to the point where it now includes executive "trainees" in a variety of departmental orbits.

The program operates on two levels, the department-head level and the bureau-head level, the latter including a few promising supervisors somewhat below bureau-head rank.

Assignments in the top flight are supervised and arranged by the executive vice president and his committee of vice presidents. Those at the lower level are arranged and supervised by a committee of more than 20 department heads, subject to the approval of the executive vice president. Any of the committeemen may propose likely candidates for inclusion on the roster of trainees; and, if such inclusion is approved by the committee, the committeeman becomes the trainee's sponsor, following up his progress in his various assignments.

On each level, the trainee's progress and accomplishment are reported to and discussed by the assembled committees as new assignments are being planned. He is thereby made known to all the top executives; his qualifications are openly discussed; and his performance in each assignment is reported by the executive to whom he is assigned. There is no set or specific rating plan, but the trainee's aptitudes and abilities are determined informally in discussion by the members of the committee.
How the Plan Works

In spite of a careful explanation, some of the men who were among the first to be recommended for the program had some misgivings because the plan was so novel. There was much discussion, and occasionally someone would say in confidence, “I hope it is all right, but you know it could be the first shuffle on the way out.” So, to reassure each individual on the list at the beginning of the program, we thought it would be desirable if a substantial number of moves, or reassignments, were made all at the same time.

In assigning “green” trainees to positions of executive responsibility as we do, great care must be used, and precaution must be taken to insure that immediately under or working with the trainee there are seasoned regulars who will prevent him from getting too far off base during the early months of his assignment. For a time at least, we must depend upon these experienced men to keep the unit running efficiently while the new man is “shaking down.” In our company we are only too willing to give due credit to our “understrappers.” They could have ruined the program. On the contrary, they have made it go.

Since the first major group was assigned as of October 1, 1943, its members naturally came up for review as a group and a second assignment the following October. When we started, we just did not take the time to schedule all the individuals recommended, so we arranged to schedule the second group for reassignment as of the following April 1. Thereafter, October 1 and April 1 became “moving days,” with very few moves made on any other dates.

A month or two before a reassignment date, we call together the sponsors and the present department heads of all the men to be considered for reassignment. We usually have about 20 men at such a meeting. This group reviews each case and decides, first, whether the man should stay on the program and, second, what his next assignment should be.

As an example of how this committee operates, the following discussion case might be considered typical:

Secretary: Let’s take Bert Hawkins. Bert has had 15 years with me as an inside plant engineer. We thought he was pretty good, and that is why we recommended him in the first
place. He has had one year in the Electric Production Department, and I would like to ask Jeff to tell us how he did there.

Manager, Electric Production Department: Hawkins did all right with us. He was at the Hudson Avenue Generating Station most of that time while we had a big maintenance job going on. He helped Joe Smith. I don't think he would want an operating department job permanently, but if he did we would be glad to use him. I really think he got something out of the year he was with us.

Secretary: Bert then moved to the Gas Production Department, where he is now finishing up his second year. I would like to ask Oliver how he made out there.

Manager, Gas Production Department: Well, we thought it took Hawkins a long time to find out what was going on. A gas plant was strange to him. I guess he knew we made gas somewhere in the company, but that's about all. After a while, he got so that he could do some jobs, but we think he is primarily an electrical man. He will be glad when his year is up. Hunts Point is a little out of the way, too, but anyway he has learned something about making gas.

Secretary: O.K. Has anybody any thoughts on his next move?

Manager, Distribution Construction: I know Hawkins a little; and, from what you fellows say, I think he ought to have a swing in distribution construction. I'll take him, and I'll have a good spot for him if you'll take one man away from me at the same time.

Secretary: O.K. We'll take a man away and, if you fellows agree, assign Hawkins to distribution construction.

Everybody present at the meeting heard this discussion of Hawkins. Everybody was satisfied that the next step for him should help in his general training and was in line with the objectives of the job-rotation program. Those in the group who did not know the man personally learned something about him that they would remember if and when they happened to meet him.

Results--As We See Them

There has been an unmistakable improvement in the amount of cooperation between departments as a result of the program. A considerable number of supervisors have acquired a real understand-
ing of problems of departments other than their own. With this understanding, they are much more inclined to try to work out what is best for the company as a whole rather than to try to force decisions which may be favorable to one department but may not be for the best interests of the company.

Take one situation in which three departments were involved. As the head of Department A discussed the matter with the two other department heads, we suddenly realized that, through the job-rotation program, the three had all served as head of Department A for a year, two had been assigned to Department B for a year, and two had headed Department C for a similar period. Obviously, the experience behind these three men would insure that only the real merits of the situation would be considered. No one in that trio would get away with anything; and, as they all knew this, no one would even try to.

The second result that we can see involves the extent to which the performance of supervisors and department heads can be said to be appraised. We do not have, and have not asked for, a formal rating on the men assigned to the program. We do get a written statement from the vice president or department head at the end of each assignment, a statement which reviews rather generally the work the man has done and how well he has done it.

However, we do believe that we are getting an appraisal of the men involved, because most of the vice presidents and department heads are getting to know them and consequently have opinions of the capabilities of many people whom they would never have known if it were not for the program. The frank, honest discussions at the group meetings are so vital that they are not forgotten. Favorable comments by three or four department heads who have had an individual are not discounted, as such comments might be if only one man were doing the recommending.

The organization is getting to know the men who really are versatile, capable, and outstandingly competent. That, in our opinion, can be termed an appraisal. Frankly, we have found no need for a written record which might constitute a formal appraisal.

From the reports we have received from department heads and vice presidents, from conversations with many of the individuals who have participated in the program, as well as from the marked improvement that has resulted in interdepartmental relations, we are
more than satisfied that the objectives are being accomplished. We may not have complete factual data to prove the value of the program for some years to come, but we are so sure of its benefits that we plan to continue it with complete confidence that we are at least on one of the several right tracks, both in evaluating our outstanding executives and in using them at their maximum effectiveness.
Management Apprenticeships *

A distinguished educator has summarized his viewpoint toward the educational process as follows: “Effective education may be described as a man and a boy, walking along a road, talking together in a friendly atmosphere.” This peculiarly personal nature of successful education has long been recognized in the General Electric Company. It has been emphasized in its long-established Sales Training Program, as well as in its Advanced Engineering Program and its Creative Engineering Program.

In the field of training for manufacturing management, experience has indicated that effective educational programs must be established on a personal basis. Leadership skills have been most readily developed by those who have had the good fortune in their careers to work under the guidance of seasoned, successful managers of men. This situation is recognized by the Apparatus Department of General Electric in its Manufacturing Leadership Program. The core of this pattern of planned leadership development is the “personal apprenticeship” of young men, selected for their administrative potential, to experienced manufacturing executives.

Apparatus Manufacturing has recognized in its program the wide variety of managerial “styles” among executives. Two equally successful administrators may vary widely in their individual personalities, backgrounds, and interests. So the Manufacturing Leadership Program—or “Management Apprenticeships,” as it is frequently called—is tailored to fit the individual needs of trainees. Standardiza-

* Adapted from a paper delivered before the American Society of Mechanical Engineers.
tion of assignments is carefully avoided. Trainees participate directly in the formulation of their training schedule and assignments.

Organization of the program is based on the fact that the most effective point at which management development can take place is between a trainee and the experienced executive who is his superior. Training is an important part of the function of the line organization, and the primary training job is carried on by the line. Staff activity in management training is designed to assist the line in carrying on this program, to coordinate the program, and to stimulate an awareness of the importance of this training at all levels of manufacturing management.

Scope of the Program

A young man selected for the Manufacturing Leadership Program has three opportunities open to him: (1) General Manufacturing, (2) Production Control, or (3) Methods, Planning and Wage Rate. Whichever of these options he chooses, he will enter a program of training that concentrates upon his personal development as an individual, rather than upon his indoctrination in narrow trade skills.

This personal development is gained by assigning the trainee a series of increasingly important manufacturing responsibilities; it is gained by his expressing his ideas at many conferences and group meetings; it is gained by his being periodically counseled by experienced managers. Classroom courses are used as one of the means for making information available to the trainee. But classroom courses are merely a part of the program for developing manufacturing leadership—they are not the whole program.

The Manufacturing Leadership Program has two definite steps. Exhibit 1 illustrates these steps in the three options available. Step 1 involves broad training which concentrates upon the trainees' learning manufacturing fundamentals at one works or one plant of the General Electric Company. All management apprentices go through Step 1. Men who perform satisfactorily during this training are assigned to responsible posts in manufacturing management.

Those who have shown unusual potential for manufacturing leadership, and who have demonstrated that they will benefit from additional training, are selected for Step 2 of Management Apprenticeships. This training concentrates upon rotation among two or
EXHIBIT I

MANUFACTURING LEADERSHIP PROGRAM

STEP 1

MANUFACTURING LEADERSHIP PROGRAM

- Factory Training Program
- In-Plant Work Rotation
- Manufacturing Activities
- Management Appointments

STEP 2

MANUFACTURING LEADERSHIP PROGRAM

- In-Plant Work Rotation
- Management Appointments
- Factory Training Program
- In-Plant Work Rotation

MANUFACTURING LEADERSHIP PROGRAM

MANUFACTURING LEADERSHIP PROGRAM

GENERAL MANUFACTURING TRAINING

METHODS PLANNING AND TRAINING

PRODUCTION CONTROL

鸯MANAGEMENT APPRENTICESHIPS

WAGE RATE TRAINING

133
three plants of the General Electric Company. The trainee is made responsible for several important manufacturing managing projects during this phase of his training.

Administrative Fundamentals

It may be of interest to review some of the administrative fundamentals associated with the Management Apprenticeship Program. 

Personnel audit. The proper number of men to be chosen for participation in this program is most effectively determined by a personnel audit. This simmers down to an analysis of the next several years' requirements for men to fill manufacturing posts created by retirements, promotions, and expansion. When this number of men has been decided upon, the total is translated into yearly quotas. These quotas are then used as the basis for the selection of the trainees.

Selection. Selection of men to fill the quotas is based upon several factors. The record of the men in their previous work with the company is carefully analyzed to determine their potential for leadership. Men who seem to have the proper potential are recommended from both the line and the staff organizations. They are then individually interviewed by a number of responsible supervisors representing varied manufacturing activities.

A battery of psychological tests may throw additional light on the potential of these men. These include devices for measuring intelligence, judgment, and vocational preference. Such projective techniques as the Rorschach ("ink blot" test) and a form of the Thematic Apperception Test are used to assay leadership qualities.

From his record, his interview results, and his tests, a comprehensive picture is available of a man's potential for administration. Selection for Management Apprenticeships is based on an appraisal of these several factors.

Sources of trainees. Graduates of engineering colleges are among those eligible for the Manufacturing Leadership Program. These men are usually drawn from the General Electric Test Engineer Program, rather than hired direct from college. Also eligible are graduates of the company's Business Training Course, which is designed for business administration and liberal arts college graduates; apprentice graduates; competent, young shop employees; and any others who have good potential. The manufacturing organization is
continually surveyed for promising young men who show administrative possibilities.

The Test Program—which, as stated, is the normal channel of entry into General Electric for engineering graduates—offers assignments ranging from the actual testing of technical apparatus to work in such manufacturing functions as time study, production, and quality control. It introduces the engineering graduates to General Electric and acquaints them with its products. It allows them to survey the whole broad field of opportunity before committing themselves to a specialized kind of work; it enables the company to measure their abilities and to judge their personalities; it furnishes qualified men with supervisory experience.

A Typical Schedule

The operation of the Management Apprenticeship Program may be illustrated by a review of the training provided for men who select the General Manufacturing option.

These men first join the Factory Training Program at one of the major General Electric plants. This program is designed to give the trainee the benefit of acquaintance with such essential manufacturing activities as production control, labor relations, factory supervision, wage rate administration, methods and equipment planning, personnel administration, cost accounting, cost reduction, and quality control.

Assignments range from the actual operation of machine tools, at the start of the training program, through various line, staff, and functional activities. The trainee is always assigned definite responsibilities which he discharges under the guidance of an experienced manufacturing supervisor. He may be named to such an important post as that of factory foreman, assistant production supervisor, or assistant methods supervisor.

As they develop in background, trainees begin an upward spiral through their assignments, each one entailing more and more responsibility. Every man is closely followed on the basis of assignment sheets similar to that shown in Exhibit 2; but all trainees will not, of course, require every assignment listed.

The Factory Training Program includes a series of group meetings at which trainees meet company executives and enter discussions with them. Some classroom work is required of all students.
Men who show unusual aptitude for manufacturing management during their Factory Training assignments may be chosen for the Advanced Manufacturing Program. Members of this program concentrate upon special projects in the field of manufacturing management. Emphasis is placed upon manufacturing fundamentals, and classroom work is available to these men in the Apparatus Department's Advanced Manufacturing Management Classes. These cover such fields as industrial economics, organization planning and administrative practices, labor relations, production and inventory control, and wage rate administration.

**Assignment Sheet for**

*Doe, John E.*

[X = Assignments man has had]

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<td>Special Assignments</td>
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<td>Personnel</td>
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<td>Wage Rate Administration</td>
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</tr>
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<td>Manager's Office</td>
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</table>

*Available for Next Assignment: June, 1958*

**Exhibit 2**

Recommended reading assignments and case studies are distributed for analysis at periodic group meetings held at various plant locations. Advanced Manufacturing Program trainees spend the duration of their training time—which is approximately 18 months—at two or three major apparatus plants.

An analogous sequence of training takes place in both the Production Control and the Methods, Planning and Wage Rate options.
While training in these fields differs somewhat in detail from that in General Manufacturing, the same basic fundamentals apply. At the conclusion of formal training, a broadening experience program continues to the extent justified by the men's capacity for further advancement in the organization.

Training Principles

Also of interest in an analysis of Apparatus Department Management Apprenticeships are some of the training principles involved.

Participation. Great emphasis is placed on active participation by the trainee in the many decisions that affect him. Trainees have an important voice in the selection of their assignments. It is they who organize the group meetings held at the various apparatus plant locations. It is they who conduct the Advanced Manufacturing Management Classes and rotate as chairman for these classes. It is they who lead the frequent case studies and carry on the role-playing activities often featured in group meetings and classes.

Personal development. Particular emphasis is placed upon the development of friendly relationships among the trainees, the line executives, and the training staff, and among the trainees themselves. The practice of counseling is closely followed. Trainees have periodic "bull sessions" with members of the training staff. They discuss their progress in the organization, and those features of their job performance which might be improved are brought out for their comments and judgment.

Responsibility. The apprenticeship type of training is most effective when the trainee is delegated actual responsibilities during his assignments. At each stage in his upward training spiral, the trainee gets much practice in acting under responsibility for the consequences of his actions. This is more effectively accomplished through learning by doing than by looking over other people's shoulders. Trainees are assigned to supervisory posts as quickly as possible to achieve this objective.

Adaptation to Trainees' Backgrounds

An important selection fundamental is that administrative potential is to be found in men with widely varying backgrounds. Suc-
cessful managers have been graduates of the long-established General Electric Apprentice Program; men who have come through the shops; liberal arts and business administration college graduates who have gone through the company's Business Training course; and, of course, engineering graduates who have completed the General Electric Test Engineer Program. As a result, the door to Management Apprenticeships is open to men with any of these backgrounds.

This selection policy makes it necessary to establish a tailor-made training schedule to fit the particular needs of each individual within the broad framework of the Program's objectives. Classroom training in manufacturing fundamentals, for example, is geared to the different backgrounds that trainees may bring to the Manufacturing Leadership Program.

**Responsibility for the Training Job**

The actual job of training management apprentices is carried on by the Apparatus Department’s line organization. Experience has shown that it is through the face-to-face contact of immediate supervisor and trainee that the most effective development of leadership can take place.

A Manufacturing Training Staff is available for assisting the line organization. It also coordinates the inter-Works rotation phase of the Manufacturing Leadership Program. The objectives of the Training Staff may be simply summarized under three main headings:

1. To aid the line in carrying on leadership training.
2. To stimulate an awareness of the importance of training at all levels of manufacturing management.
3. To coordinate those programs which are department-wide in their scope.

**How Business Judgment is Developed**

Exposure to a series of functions provides a knowledge of the related nature of all manufacturing activities. Specialization is avoided during the training period, not because specialization is necessarily detrimental, but because the vision of the whole manufacturing problem is so vital to men who are being trained for managerial
roles. In essence, the Management Apprentice Program is educational rather than vocational training.

With responsible assignments and guidance, the trainee soon comes to realize that a great variety of imponderables enter into business decisions. With this realization buttressed by classroom work which stresses the human aspect of business problems, an approach is made to breaking down the habit of confining one's decisions solely to deductive thinking, which takes many intangibles for granted or ignores them. Instead, training emphasizes the need for reaching decisions based upon every factor—both certain and uncertain—affecting a problem. Experience seems to show that this combined deductive-inductive approach is essential to successful administration.

Other Types of Training

Men continue to be broadened after they have been given management posts at the conclusion of their formal training. Company courses such as Better Business Management, the 9-Point Job, and Economics are concerned primarily with fundamental problems affecting management of a business rather than with specialized problems on any particular phase of operations. In addition, men continue to move among various functions horizontally as long as it appears that they can continue to move vertically in the organization. In short, they continue to receive an education rather than purely vocational training.

Conclusion

The objectives of the Manufacturing Leadership Program—or Management Apprenticeships—may be briefly summarized:

1. To supply an adequate pool of qualified and seasoned individuals to fill key manufacturing management positions throughout the Apparatus Department.
2. To insure that complete opportunity is afforded to appraise and develop the full administrative potential of these promising individuals.
3. To stimulate an awareness of the importance of this sort of training—with its complementary obligations of selection,
appraisal, and placement—throughout all levels of manufacturing management.

These objectives are met by:

1. Selection of adequate numbers of young men, with administrative potential, for training as management apprentices.
2. Development of the full capabilities of each trainee through "personal apprenticeships" in a succession of well-selected and increasingly responsible assignments, supported by classroom work, periodic counseling, and other means to aid the trainee to realize his full potential.
3. Placement of these competent young men in responsible manufacturing management posts upon the completion of the program; and continuation, on a less formal basis, of their broadening after this placement.

Management Apprenticeships, effectively operated, represents an effort to produce trained minds and administrative personalities. This type of development program welds together familiarity with facts, and the process of logical reasoning—so characteristic of engineering training—with ability to take intangibles into account. It involves a systematic view of things as a whole, rather than complete concentration upon the parts of the whole.

All these are necessary in order to cope successfully with the problems of administering a complex manufacturing organization. To the extent that a capable young man is not equipped with these fundamentals, industry has the problem of supplying them if it is to overcome its most serious shortage—that of managerial skills. Management Apprenticeships offers an effective approach to the solution of this problem.
The selection, appraisal, training, and development of lower and middle management make up only one phase, but a highly important one, of the over-all philosophy of business known as multiple management, devised by Charles P. McCormick a quarter of a century ago and successfully adopted by hundreds of American companies of all sizes and types.

Multiple management—flexible, simple, democratic, effective—will stimulate any company and help to create a beneficial working climate, provided the chief executive of the company—

1. Accepts responsibility as a trustee for his people in the field of human relations.
2. Does not feel that his board of directors has a monopoly on brain power in the organization.
3. Wishes to find out which of his lower and middle management men are thinkers.
4. Without delegating final authority or responsibility, is willing to provide an opportunity for the various echelons of management to express their thoughts and transmit their ideas to top management.

Here, in synoptic form, is the way the development phase of multiple management has been realized at McCormick & Company.

The Junior Board

In 1932 Charles P. McCormick selected 17 middle management men from among approximately 80 who were eligible and appointed
them as a Junior Board of Directors, or Junior Board of Executives. The members of this first board were told that their sole job was to think in terms of the over-all company—not to restrict their thinking to departmental lines. They were asked to prepare a constitution and by-laws and meet twice a month, in the evenings, on their own time. They were told that the books of the company were open to them and that only two restrictions were placed on the subjects upon which they could make recommendations—wages and grievances. These exceptions were made because the group was to be a management board, not a labor-management board, and such matters as wages and grievances would be handled along normal, functional lines.

The members of this first board were told, further, that when they arrived at unanimous agreement on any recommendation they should bring it to the Senior Board of Directors (the regular stockholder-elected board). The recommendation would be accepted and put into effect; or, if the Senior Board disagreed, it would be rejected—but in that case the Junior Board would be told why, in writing, within 10 days.

This unanimous feature of Junior Board recommendations follows what the military call "the doctrine of completed staff work." In other words, if the members of the Junior Board cannot reach agreement on a problem among themselves, they are not to bring that problem, unsolved or only partly solved, to the Senior Board.

The members of the first board drew up their own constitution and by-laws. Meeting twice a month since that time, the Junior Board has been self-perpetuating through merit. In this respect it differs significantly from the usual committee form of Junior Management Council.

Six months after the board was inaugurated, each member prepared a merit rating on every other member. He marked his board colleagues on such factors as human relations, judgment, cooperation, initiative, and poise. The combined merit ratings were then arranged in numerical order by a member of the Senior Board of Directors. The top six in order of merit became the Nominating Committee to elect the board that would function for the next six months. Three men went off the board, but in leaving they were told why they had proved deficient in the eyes of their colleagues. A man with a high standing in initiative, for example, might learn
that his eagerness had been accompanied by a brusqueness that caused him to be the low man in human relations or cooperation.

**Other Boards and Committees**

A year after the Junior Board was established, a second group was formed, made up initially of factory foremen and supervisors. Membership on the Factory Board—co-equal in every way with the Junior Board—is not restricted to production supervisors but, by and large, concentrates on matters of production and the problems affecting human relations in the plant.

A Sales Board, made up of top salesmen in the field, meets twice a year, in Baltimore, for a week at a time. The Junior Sales Associates, its membership confined to the more outstanding of those men who have been with the company for less than five years, meets in similar fashion.

Ideas for projects may come from the Boards' own membership, from another board, or from any individual who requests consideration of an idea. The initial study is usually assigned to one of the board committees. For example, the following Junior Board Committees are in active operation: Executive, New Products, Human Relations, Sponsorship, Suggestion. A similar setup is maintained by the Factory Board, with a Training Committee in lieu of a New Products Committee.

The Sponsorship Committees undertake the personal guidance of likely newcomers to the organization. The Suggestion Committees take prompt action on suggestions and see to it that each originator of an idea is kept posted on the progress being made in translating his suggestion into reality. The Human Relations Committees occupy themselves with a multiplicity of ideas and recommendations that contribute to increased contentment and the growth of a sound, healthy working climate. Finally, the Training Committee of the Factory Board assists in drawing up training programs for the various levels of supervision.

**Some Questions and Answers**

Through their combined efforts, the Junior and Factory Boards have, over the years, submitted more than 5,000 unanimous recom-
recommendations to top management. Of this vast number of new ideas, only 50 have been rejected. This tangible result alone would justify the perpetuation of the boards; but of far greater significance is the success that has been achieved in the development of management men, in building people who have proved that they are qualified to insure the growth and continuity of our company in the years ahead. Fourteen of the 18 members of our Senior Board have come from the Junior, Factory, or Sales Boards. Many other men of high competence are ready to step to the Senior Board at any time.

Here are our answers to a few of the questions that are most generally asked with regard to multiple management.

Q. How many in my company should serve on multiple-management boards?
A. The number varies depending on the size and type of business. Ten to twenty members make a good working board.

Q. How do you select them?
A. Find out who the thinking people are in your organization. Generally, about one in 10 falls into this creative or thinking group. These are the people who will advance and who should be eligible for board membership.

Q. Should I put all of them on boards?
A. No, we recommend placing half of them on boards, with the others eligible for membership at election time.

Q. How do you handle elections?
A. Following our original plan, the board members themselves, without interference from top management, rate each other at six-month intervals and drop the three lowest members.

Q. Who should pick the first members of the boards?
A. This is the job of the president. He should know his executives and be able to select those men who show promise of progressing. After that, it's up to them.

Q. How do Senior Board members react when the younger men take command?
A. They don't take command. Senior Board members retain the authority and responsibility that go with their board membership.

Q. I have a union in my plant. Can I use multiple management?
A. Yes, this is a management function. It gives thinking men an
opportunity to participate in direct communication of thought. This is necessary whether there is a union or not.

Q. How does a man react when he is dropped from a board?
A. That depends on the man and on the success you have achieved in implanting faith, instead of fear, in the minds of your management. Forced removal from a board, by merit rating on the part of one's fellow members, is bound to be accompanied by a degree of disappointment and shock and certainly with a large and necessary amount of introspection and self-analysis. Most people welcome the chance to know where they stand in the eyes of their fellows, even if the result is a blow to them. Then, if they are made of the right stuff, they will correct their defects and be better for the experience. At the other extreme is that rare individual who thinks that all the other board members are wrong in their estimation of him. We maintain that it's better for his true character to be discovered before he drifts into a higher executive position for which he is not qualified.

Q. It sounds O.K. What's the catch?
A. If there is one, it is this: You must go into multiple management unselfishly, with a sincere interest in human relations for the people in your business. Profits and power may result; but, if they are the main objective, multiple management won't work.

Management Comment

Top management at McCormick feels that multiple management is a sound, practical, clean, competitive builder of men. As for middle management, its members speak for themselves through comments they've made, both inside the company and elsewhere, in answer to the question: "What does multiple management mean to you?"

- The greatest advantage is that it gives every young man in the business an opportunity to express his opinion on matters not of secondary nature. Experience shows that almost all the recommendations made by the Junior Board to the Senior Board have been accepted, which does give a fellow a certain feeling of satisfaction that something really worth while is being accomplished and that he is something more than a glorified office boy or clerk waiting for his superior to die so that he may step into his place.
- There is always the competitive spirit associated with the Junior Board which makes it interesting. You constantly
realize that there are other people striving for your place and it is up to you to so produce as to stay there.

- [Board membership] has enabled me to better put my thoughts into writing. It has given me confidence and improved my ability to stand on my feet and put my thoughts to work.

- I have learned a greater respect for the older men and their varied experiences, and how to apply these experiences when approaching problems. I have also learned a greater respect for the younger men with their abundant energy, their initiative, and their drive, and I have lived with and seen the accomplishments that can be attained by combining the two as a team.

The man who wrote the last quotation went on to say:

- I would like to contrast the feelings I have just expressed with those I experienced before participating in multiple management. When I was promoted to a foreman position, I knew very little about our company other than the department I was to supervise, and speaking very frankly I didn’t care to learn too much about the company other than the knowledge I needed to supervise my own department. When I approached a problem, it was in the light of how my department and the people in it would be affected. When I considered taking action on a subject, I did not consider how it would affect other departments or the company as a whole. I felt that I could run my department and that it was up to the other supervisors to run theirs. I did not offer assistance to them, and I resented helpful suggestions that were offered with respect to my department. Need I say more about what multiple management has done for me?

**Democracy in Business**

The most interesting aspect of the entire philosophy is its simplicity. There is little that is basically novel, nothing truly earth-shaking in any of our techniques or procedures. There is much more that can be done, and we will retain our corporate health for just so long as we recognize that fact and keep working constantly to better perform our duty as trustees in human relations. Multiple management is basic democracy in business. Sometimes we like to call it “enlightened selfishness,” but it is selfishness for the good
of all—stockholders, management, employees, the community, and the competitive enterprise system. It is the thesis of this book that, to insure growth and continuity, individual companies must be alert to appraise, train, and develop leaders of the future. Multiple management accomplishes precisely that.
Effective group action is a vital requirement of modern business operation. But often there is a wide gap between recognition of the need for teamwork and the development of practical methods for securing it on the job. When made part of the executive development program, the problem-solving conference can be an effective means of fostering team endeavor. Successful use of this tool requires consideration of three basic principles.

1. When group action is necessary, most effective results can be secured when the group that is held responsible for carrying out a decision also has an opportunity to participate in its development.

2. The problem-solving conference, as a means of securing consultative group action, is most effective if managers recognize that listening leadership can often be more effective than telling leadership.

3. The problem-solving conference is a means of inducing logical reasoning on a group basis. As such, it should be based on adequate information presented to the group, and should be conducted in accordance with the logical thought process.

The Consultative Approach

A primary ingredient in effective teamwork is giving to members of the team a feeling of participation and identification with the
organization. One of the best ways to do this is to give people a chance to be heard in decisions that affect them.

Since many executives have come up through a school that holds the opposite viewpoint, this approach often involves basic changes in their attitudes and handling of people. Accomplishing this change-over would seem to be one of the primary objectives of any executive development program. How to do it is the problem.

Improved teamwork can be developed in the day-to-day job situation without great changes in ordinary procedures. The focus of the problem occurs at the point where contact takes place between the manager and the people who report to him. Here communication takes place. The way it is done determines whether the people on the receiving end feel they are being told or consulted as to action.

Generally, when instructions are being given to a group, it is done through the medium of a meeting. The executive who authorizes and directs the action either heads the meeting himself or delegates the responsibility to his next in line. In any case, the methods the executive uses in conducting this meeting tend to determine whether it is authoritarian or consultative in nature—whether it is telling or listening.

Our concern now is a specific method that can be used by executives, who are so inclined, to achieve consultative group action. So that we may identify the particular procedure described, we shall call it the problem-solving conference. As outlined, it can be used successfully to get more effective action through group discussion of the problem and the issues involved. Basic to effective use of this technique is recognition of the difference between listening and telling leadership.

**Listening Leadership**

Suppose that a plant superintendent has a problem in the number and frequency of grievances that are getting past his foremen. This is taking up much of his time at higher steps of the grievance procedure. Before the advent of the executive development program, his usual approach had been to get his foremen together and order them to use more care in their handling of grievances at the first step. He would be explicit with instructions that people were not to be
bawled out just because they had a complaint, nor were the requests of the union representatives to be ignored. There would be compliance of a sort by foremen because the supervisor held the whip of authority. However, the order would not remove the reasons for the foremen's poor handling of grievances. Now let us observe what happens when listening leadership is practiced.

We shall assume that the superintendent begins to change his approach after his superior has discussed his performance appraisal with him and has pointed out to him that he is weak in getting results through his people, that he must learn to listen, as well as command. The next step is for the superintendent to participate in case discussions on his own level in the plant training program. There he decides for himself that getting people to do things because they want to, and giving them a chance to be heard is good business. Then he goes through an intensive 40-hour course in conference leadership which gives him the skills he needs to lead problem-solving conferences with his own foremen.

As a result of this new kind of leadership, he acts differently when he is faced with the need for getting his foremen to handle grievances more effectively. He does so now by helping his foremen to understand the need for good human relations to the point where they tell him they feel it is a good idea to adopt more reasonable attitudes when reprimanding.

What happens to the foreman in this case? Since the idea of changing the way he handles grievances is now his, he will do everything he can to comply with it. Where he once felt subconsciously that carrying out the superintendent's idea made the superintendent look good, now he feels that carrying out his own idea builds up his prestige.

**Two Prerequisites**

Before he can hold problem-solving conferences with his subordinates in the expectation that the group will attack the problem and come up with the best answer in the shortest possible time, the executive has the responsibility of placing two heavy guns in the artillery brought to bear on the problem: (1) information and (2) logical reasoning.
Marshaling All the Facts

We analyze our problems and decide upon a course of action on the basis of the facts we have. If our facts are faulty or incomplete, the action we take is likely to have the same defects. The executive who calls in his people to help work out a problem first has the responsibility of placing before them all the available facts. This step is frequently overlooked for the simple reason that the executive is so thoroughly acquainted with the salient points in the situation that he tends to forget that others are not so well briefed as he.

To illustrate this—one plant superintendent called a meeting of his general foremen to get their help in working out a plan for cutting down direct labor costs. To his surprise, an undercurrent of opposition to the whole idea began to manifest itself. After an hour of fruitless debate, the superintendent suddenly realized that most of the group thought supervision was included in direct labor costs. The meeting was backfiring because the general foremen felt they might be agreeing to a freeze in merit increases if they went along with the superintendent's proposals. Startled, the superintendent backtracked. He took 30 minutes to explain just what he meant by direct labor. Then the group was able to go on to a workable solution to the problem.

The first requirement in consultative problem solving is that everybody begin with essentially the same facts.

Applying the Rules of Logic

Even if all are in possession of the same set of facts, it would not be surprising if a dozen people were to come up with almost that number of different answers to a problem. The reason, of course, is that each individual who analyzes the facts is influenced as much by emotion, bias, and prejudice as by logic. The remedy is to train people to recognize these pitfalls and to come to a decision by following clear and consistent rules of logic. If this reasoning process can be carried on in groups, decisions are more likely to be both valid and uniform because each member of the group will act as a censor and critic for his fellows.

This does not mean that the creative individual in the group is to be smothered under a blanket of mediocrity. If his ideas are
timely and have real merit, he will quickly earn the respect and following of the group. It may happen that his thinking is too advanced and is not accepted. This simply indicates that he is too far removed in his ideas from the others. So far as getting action is concerned, we must start where people are. The extreme advocated by the creative thinker must be modified to the mean of the group. But the creative spark will not be lost. If it is basically sound, it will endure and be offered again finally by one or more of the other members of the group.

Conference Leadership Training

If this logical thinking process is to be applied on a group basis, it requires that virtually all members of the management organization be trained in the techniques of conference leadership. This is a necessary and worthwhile step.

Conference leadership training is training in logical thinking and in listening. It involves the development of skill in the use of questions and in encouraging discussion. The executive who practices the techniques of conference leadership is bound to change his approach when he conducts meetings. Instead of laying down the law and asking, "Are there any questions?" he is going to state the facts as he sees them and ask, "What do you fellows think?" This is executive development in the true sense of the word.

THE FIVE STEPS

Intelligent leadership of a problem-solving conference is based on the principle that steps in logical thinking must follow a definite sequence. Though these steps are not guaranteed to lead the conference group to the right answer every time, they will uncover the solution which the group can best carry out at that particular time. It should be emphasized that the five points listed simply form the framework for the discussion. According to the situation, more or less time may be spent on any step; and, in some cases, certain of the steps may be omitted or touched only lightly in passing.

Let us suppose that we have developed a new management appraisal form and we want to make sure that it is practical and that
it will be accepted by the management people in the organization who have responsibility for appraising performance. To start, we arrange a problem-solving conference with the group of top executives who will appraise the middle management group and also review all ratings made throughout the organization. In our preliminary announcement to this group, we state that the meeting is being called to develop an improved management appraisal form for use in the company. To assure familiarity with the new form before the meeting, we ask each executive to use it in making an appraisal of one of the people who reports to him. Acting as conference leader, we adopt the following sequence in preparing for and conducting the problem-solving conference.

Step 1: What Are the Known Facts?

Since it is important for everybody in the conference group to agree on the basic premises, we first dig out the facts the conference group needs as a basis for discussing the problem. Knowing that the best way to get the facts is by finding the answers to the questions: What? Why? Where? Who? and When? we begin boiling down the mass of information available with the first question: What?

What? calls for a description of the situation. What is the new appraisal form to be used for? Is the group familiar with the necessary details of the management inventory program? Does everybody realize that it is completely separated from merit rating for pay purposes?

The other questions point to further areas which are rich in pertinent facts. Why? involves the reasons for the problem’s existence. Why is the form being changed? What has been the experience with the old appraisal? Is there objective evidence to bear out these conclusions? What comments about the old form are available from key management people?

Where? refers to the place element. Where is the new form to be used? Is it designed for both plant and office? Who covers the people involved. Who is to be held responsible for completing the appraisals? What organizational groups are to be covered? Who is to review the appraisals when completed?

When? refers to the time element. When are the new appraisals to be used? How frequently will appraisals be conducted? How much
time will elapse from the time appraisals are made until the "Go—
No Go" management inventory charts are available to the top
executive in each unit?

If practical, in our capacity as conference leader we summarize
these facts for the conference members in a preview sent them at
the same time they are asked to complete their sample appraisal
forms. This preview will start thinking and discussion and help the
individual members of the group prepare for effective participation.

After the problem-solving conference has been opened, we present
the facts we have gathered to the group. We use charts and graphs,
the slap-on board, and other visual aids as required. A few minutes
of discussion provides answers to questions and clears up uncertain
points. Primed with a fairly uniform level of information on the
topic, the group can now set up boundaries around the discussion
by defining the problem.

Step 2: Define the Real Problem

If we are to solve a problem with precision and dispatch, we
must know its exact limits. By writing our definition of the prob­
lem in clear view on a paper chart, we are putting up a fence that
will limit the area which the subsequent analysis will cover.

As conference leader, suppose we offer the group our definition
of the problem as follows: How can the proposed management
appraisal form be improved? Five minutes of discussion brings out
a key point that had been completely overlooked in the presentation
of the facts: Is this appraisal form to be used for evaluating per­
formance, promotability, or both? An additional statement by the
conference leader clears up this point. Somebody suggests that the
present cadet appraisal form leaves much to be desired. Another
voice asks what is to be done about changing it.

At this point the conference leader has his first opportunity to
use the definition of the problem. He points out that there are a
great many facets of the management inventory program which re­
quire discussion; but, to get maximum results from the conference
time available, with the concurrence of the group he would like to
limit discussion strictly to the subject matter of the problem state­
ment. There is general assent, and the group is ready to proceed
further.
Step 3: Analyze the Problem

The conference group is now prepared to look at the pros and cons of the problem. It is possible to outline a solution at this point. But, if the conference leader does this, he will be short-changing the group. Logical thinking requires that each member be encouraged to examine the issues involved and to determine for himself where he stands. Further, effective listening at this point involves giving each member of the group an opportunity to have his say and to profit from the thinking of his fellows.

The conference leader's objective now is to draw out the conflicts in the thinking of the group and to help the individual members work out their differences. The best way to make provision for such discussion and analysis is by getting the conflicting factors out before the group. This is done by developing charts with such carefully selected headings as "Good Points in the Old Appraisal Form" and "Weak Points That Should Be Corrected."

Most likely the conference leader has already determined in his own mind what is good and what is bad about the appraisal form. But he rigorously eschews any temptation to force his thinking upon the group. Instead, he uses questions to open up all possible areas for consideration and discussion. As the group points out features of the old form which are good and which it feels should be retained, he writes these on the paper chart. Knowing that really significant points will be brought up quickly, he does not press for small details but passes on to a similar consideration of the weak points that require correction. When the analysis is completed, the time has arrived for developing solutions.

Step 4: What Are The Possible Solutions?

Now we can consider all possible solutions in the light of the facts and our analysis of the problem. An open-minded attitude is essential. It is mandatory that bias and preconceptions be forgotten so that no possible solution will be discarded until it has been weighed and found wanting.

In the example given, solutions logically will consist of answers to the question: What can be done to correct the weaknesses revealed
by the analysis of the problem? Taking each weak point in turn, the
conference leader calls for suggestions for correction and charts each
idea as it is offered.

**Step 5: What Action Do We Recommend?**

This brings the group to the last step, that of action. This is the
critical step, for unless we do something about the solutions offered,
we will simply be burying our work with the discarded chart paper.
The group must agree now to the best course of action from
among the possible solutions offered. Following that, it must make
specific recommendations for carrying out the solution agreed upon.
This means, first, that the conference leader uses questions to get
all the details necessary to complete the group suggestions. Perhaps
one of the ideas accepted is that the terms used in the appraisal items
should be defined more completely. Questions bring out this additional information:

*What terms should be defined?*

*How might this be done?*

*Who should check the definitions?*

When provision has been made for remedying all the weak points,
and when the group has reviewed and agreed upon the good points
in the old appraisal form it feels should be retained, the final ques­
tion the conference leader asks is this: What should be done with
these recommendations?

This leads to a summary statement by the group as to the action
it feels is most appropriate. Perhaps the consensus is that the man­
agement appraisal form should be revised once more in line with
the recommendations offered and that each member of the group
should be given an opportunity to complete an appraisal using the
new form. A second problem-solving conference is perhaps suggested
to tie up any loose ends that remain after this second sample ap­
praisal is completed.

When this final step has been carried out, the conference group
will have outlined a definite program which will have the active
support of every executive who participated in its formulation. If
circumstances indicate, the same type of problem-solving conference
can be carried to all groups that will be included in the management
inventory. By having executives act as conference leaders for their groups, organization-wide listening can be achieved.

CONCLUSION

Like any other management tool, the problem-solving conference approach must be handled carefully and with a keen awareness of where it can best fit into the over-all picture. It is in no sense a panacea. Careful screening is required to set up problems for discussion, whether these involve cost control, handling grievances, disciplining, methods improvement, merit rating, or anything else. Adequate information must be presented beforehand if the analysis and plan of action are to be based on the pertinent facts. The problem must be limited and defined so that it can be handled in the time allotted for discussion. The conference leader must be thoroughly trained so that he can help the group sift the facts presented and keep it consistently to the point until it arrives at a conclusion.

There have been convincing demonstrations that this process of listening is effective. As a method of executive development, it helps management to tap the vast resources of experience, initiative, and know-how of its employees. Evaluated in terms both of ideals and profits, this kind of democracy in business pays off.
WILBUR M. MCFEELY
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Using the Case Study

The leadership ability of the executive or supervisor must endure over a period of years—during prosperity and depression, relative stability and rapid change. Hence leadership which is based on such intangible attributes as “personal magnetism,” unless supported by sound principles consistently followed, is unlikely to maintain itself over the required number of years. There is very little place in industry for the flash-in-the-pan leader who rises to a dominant position out of a fleeting combination of circumstances, only to descend like Humpty-Dumpty at any new turn of events.

It is readily apparent that some learning of the art of leadership takes place without an organized training program. Almost every member of management leaves some imprint of his methods of leadership on subordinates who subsequently enter the managerial ranks. There are some people in management who consciously observe and, insofar as they are able, study the acts of their associates and superiors. There are some who watch and perhaps imitate without discriminating. Very often the observer cannot be aware of all the facts pertinent to a situation. Furthermore, in those cases where an individual seems to violate a given principle without detriment to his position as leader, the point is too often lost that such a man invariably has strength in other directions which compensates for what appears to be a violation of fundamentals. The necessity for balancing weakness and strength on the scales of successful leadership is overlooked.

A program in leadership which utilizes the case-study approach can prove helpful in providing a framework for the careful analysis
of leadership fundamentals and a point of reference for further learning by observation and experience.

Consideration of Basic Principles

The first step in building such a program is to outline the essential factors in good leadership. Certain factors—for example, above-average intelligence, health, and energy—can be eliminated as topics for discussion. These factors are fundamental considerations in the selection of supervisors, but little can be accomplished by a discussion of them on a group basis. They may nevertheless be important topics for discussion with individual executives and supervisors or with potential managerial employees. Two other qualifications—teaching skill and ability to analyze methods and to plan—are proper subjects for separate training programs. There remain to be considered those other qualities of good leadership such as honesty, fairness, forcefulness, humaneness and friendliness, loyalty (up and down), resourcefulness and ingenuity, ability to give orders, and skill in getting ideas from others.

Discussion of leadership with many groups of supervisors has indicated that it is relatively easy to get general acceptance of the principles underlying good leadership. The difficulty is that the application of such principles to specific situations is not so readily determined. The supervisor, however, must reveal his leadership in specific situations. For this reason, experience has shown that the most profitable way in which to discuss leadership is to examine critically actual cases and, by this analysis, draw out workable principles. It is recognized that the conclusions agreed upon are "absolute" only in the sense that they are principles which, if followed, will be most likely to increase the success of an executive or supervisor. The objective of the discussion is not to evolve a pattern so rigid as to subordinate the "intangibles" peculiar to the success of an individual but, rather, to sharpen and strengthen them.

Choice and Sequence of Cases

The next step is to select case studies that embody one of the principles to be discussed. Several problems are then selected for each principle in order to include different points of emphasis. Under
each of the five general qualities of leadership are grouped practical situations involving working principles which have been developed and tested by managerial leaders. Some of these concepts, under the five main headings, are:

1. **Forcefulness.** The requisites for making orders effective, lines of authority, the force of example, discipline and reprimands, consistency in maintaining standards, developing initiative in subordinates.

2. **Integrity.** Personal standards, moral principles, expediency, flexibility, cooperativeness.

3. **Fairness.** Getting facts, suspending judgment, impartiality, favoritism, responsibility to subordinates, judicious praise.

4. **Loyalty.** Buck passing, supporting company policy and decisions of superiors, saving face, discharging responsibilities.

5. **Friendliness and understanding.** Greeting employees, the importance of listening, the "open door," complaints and their causes, knowing your men.

A number of case studies are finally selected as course material. Fortunately, as the program is developed, there are opportunities to test the value of the cases selected in bringing out the intended points. This can be done by presenting the cases to managerial groups and to individuals at all levels of management and in several different companies. This experimental work is important because the final wording should be such that, after the problem is discussed, the group can come to a definite conclusion as to the most desirable course of action. Experience with case studies indicates that most executives want to arrive at a conclusion as to the "right" action. The indeterminate type of problem used solely to promote thoughtful discussion of the factors involved in a situation, without an attempt to come to a conclusion, is useful only with groups which are ready, from the standpoint of training or experience, to accept that method.

The following cases from the operating-supervisor level are of a type that, with slight alterations, might be used in almost any industry. In each, a specific action or attitude of a supervisor or other member of management is stated. The intent is to have each participant give the action or attitude critical consideration.
Problem 1. Paul Jarrett has a new employee in his department and has assigned Bill Carson to break him in. During the course of the day, Jarrett observes that Carson is teaching the new employee a wrong method on one phase of the work. Paul interrupts pleasantly and says, “Boys, we don’t want to get off on the wrong foot. I think Bill has this a little wrong. Do you mind, Bill, if I show him the right way?”

Problem 2. In talking about reprimands to a fellow supervisor, Joe Jenkins says, “My policy is to hand out the reprimand as soon as I find one of my men breaking the rules. In the first place, the man knows why he’s being reprimanded; and, secondly, I find I can put more emphasis on it than later when I’ve cooled off a bit.”

The problems are arranged in sequence so that those embodying a given principle are not grouped but are spaced out. Seldom should two problems which involve an identical principle be discussed at the same meeting. In this way, the discussion of no single principle has been covered in its entirety until the final meeting, and there is little mental pigeonholing of subject matter as the meetings progress. On the contrary, the participants continually tend to refer to a case discussed previously.

Summary Sheets and Their Value

The initial meeting of the program employs a device to encourage independent analysis of the problems by each member of the group. Before any discussion, the participants are asked to read each problem and indicate their reactions on a summary sheet. The summary sheet provides for five variations of opinion regarding the supervisor’s action or attitude in a particular case: strongly agree, agree, undecided, disagree, strongly disagree. A simple check mark under one of these headings, which are arranged in columnar fashion, completes the summary sheet. The group members are assured that this procedure is not a test and that inevitably there will be some misinterpretation of facts. Ample time is provided to permit full consideration of the complete set of problems.

The use of the summary sheets has proved their worth. From them the group leader can determine in advance the extent to which the members may be in agreement or disagreement on a particular problem. An analysis of the summary sheets, in light of the sub-
sequent discussion, has also indicated weaknesses in the wording of certain problems and has thus led to such revisions as seemed necessary in the statement of the problems.

Since the group members have examined all the problems to be discussed, their remarks are generally confined to the issues involved in a particular problem, with but little tendency to jump the gun by discussion principles set forth in a subsequent problem. The leader's problem in controlling and guiding the discussion is therefore simplified.

How the Meetings Are Conducted

In the conduct of the meetings, the leader's method is extremely simple. The case is read and thrown open to discussion. The zest with which almost any group will tackle a problem makes the leader's function largely one of controlling. It is not necessary to force conclusions. The right of an individual member to disagree is recognized. When many members are at variance with the anticipated result, the leader is in a position to present the thinking of a majority of executives on the other side of the question and have the group analyze why that conclusion was reached.

Any leader's manual which is developed will be merely indicative rather than detailed. The leadership principle and a set of guide questions will constitute the outline for each problem. The questions will indicate the important lines of thinking that should develop in the course of discussion. While they are not often used directly, they may serve as a point of reference for the leader's summary. Pertinent follow-up questions cannot be charted in advance but are dependent on the channels of consideration followed by the group.

Leader's outlines for the sample cases already cited will serve to illustrate two other possibilities for discussion. In Problem 1, variations in the situation posed are introduced. This technique provides an opportunity for the discussion of problems of a generally similar nature or for further exploring the principle arrived at in the analysis of the original problem:

Principle. Maintain standards without destroying confidence in those to whom authority has been delegated.
What is Paul trying to prevent by taking this action?
What is the effect of this action on the new employee?
What is the effect of this action on Carson?
What is the proper method?
What action would you take if you observed the error being made in the absence of Carson?
What action would you take if the work were of such nature that it would be impracticable to take Carson aside?

The outline for Problem 2 exemplifies the use of the problem for the development of the conference in the more usual pattern.

**Principle.** Reprimands should not be given in the heat of emotion.

- What is the test of an effective reprimand?
- What methods produce the desired results?

For a more thorough consideration of the problem of discipline, the following outline will be useful:

**Introduction.** Business leaders, in common with leaders in other fields, agree that nearly every individual, regardless of his good intentions and eagerness to do his work in a creditable manner, needs an occasional reproof, correction, or reprimand. The manner in which faults are brought to the man's attention may have a great deal to do with the man's attitudes toward his job and his subsequent progress. We have recognized that a worker wants to feel that he is contributing something of significance to the organization and to feel the security of being able to continue with the company on a permanent basis. These feelings should remain undisturbed in the process of developing the proper standards of conduct on the part of each member of the group, so as to attain the desired level of efficiency.

Emphasis has been placed on developing proper standards because too frequently the word "discipline" has meant "bawling out" or "putting a person in his place." This word is defined by Webster as "training to act in accordance with established rules." When so defined, discipline involves two ideas: first, the establishing of rules and, second, the responsibility of training—both functions of management. We also see how, under this definition, discipline may vary in different plants, according to the severity of the rules and the extent to which training has been practiced. The keynote of discipline is, therefore, the management function of training.
Discussion. It is interesting, as a matter of record, to set down some of the acts which require corrective measures of some sort. Without attempting to classify them or to grade them according to their relative importance, what actions on the part of employees can we list as requiring some corrective action by a supervisor?

Tardiness
Quitting early
Reading papers or magazines
Horseplay
Agitating
Fighting
Loafing
Wasting materials
Drinking—hangover
Refusal to obey orders
Using foul language
Falsifying records
Failure to report accident
Abuse of privileges
Stealing
Gossiping

What causes infractions of rules?

Poor training
Ill health or sickness
Outside interests
Poor supervision
Improper placement—lack of interest in job

The significant thing to note is that most of these actions involve supervisory responsibilities—that is, they result from some failure on the part of the supervisor. The main burden of solving the basic problems therefore rests with the supervisor.

The next important thing to consider is how these problems are handled. What actions may a supervisor take when an infraction occurs?

Individual talk—warning
reprimand
Group warning
Bulletin
Separate from others
Suspension
Transfer
Demotion
Recommend discharge
Take away privileges

In the absence of the necessity for more drastic action, the most commonly used method of correction is the reprimand. A reprimand is not "bawling out." It is a form of persuasion. And, although no two individuals may be handled alike, it is possible, nevertheless, to establish certain milestones that will guide us in making corrections effective.

Specifically, what are the steps that should be taken to make a reprimand effective?

1. Keep cool.
2. Be sure reprimand is deserved.
3. Reprimand in private.
4. Talk straight.
5. Show a man how to improve.

Summary. Emphasize the constructive aspect of disciplinary action and the fact that it involves training in relationship to rules adopted for the guidance of the whole departmental group.

When meetings are held on a staff-conducted basis, the leader is able to inject into the discussions of each group the best thinking of all the groups. He does this objectively by bringing in such thinking as thoughts or points raised by other groups. Also, since the staff representative presumably is well versed in conference-discussion technique and has been over the content of the program many times, he is able to extract the full meat of the problems without letting discussion drag into a labored consideration of the points involved. The tempo of the meetings is thus held to a point where interest is sustained without hasty consideration of the problems.

Effectiveness of the Program

This program is sufficiently flexible to permit its use with groups of varying background and experience. Where the members have not been participants in management training programs, relatively work-centered topics may be explored rather fully. With groups of this type, also, it has been found worth while to meet in 10 to 12 two-hour sessions. With groups of greater experience, the time will be less, with a minimum of six two-hour meetings.

Some statistical work has been done in scoring the summary sheets filled in by the participants in advance of the discussions. The plotted scores of approximately 250 persons parallel very closely a theoretical normal curve for the same data. There seems to be some significant correlation between the scores at the lower extreme and an independent appraisal of the leadership ability of the testees. A lower critical score could be established which, although not conclusive, might possibly indicate that the testee needs more than normal management guidance. The scores have not been used, however, as a rating device in any way, nor have the scores of any of the testees been given to their superiors. The work has been purely an experiment, and the results are not held to be significant.

To attempt to appraise the effectiveness of any program is a diffi-
cult task. Probably the two most common reactions to this one are: "It certainly makes you think!" and "There certainly are a lot of angles to these things!" Such reactions are common to experienced as well as inexperienced groups of executives and supervisors. It may be said with certainty that the program can effectively stimulate thinking, and this is without doubt the first requisite to the development of a proper attitude, which in turn underlies proper action. In addition, enough specific results have been recorded to indicate real value. No single method will, of course, produce the needed results in management development. Continuous training, combined with careful initial selection, is necessary for the development of an effective management organization.

This program is not new in principle. It is, rather, an adaptation of an old principle, designed to provide a training program sufficiently flexible and adaptable to meet the variety of today's leadership-training needs.
Role Playing in Action

Evaluations of training effectiveness have demonstrated marked success in the transmission of a great variety of work skills but have indicated surprisingly little change in the human relations ability of management trainee groups. As a matter of fact, there is evidence that some attempts to introduce better performance through training have had negative effects by increasing the tension and anxiety of the trainees. By merely developing an understanding of good managerial practice without providing real assistance in attaining that ideal, training has produced frustration.

Resistance to Change

What are the reasons underlying this lack of success in improving those human relations skills that are so important in the work situation? First of all, in management training we have tended to depart from the skill-training maxim of learning by doing. Most of our training time is spent on some form of verbal instruction or discussion, or on various visual demonstrations of "how the good executive behaves."

Moreover, work-skill training alters the relationship between a person and a machine or material of some sort; if the person begins to perform differently, the machine is quite ready to go along. But, in changing human relations skills, at least two or—more often—a whole group of persons must remake their adjustments to each other if the behavior change is to be effected and effective. It becomes clear, therefore, why the trainee feels insecure in attempting to
utilize new skills in human relations as compared with new technical or professional skills. He cannot be sure whether the other persons involved will accept or reject, laugh or applaud, unless they too have been involved in preparing for the change.

In the third place, relationship skills must be much more flexible than others. It is less feasible to set up step-by-step performance patterns which can always be applied in a given situation. One characteristic of any human relations skill is its adjustability to the requirements of the situation and the behavior of the other person or group.

Finally, it is clear that in training for human relations many trainees have a variety of vested interests impelling them to keep on behaving as they do. This is in contrast to work-skill training, where the trainee is eager to improve his economic and job status by acquiring new proficiencies.

Underlying Needs and Fears

What are some of the forms assumed by this resistance to changing interpersonal style? Perhaps the trainee has a strong need for power over his fellow beings and therefore is reluctant, consciously or unconsciously, to change his style to give greater personal freedom and decision autonomy to his subordinates. Perhaps he feels the need to be looked up to as the benevolent source of recognition and emotional warmth. He therefore refuses, usually unconsciously, to change his style to one which would give greater emotional independence to those working under him.

Primarily, however, resistance to change grows out of the trainee’s realization of the complexity of interpersonal relations and his fear that any change he makes will result in failure and loss of control over his employee group. In many instances, he is aware that he cannot change unless similar changes are made in his superiors.

In most organizations, too, there is a lack of adequate communication between levels in the administrative-supervisory hierarchy and a lack of understanding of the problems of those on other levels. This leads to both individual and group insecurity. Such insecurity develops, in turn, individual and group resistance to change in the style of interpersonal relations.

These, then, are some of the problems to be faced in instituting
an adequate training program in the area of human relations. Role playing is one of the methods used in providing such training. Let us therefore make a careful analysis of the role-playing process and then determine the place of role playing in a management training program.

THE PROCESS OF ROLE PLAYING

Company X embarked on a new training program in which the training of managers in human relations skills was planned as Part 1. The training director discussed the program with top management, getting the top executives' interpretation of the problems involved as they saw them and helping the men become more aware of the importance of interpersonal relations in production. The training director also determined as well as possible through informal interviews how representatives of other organizational levels viewed their training problems.

Early Sessions

The training director then organized four training groups: one composed of top management, a second of intermediate supervisors, a third of line supervisors, and a fourth of representatives of employee groups. Each group met separately for two sessions a week, but with the same trainer acting as leader. The trainer was thus in a liaison position, being able to interpret the viewpoints of each group to the others, and to lend greater insight to the discussions and enhance their effectiveness. The trainer also found it worth while to have each group develop mimeographed minutes of its own sessions. He hoped that before long each group would agree to exchange minutes with the other groups.

The trainer realized that his first job, as he met with each group, was to create an informal atmosphere in which feelings could be freely and openly shared. He knew, of course, the necessity of establishing his role as a neutral one with each group—so that he would not be identified with any group but would be recognized as working with all.
The first two or three meetings with the group were spent in getting things off the chest before the trainer took any active role and in developing a census, on a blackboard, of the problems each group felt it faced. Thirty to sixty problems were listed by every group.

A Step Forward

As the group prepared to move ahead on problem areas of their own selection, the trainer took an important step in his leadership role. It was possible to point out rather soon that a verbal description of a problem is not an adequate basis for concrete diagnostic thinking. Each group member has a different picture in his mind of the interpersonal-relationship situations being discussed. No one is able to describe a real problem situation with such qualitative richness that the significant factors can be taken into account in considering the problem. Therefore, the trainer led the groups into spontaneous role playing to reproduce actual situations which each group member could observe as a basis for an objective, well-founded diagnosis which got below the many dangers of verbal misunderstanding. The basic elements for learning were thus brought into the "here and now" common to all.

Meeting in Progress

Let us now take a look at the fourth meeting of one of the groups, composed of 20 line supervisors. The trainer enters the room shortly before the supervisors arrive and begins writing on the blackboard a list of problems in various classifications. By the time the trainer finishes, the supervisors have drifted in and have taken their seats around the table.

Trainer: It's about time to start our work for the day. I notice you have been looking at the blackboard, and you see I have down there all the problems we have listed in the past two meetings under various classifications. You will remember that, after our last meeting's discussion, I promised to try my hand at grouping these together, and you will notice that all your problems seem to fall under these headings: "Problems of Discipline," "Lack of Responsibility," "Absenceism," "What to Do When the Employee Feels He Has a Grievance," and so on. You will notice, too, that after these main headings
and after the problems themselves I have put numbers in parentheses that indicate the number of people who mentioned the particular problem or group of problems. Let us look at the classifications for a moment. Do you think I have grouped them correctly?

Supervisor C: Well, it looks all right to me. It certainly helps to bring those problems together that way. I was pretty lost last week and didn’t think we would get anywhere. Now it looks as though there’s a little hope.

Trainer: That’s exactly the idea. We can tackle any one of these areas and know that we are licking a number of problems at one time. Instead of 40 or 50 problems, now it looks as though we really have only 10. Do the rest of you feel that this has helped?

Supervisor F: It certainly ought to help as far as I am concerned. [Others nod assent.]

Trainer: O.K. Let’s see if we can move ahead. Which of these areas of problems seem to you to be the most important, and the ones you would like to tackle first? [There is considerable discussion at this point, which gradually leads to a decision by the group to take up the problem of responsibility.] That certainly seems to me to be a good problem, and from all the things you have said it is one that’s bothering you people very much. Let’s go ahead and take a look at what it is. Just how do you see this problem?

Supervisor K: Oh, you can’t get employees to take their work seriously. All they want to do is watch the clock and waste as much time as they can. They don’t care whether they do the job well or not.

Trainer: You feel, then, that employees are indifferent to their work. Just what, specifically, do you have in mind?

Supervisor K: Almost all of them are like that, but I guess I have the most trouble with the filing clerks. You want something, and they can never find it. Then a week later it turns up in another file.

Trainer: Is that the kind of problem the rest of you have? [Several nod assent.]

Supervisor E: I have the same problem, too. It seems that you can’t expect anything of the kind of workers you get. The group I have is pretty dumb.

Supervisor A: I don’t have any filing to do, so that’s not my problem, but I sure have a lot of trouble getting my employees to take much responsibility. If you bawl them out when they do something wrong, they just sulk for a day or two. I think it is the kind of employees we get. When I was an employee, I really took my job seri-
ously, and that's why I have been given more responsibility since then.

*Trainer:* Well, it certainly seems as if this is something that is bothering you all. Mr. ———, you started us off. Tell me, what do you do to get your file clerks to take more interest?

*Supervisor K:* Oh, I've tried almost everything. I've tried talking to them individually and brought them together as a group. I've bawled them out and threatened to fire some of them, but they all know how hard it is to get people today, so they don't take that very seriously.

*Trainer:* I expect that is what most of us try. But I still don't think we have seen the problem very clearly. Maybe we'd better take a look at it. Mr. ———, you seem to be pretty bothered by this problem, and I guess that you are familiar with just how the employee acts. I think it would be helpful to us all if we actually saw what was done. Would you mind being an employee? We will see if we can pick somebody else to talk to you about your lack of responsibility. Who in the group would like to be his supervisor? [There is a sudden silence, and everyone looks away from the trainer.] We really need someone to be a supervisor to talk to Mr. ———, so we can actually see what we do now, and then we can find out what else we need to do. Who do you think would make a good supervisor?

*Supervisor M* (pointing to Supervisor B): Bill would be pretty good. [Others chorus agreement.]

*Trainer:* How about it, Bill? Will you be supervisor in this case?

*Supervisor B:* I am not an actor.

*Trainer:* You don't need to be an actor. We wouldn't want you if you were. We want someone who knows the situation just to show us what we do now. [Supervisor B somewhat reluctantly agrees to undertake the job.] Fine. Now, will you two go out in the hall just a minute and decide what the situation is? I wish you would decide whether you have called the employee in or have walked over to where he is sitting. Don't plan what you are going to say or what the employee will reply. Just get the situation in mind. [The two walk out of the room.] One thing we want to watch for when they come back is just how Bill handles the job of supervisor and what happens. [In a minute or so, the two return.] Well, have you decided where this scene is going to take place?

*Supervisor B:* We have decided that I'll walk over to where this file clerk is sitting and talk to her there. She is at one set of files, and there is no other person around.
Trainer: Oh, so Mr. —— is going to be a girl in this situation?

Supervisor K: All my file clerks are girls, and it will much more realistic if we do it that way.

Trainer: That’s right. Let us set up this place now. [The trainer moves a row of chairs around to resemble a set of files, and Supervisor K sits down and pretends to be putting some papers in a drawer. Supervisor B walks up to him.]

Supervisor B: Well, Mary, how are you today?

Supervisor K: Oh, all right.

Supervisor B: Mary, I’ve been watching your work lately, and I wonder if anything is wrong. A number of times now I’ve tried to find something, and it seems that you have misfiled it. Don’t you look at the things as you file them so that you can file them correctly?

Supervisor K (resentfully): Sure, I look at them, but you are all the time asking us to work faster and faster, and some of these things are hard to make out. When I try to read them carefully, you bawl me out for being too slow. I wonder what you do want me to do.

Supervisor B: No use getting angry, Mary. I just wonder if you have really taken any pains with your work.

Supervisor K: Sure, I take pains. I work as hard as anybody else around here. Trouble is, no one is appreciated in this place.

Supervisor B: Well, Mary, I’ve been looking over your record, and you have had more tardiness than anybody in the department. That doesn’t seem to me to be taking much interest in your work.

Supervisor K: Can I help it if the busses are late and get tied up in traffic jams? I try to get here on time.

Supervisor B: How long does it take you to come down by bus, Mary?

Supervisor K: Oh, it takes 20 minutes after I get a bus.

Supervisor B: When do you leave home?

Supervisor K: Oh, about 8:05.

Supervisor B: That doesn’t give you much time, does it? You have to be here at 8:30, and if anything goes wrong with the bus you are bound to be late. Why don’t you get up 10 minutes
earlier, Mary, so you have plenty of time? That's what I always do.

Supervisor K (changing the subject): The trouble around here is there's no chance of getting anywhere unless you have a drag. Then you can get anything you want.

Supervisor B (following the lead): What do you mean by having a drag?

Supervisor K: I do the same work, and I never get any change. The other girls get a chance to do easier jobs. Besides, you recommended Sally Jones for a raise, but I didn't get any, and I work just as hard as she does.

Supervisor B: Well, Mary, I don't think that's quite fair to Sally. She's the best girl here, and she has been here longer and she deserves a raise. If you worked as hard as Sally does, and got here on time, you could qualify for a raise later.

Supervisor K: That doesn't have anything to do with it. I work just as hard as she does, but she has a drag.

Trainer: Let's cut the scene here. [The two supervisors go back to their seats at the table.] That was a pretty good job, don't you think? [The rest of the group grin and nod their heads.] Is that the way it usually turns out with the rest of you? Is that a very realistic scene? [The group choruses asent.]

Supervisor G: That's just the trouble. You never get anywhere when you try to talk to them.

Trainer: Maybe we had better look now at just what happened in this scene. Did the interview go in a straight line, or did it wander a bit?

Supervisor C: Well, I thought it went astray a couple of times. The supervisor stopped talking about responsibility for filing and got into an argument about taking a bus on time, and then the employee led the discussion away into a grievance she made up.

Supervisor H: Maybe that was the whole trouble, that she felt a grievance and that's why she slipped in her work. [An interesting discussion is held at this point by the group on two questions: (1) What was the real cause of the employee's lack of interest in her work? (2) What was wrong with the techniques the supervisor used in the interview? It is generally agreed that a supervisor wouldn't get anywhere with such an interview and would probably end up by making the employee resentful. It is felt by the group that the basic cause of Mary's indifference was not discovered by the supervisor.]
Trainer: Well, I think we have a pretty good picture of this now. We all seem to agree that the supervisor made no effort really to find out why Mary was not working at top efficiency; we agree that the supervisor allowed Mary to take the discussion off into different channels; and we also agree that this was a typical interview with an employee. I think some of you by now have a few ideas as to how you might conduct such an interview. Anybody like to take a shot at a scene like this, using some of these concrete suggestions we have made as to how it might be handled? [After some further discussion, two group members volunteer to be the supervisor. Both go out into the hall, and the trainer advises the group to watch carefully just what these volunteers do. Then he calls the first one in while the other remains in the hall. The scene is the same, with Supervisor K sitting down before the files. Supervisor F, the first to come in, walks over to the files.]

Supervisor F: Well, Mary, how are you today?

Supervisor K: O.K.

Supervisor F: There are some things I wanted to ask you, Mary. Do you have any suggestions as to how we might improve the way we are filing? I have a feeling that some of the difficulties you girls have sometimes in finding papers after they have been filed must come from the way we are doing things. I know you take an interest in your work, and I have felt that lately you have become somewhat discouraged. Perhaps your recent tardiness has been a symptom of your discouragement.

Supervisor K (indifferently): Well, I try to do my job, and sometimes the busses are late.

Supervisor F: Oh, I wasn't bawling you out, Mary. I just have a feeling that something is wrong. You started out with so much interest, and lately I have felt that your interest has slipped. I have wondered if you haven't thought of ways in which the system can be improved so that you wouldn't run into so much trouble.

Supervisor K (still somewhat indifferent): Well, it's awfully hard to do this filing. You have to do it fast, and sometimes you don't read the heading on the letter correctly; and, besides, you get awfully tired of just looking at letters and then in the file. There's no change in this work. Anyway, I don't feel I'm getting anywhere.

Supervisor F: Haven't you seen some ways in which it might be worked out so it wouldn't be so difficult, Mary?
Supervisor K: Well—I have sometimes wondered if it wouldn't be better for someone to sort out the things to be filed in groups. One of the problems you have to face is, you must go to the top drawer and then to the bottom drawer; it's getting up and down every other minute. Besides, it might be a change just to sort the letters for a while and file them later.

Supervisor F: Well, these are certainly suggestions we ought to think about.

Supervisor K: Anyway, what's the use of trying? You have to have a drag around here.

Supervisor F: Why, Mary, something is bothering you! Wouldn't it be better to talk it over with me? If there is anything wrong, we'll try to straighten it out. [He goes on with a discussion in which Mary gradually indicates that her lessened interest in her work has caused her to look for slights and evidence of favoritism.]

Trainer: Let's cut here. [The other supervisor is called in and goes through a similar scene, though he handles it somewhat differently. Again the trainer questions the group as to whether these scenes represent the right approach, and he particularly questions the supervisor playing the role of the employee as to how the tactics of the three different supervisors affected him. In one instance, Supervisor K indicates that the way the other supervisor talked to him just made him mad, whereas in another instance he felt the supervisor was trying to help him. These reactions are discussed thoroughly by the group. The leader also helps the group to explore deeply the reason why Mary felt there was favoritism in the office, and what the superior could do. Certain different suggestions for handling this problem of taking responsibility are made by the group. Some of the members suggest that the supervisor hold periodic meetings with the employees to discuss "better ways of doing the job," while other suggestions are to the effect that the supervisor and the group devise ways of varying the work to prevent monotony.]

Trainer: Well, we have certainly had a good discussion today, and I think our time is up. Do you feel that you would like to tackle other scenes in this same area of problems or perhaps move to another area? [The group decides to play further scenes in this area at the next meeting, and the session ends.]

Increasing Skill

Subsequent sessions of the groups explored through role playing and discussion the rest of the problems listed. The results of these
discussions and sessions were an increasing ability on the part of the members to handle interpersonal relations. Certain other changes were made gradually as the training groups developed skill. As they saw how the problems of each group were interrelated with those of other groups, the training director encouraged the formation of committees comprising representatives of all the groups to work on certain problems and invite members of one group in to be questioned about how they viewed a particular problem.

Usually the motivation in lower-level groups is greatly enhanced when members of the top group accept an invitation to listen to their ideas or to supply certain needed information. The ideal training objective is probably to allow the parallel groups to merge into meetings of the vertical staff group as a staff meeting—a transition which is occasionally possible.

In other instances, solutions to problems between departments on the same level are worked out by department members meeting together in a special group or committee. Certain problems which lie outside the "power field" of the lower groups will be relayed to top management for solution. As top management arrives at satisfactory solutions to these problems, cooperation among the different levels in the organization is increased.

The trainer must do all in his power to ascertain that the members of each group keep abreast of and are sympathetic to the ideas and plans emerging from other groups. It is vital that the first attempts at change in behavior patterns meet with success if the trainer is to gain the security that is necessary to stabilize his style of performance.

*When Is Training Ended?*

Trainers are careful not to set an objective of a specific number of meetings. They realize that it is impossible to predict when a particular group can arrive at the state of maturity where the trainer can be dispensed with.

It seems highly desirable to stimulate as much interaction as possible between members of the various groups before the trainer withdraws. It may even be worth while to work with the staff leader on staff meetings for a number of sessions after the parallel training groups have merged into one staff-meeting pattern. As yet insufficient
criteria have been developed to indicate clearly when the trainer should withdraw. This is a crucial stage in training procedure, just as it is in individual therapy. If the training has been successful and the transition is handled adequately, the growth in managerial skill of the group members should continue without a regression to the old patterns.

In brief, various methods of solution will be arrived at as the role-playing discussion continues. There is no single pattern that can be suggested as to types of solutions, but it should be stressed that those problems which must be solved by top management should be carefully delineated and taken to top management; those which can be worked out by lower groups with top management permission must be outlined with equal care and the groups encouraged to seek such permission; and those problems which can be worked out by groups on any level without further permission should be delineated and solutions worked out with the particular groups in question.

MAJOR FACTORS IN SUCCESS

We have seen a role-playing program in action. To make this case study more meaningful, let us consider some of the major factors in the success of the role-playing method.

Involvement of Top Management

Even though the major training objective may be to change the performance of line managers, it is essential to enlist the active participation of the higher strata of management in the training process. Unless there is an understanding of and readiness to support the change in the style of management, the men will either feel too insecure to attempt any change or regress rapidly when they discover no change in expectations on the part of their superiors.

A critical period in the training procedure is encountered with the first on-the-job attempt to apply the new relationship skills which have been practiced in the training situation. Only a prepared and sympathetic superior can effectively help a man succeed at this point.
Importance of Three- or Four-Level Training

For a number of reasons, it is vital to involve all or almost all levels of the organization hierarchy in the training process. In the first place, the work activities of any person, particularly in the area of human relations, are obviously affected by the actions of those above and below him and on the same level. Consequently, it is futile to endeavor to bring about a change in the human relations aspects of managerial behavior without simultaneously bringing about changes in those on other levels. Again, there is greater motivation for a manager to alter his behavior if he realizes that those on other levels are also making improvements. Finally, changes in other levels will facilitate any changes the individual may endeavor to make. Dramatic examples have been observed of managers regressing to their former behavior pattern because of misunderstanding and rejection of changed behavior by work groups.

At first it might appear desirable to work with members of all levels as one training group. Such an attempt, however, is soon found to be unsatisfactory because of feelings of restricted communication, especially among representatives of the lower levels. Vertical grouping is undesirable, also, because each group needs to clarify its own problems before it is ready to merge them with those of the other levels.

Problem Census

At early meetings of each group, it is usually possible to get the members to express gripes or problems which they feel prevent their doing the kind of a job they feel necessary. With a typical group of 15 members, such a census will probably include 50 to 100 items by the time everyone has expressed himself freely and will probably have required two or three meetings because of the spontaneous discussion and comparing of notes that result on most points.

The question may be raised as to why so much time is devoted to this initial phase of training when the trainers are probably already well aware of the major training needs of the group. There is, however, no substitute for the high degree of motivation and involvement that derives from basing the program on the feelings and conceptions of group members. Experiments have shown that the
major structure of underlying problems will emerge by following
the lead of the group.

Classification of Problems

The trainer, of course, faces the danger of being led astray or into
superficiality by the apparent diversity of the concrete individual
problems which emerge. Some group members are also bewildered
at the prospect of tackling such a variety of problems in the time
available. An important step, therefore, is to classify the problems
into a number of major areas.

Usually the problems of a group will fall into 5 or 10 areas, such
as “Feelings of Lack of Authority,” “Problems of Getting Job Assign­
ments Accepted,” and “Lack of Communication with Higher-ups.”
As this classification is reviewed with the group, each member sees
how his problems fit in with those of the others. He sees that actually
there are relatively few problem areas. As one area is tackled—no
matter what particular example is selected—he senses the application
to his own problems of the same type. Often a man will gain con­
siderable insight and perspective by having his own little problem
lifted out of its seeming uniqueness by being categorized in a
broader class of problems.

The problem census also has usually included a check of the
number of persons in the group who identify each problem as their
own. Now, as the group is ready to select a problem area to move
ahead on, it can take into account the breadth of involvement of
group members in the problem area chosen.

Role Playing as Diagnosis

The first use of role playing in managerial training is generally
to aid the group to diagnose clearly the problem under discussion.
If discussion is employed alone, there is a tendency to talk about
“cost reduction,” for example, as an abstraction. Role playing pins
the problem down to “how this superintendent cut plant costs.”
Thus the group is always face to face with reality.

The type and direction of the discussion initiated immediately
after the role-playing situation indicate the extent to which the
group really applies the role-playing scene as a diagnostic instru-
Role Playing in Action

Usually the trainer asks such questions as: “Was the scene realistic? . . . Was this the way it happens in your place? . . . How did you feel [turning to the person playing the part of the employee] when the supervisor said thus and thus to you? . . . How do you think it might have been done differently?” These questions direct the thinking of the group to the realism of the situation and to the fact that the way the employee feels will determine his actions.

Role Playing as Solution Making

Again, the questions about how the situation might have been approached differently pave the way for future role-playing scenes as solution making. Any number of such scenes may be played before adequate solutions are realized. The importance of this use of role playing is that the results do not count; thus the individuals playing the scenes will not experience the real sense of failure which they might have in a genuine work situation.

CONCLUSIONS

Skill in the use of role playing seems, in general, to lie in four areas: in the selection of the scenes to be played and the setting up of these scenes so that the important points will be dramatized; in cutting off the scenes after the major points have been played; in leading the discussion immediately following the scene so that the major points dramatized become the focal points for discussion; and in setting up other scenes growing out of the original diagnostic sets.

A variety of values might be cited—among them, the possible reversal of roles. If, for example, a man gives evidence of seeing only one viewpoint and failing utterly to understand the motivation of a subordinate, it is sometimes desirable to ask him to play the role of the employee. As he continues to play this role, his insight into factors affecting the employee’s behavior increases. Also, role playing can give management groups insight into a variety of roles: members of the supervisory training group may play employee roles of different types as well as various roles on their own level and roles of higher management. Through this broader use of role playing, the
manager is enabled to understand more clearly the interrelationships of all levels of the organizational hierarchy.

However, a certain need for caution should be noted. While role playing rapidly enlists the interest of the trainee group, and the leader's responsibility for the success of the training decreases as the group assumes much of this responsibility, there is still need for those using the method to develop such skill that the maximum value will accrue from its use. Meanwhile, experience with role playing in management training is accumulating fast—with the bulk of the evidence attesting to its very real place among available tools and techniques.
The Lecture as a Training Technique

In the university, the formal lecture has for centuries been the chief method of helping the student to acquire the necessary fund of knowledge in the various fields pertaining to his future profession and to develop the powers of discernment, perception, analysis, and objectivity which are the hallmarks of professionalism. The question therefore arises: What place, if any, does the lecture have in learning the profession of management?

When Training Misfires

Here, however, we run into an obstacle that every training man encounters: resistance to training.

Some years ago, the pioneers of management training made a shocking discovery: Their “pupils”—managers—exhibited an almost antagonistic resistance to training. They still do. Logically, managers should be anxious to learn more of the art of managing. They should gladly avail themselves of instruction—usually on company time and at company expense—that will eventually, among other things, mean more money in their pay envelopes. But often it does not work out that way; something misfires.

When it was first generally recognized in industry that managers—particularly foremen and supervisors—needed training, the problem was attacked head on: The managers were simply called together in a classroom and lectured by an instructor. But somehow the classic method of instruction didn’t work in this situation. Where the “student” should have been appreciative of this opportunity to upgrade himself, he was, in many cases, openly resentful. Almost
every subsequent innovation in management development techniques has been tempered to some degree by this initial discovery. The bewildering array of training devices available today is largely the result of a continuing effort to find some way of rendering training palatable to managers. In the belief that it was the method that had inspired the manager's resistance to their ministrations, training men turned their attention to the development of still other methods and, in so doing, touched off an increasing preoccupation with methodology, which has all too often become an end in itself. This mistaken notion has caused the training director to overlook the more basic psychological origins of the supervisor's resistance to training.

Reluctance to Change

The latent resistance of the average manager to organized group training is due primarily to two separate factors. The first of these is the conservatism of human nature: Each manager has hammered out for himself some pattern for handling his job, and he feels a natural reluctance to leave the old, familiar paths and step gingerly into the unknown—particularly when the advocate of these new ways is a teacher from an educational institution or a staff employee, neither of whom, the student manager suspects, has ever had experience on the firing line.

Nor is there anything abnormal about the manager's resistance to the suggestion that he may be able to learn to do his job better; this is a condition that derives logically from the nature of his work. He is accustomed to command and authority; he must continually exercise independent judgment and arrive at his own decisions; he is frequently solicited for advice and counsel by his subordinates; and his statements and opinions bear a certain weight of authority and respect within his own limited domain. Under these circumstances a man develops considerable respect for his own judgment. He is therefore inclined to reject the idea—especially when advanced by a staff employee—that some of his methods are incorrect or subject to improvement. He frequently feels that it is he who should be teaching the teacher, and not vice versa. And the fact that he is still a manager proves—at least to his own satisfaction—the efficacy of his approach.
Unnatural Emphasis on Simplification

The second factor contributing to managerial resistance is the way training is too often conducted. Training people have felt constrained to take a vastly complicated profession, condense it into a few simple rules and clichés, and serve it up to their "pupils." From the start, in other words, they have exhibited a tendency to package the most complicated propositions into easy capsules to be swallowed in one gulp.

For some inexplicable reason, it has long been assumed by training personnel that the subject matter used in management instruction must be inordinately specific. The abstract, the theoretical, is to be avoided as if it were the plague. Because of this unnatural emphasis on simplification, it is perhaps not too inaccurate to say that managers generally are the most talked-down-to group of people in our social order.

On the other hand, training men who have been able to resist the temptation to vaccinate the manager with simple platitudes have frequently operated on the "let them teach themselves" theory. Instead of using the "here's how" approach, the teacher makes no attempt to bring anything to the group—the necessary how-how is assumed to be already there. He becomes a conference leader whose task is to encourage the group to pool and share their combined knowledge and experience. Of course, this approach is effective to a degree, but it has definite limitations. At best, it can result only in a sharing of such knowledge and experience as the group possesses—the whole can never be greater than the sum of its parts.

The discussion technique affords no means for injecting new thinking and new information. Too often discussions wander in a vacuum: There is no frame of reference for checking and trying opinions and ideas. And there is always the danger that the group will pool ignorance and prejudice, rather than knowledge and logic.

Receptiveness to More Direct Approach

There are, in short, ample grounds for believing that the manager, more than anyone else, realizes that his is a job which is not reducible to simple rules having standard applications that will produce standard results in standard situations; and that all the information he
may need does not lie within the confines of his own experience or that of his immediate associates.

Perhaps the manager senses instinctively that he is practicing a complex profession. Rooted in his consciousness may also be the conviction that he needs help and instruction, but apparently he realizes that neat little rules won't solve his problems. He, above all others, appreciates that one does not successfully handle people by mechanistic manipulation. Thus it is reasonable to conclude that he may be receptive to a more direct form of instruction, presented in a manner more in keeping with his intelligence, his status, and the complexity of the task confronting him. It was this conclusion that started the Cities Service Refining Corporation on its experimentation with the lecture as a management training technique.

Experimenting with the Lecture

We were sure that an in-plant training man could not successfully deliver a lecture in the manner of a college professor. But we did feel that an outsider with a great deal of prestige in his field might be able to do it, especially if he were a forceful and persuasive speaker. Furthermore, we doubted that a one-shot lecture to our total group would do the job we wanted to do. So, when we had located a man who we felt would be right for our purpose, we merely substituted him as the leader in a regular series of 15 meetings limited to 15 to 18 men each.

This first outside lecturer was a man whose background and stature lent authority to his views; our managers, even if they did not accept his observations, could at least be counted on to consider and weigh them.

There was no attempt at group discussion. The speaker did not attempt a one-shot injection by packing all the principles of management and human relations into a single lecture. He limited himself to one relatively narrow subject—an analysis of authority. He avoided talking down and oversimplifying. On the contrary, he gave each group something to reach for by exploring all the complexities of his subject. And he purposely aimed over people's heads, rather than beneath them.

Enthusiasm for this man's lectures ran so high that many of the
men sat through them a second time, and a few even a third time. But the real payoff came in follow-up meetings, where the regular in-plant conference leaders conducted discussions in which the general principles laid down by the outside lecturer were tried and tested against specific plant problems. Here, again, interest was high, for these discussions proceeded within an authoritative frame of reference. They did not wander aimlessly in a void; instead they had both direction and purpose.

Seeking an Alternative Approach

It must be admitted, however, that this approach has definite limitations. It is almost prohibitively expensive, especially in a small plant. Even more to the point, speakers of the required dimensions are few and hard to get. Hence, we set about trying to find some compromise that would be acceptable to our students yet not too costly.

For this purpose, we used the annual questionnaire which our management group is required to fill out each year. (It is somewhat in the nature of a supervisory attitude survey.) In it we posed the following question:

We have on two occasions had outside authorities in to conduct a series of lecture meetings. Do you think:

1. It would be a good idea to continue bringing in such authorities?
2. It would not be a good idea?
3. It makes no difference?

Two hundred fifty-six supervisors completed the questionnaire. Of these, 92.5 per cent felt that it would be a good idea to continue bringing in such authorities; 2.0 per cent felt that it would not be a good idea; and 5.5 per cent felt that it would make no difference.

Then, as a stab in the dark to test the reaction to the prospect of similar lectures by our own training people, we asked this question:

We have always avoided a direct, teaching-type meeting. Do you think that an occasional meeting of this type with the leaders using information developed from research and study of various books and articles would be acceptable by the group or not acceptable by the group?
In reply to this question, 97.6 per cent said that such a meeting would be acceptable by the group; 2.4 per cent said that it would not.

The following year, we acted upon the majority opinion. Then, on the next annual questionnaire, we asked this question:

On last year's questionnaire we asked you if you would like the conference leaders to give you an occasional lecture based on the writings, speeches, etc., of authorities in the field of management. During 1953, three such meetings were conducted. What is your opinion? Was this good or was it not good?

In reply, 96.4 per cent said that it was good; 2.3 per cent said that it was not good; and 1.3 per cent expressed no opinion.

Some Do's and Don'ts

Thus there appear to be at least two ways in which the lecture can be used with considerable success as a management development tool. There are, however, some important rules to be followed, especially when the lecture is given by in-plant training people:

- It should be used sparingly—two or three times a year is about the limit.
- It will probably be more readily accepted by men who have several years of conventional training under their belts.
- The subject matter should be carefully chosen as applying to some area in which difficulty is currently being experienced.
- The approach should be largely theoretical, as opposed to specific. Visual aids—especially slapboard, chart, and blackboard—should be used to give variety and color and to heighten interest.
- The in-plant leader should take care not to create the impression that the material is his own. The author or authors from whose writing the lecture is drawn should be introduced very much as though they were actually present. Where possible, the books and documents should be on display.
- The leader should stress that whether the managers agree with the ideas expressed, or whether they find them applicable to their individual situations, is entirely their own option.
Under no circumstance should the lecture be regarded as a cure-all, or as a categorical substitute for the many other techniques of management development. The point is simply this: If one objective of management training is to give managers a professional concept of their jobs, and then help them to upgrade their professional proficiency, the purpose of organized group training should be to supply the manager with theoretical information; to provide new concepts against which old methods may be checked and tried; and to help him broaden his mental horizons and enhance his powers of analysis and discrimination. The lecture is a powerful tool for fulfilling this purpose; and it has been our experience at Cities Service that it can be employed in a manner that is acceptable to the manager.
Richard E. Low

Training Outside the Company

The growth of management training outside the company is one of the most striking developments in modern business. Much of this growth may come from the fact that adult education is "in the air"; a feeling among executives that "if others are doing it I had better go along." But, more basically, people are realizing in business as in other fields that what they learned 10 or 20 years ago is no longer enough; with new concepts and techniques developing at an accelerating rate, education is a lifetime process. The trend also reflects the new professionalization of management and the need for skills that cannot be learned on the job.

Why Go Outside?

Many companies themselves attempt to meet this continuing need for training. Many more, however, cannot. The smaller firm usually is able neither to maintain its own training staff nor—if, as is highly desirable, line managers do the actual training—provide the necessary coordination. And, company size apart, management may profess a lack of interest in formal development plans, forcing the ambitious executive to go outside for training in areas where he is weak. But even where management is convinced of the benefits of supervisory and executive development, and committed to a more or less elaborate company program, there is still room for augmenting and balancing this program with outside activities.

Training outside the company has certain pronounced advantages. While it takes a man away from his regular job, the universities and other institutions now specializing in management education offer
a variety of subjects no company can equal—especially if it is not near a campus from which faculty can be drawn part-time. Naturally the company has no control over course content, and there is always the chance of considerable chaff along with the good. But, with a basic topic like principles of company organization, or corporate finance, waste time can be held to a minimum. And, in any event, the steady increase in the number of available courses should cut down the risk.

Outside programs also make available the experience of men from other companies. The best create an atmosphere in which barriers to an honest exchange of experience break down and one's own problems are seen in a new and revealing light. But equally important are the "desert island" benefits of getting away from the office. An executive sees things much more clearly when he leaves the headaches of his day-to-day job behind—in fact, some schools ask employers not to forward even the most urgent business matters to students.

When these two advantages are combined—that is, exposure to other viewpoints and a real vacation from daily routine—a man can grow in ways not directly related to course material.

Who Can Benefit?

It is generally recognized that employees at all levels can benefit from various types of training. For the rank and file, training ordinarily aims at improving work skills and can usually be handled within the company, if not on the job itself. And young professional or technical workers who wish to continue their education after hours, or add to their knowledge in a particular area or specialty, will frequently find the company willing to refund tuition upon successful completion of a course. Some firms foot the bill for any course, no matter how unrelated to the job (provided, of course, the student's grade was acceptable), on the theory that anything which "broadens" the individual is desirable.

Company resources may also prove adequate for training first-line supervision in management principles, as opposed to specialized skills and knowledge. Firms which provide this type of training often concentrate on in-plant programs, sometimes taking advantage of outside professional assistance and, perhaps, informal training de-
vices like visits to other companies. There are, of course, outside courses aimed at supervisory development—like AMA's own, for example. But it is when we reach middle management—from which top management must evolve—that those responsible for development are most likely to take promising men from their regular jobs, for specified periods of time, and "send them off to school." These men, they reason, will have the mature outlook and business experience needed if they are to benefit from training in "pure" management.

Taking full-time courses is thus most prevalent among middle-level executives with better than usual prospects for promotion. The average age probably lies in the early forties, with the range mainly between 35 and 55. Most salaries fall between $10,000 and $20,000 a year. No course requires a college degree for entrance, although a few companies apply their own standards in choosing men to send.

The highest proportion of students seems to come from companies, formerly family or one-man operations, which have recently become publicly owned and management-operated. Businesses of all sizes are represented—from the largest to the smallest.

**Available Opportunities**

Opportunities for study range from full-time university programs at the graduate level, lasting up to 7½ months, to correspondence courses taken in one's spare time. In choosing among them, the aim, of course, is to achieve a good balance with—or, if need be, compensate for the lack of—training within the company. An analysis of company and/or individual needs, sparked by a certain imagination and selectivity, will help in arriving at the right combination.

*University curricula.* Graduate-level university programs may be found—to cite a few examples—at Harvard's Graduate School of Business Administration, the Stanford Graduate School of Business, and the School of Business Administration of the University of Michigan.

*The most complete lists of university and association management courses for executives are AMA's 1958 Guide to Intensive Courses and Seminars; and Executive Development Courses in Universities, published by the National Industrial Conference Board.*
As the oldest in the field, Harvard may serve to illustrate the type of instruction offered. It gives two separate courses aimed at different levels of management—the Advanced Management and Middle Management Programs. Neither program—and this is typical—offers a degree on completion. Both employ the case-study method, using actual material taken from business. Neither has any educational or other absolute admission standards, except those of age and position and the requirement that an applicant be sponsored by his company. Advanced Management students, averaging 45 years of age, are men already marked for higher management; those taking the Middle Management course are between 28 and 35 and have 5 to 10 years' business experience.

The content of the two programs differs, with Middle Management much more concerned with specialties. This course, which is given once a year, runs for seven and a half months—from January through the middle of August. It begins with accounting and statistics, finance, human relations, production, marketing, personnel, and labor relations, and then broadens into policy making and general management.

Advanced Management students, who presumably have covered this ground, take a 12-and-a-half-week program. Starting twice a year in September and February, this curriculum covers six general fields—business policy, administrative practices, business and the American society, cost and financial administration, marketing administration, and labor relations.

Courses and seminars. The advantages of training outside the company show up most clearly in small, intimate groups whose main purpose is the exchange of information and informal consultation on problems common to many or most types of business. These are offered both by the universities and colleges and by a number of independent management groups. Generally speaking, they meet for brief periods of a few days to two weeks.

The seminar method, long traditional at the graduate level, is peculiarly suited to mature students with considerable experience in their chosen field. AMA workshop seminars are led by actual company executives who are especially qualified in the subject matter to be discussed. No staff members take part. Students receive a discussion outline in advance, although the group, when it meets, is free to follow, change, or ignore that outline at will. Groups are
limited to 12 or 15, so that each registrant has ample opportunity to air his own problems and help solve those of others.

The lecture method, when used, has the advantage of compressing as much information into as little time as possible. It is frequently combined with case studies, role playing, film presentations, and so on, to provide variety and active group participation. In AMA's Management Course, lectures are followed by question periods. Then, at intervals, the class breaks up into smaller units to consider particular problems, using the case-study method. Results are presented to the entire group for candid criticism.

Part-time study. Study at night and over weekends is mushrooming in all fields. Most cities have colleges which hold classes during late afternoon or evening hours, and anyone—no matter how isolated—can fall back upon correspondence schools.

Many types of work offer higher rewards to men with master's degrees and even doctorates. But, even if not taken for credit, advanced courses can offer much. Almost every specialty has progressed since today's executives were in school; and, while much that is new can be learned on the job, there is more that requires serious study.

In addition to their regular evening classes, some universities have special courses for working executives living in their communities. Rutgers, for example, offers executives in northern New Jersey a seminar which meets one evening a week for 10 weeks and covers organization planning, administrative practice, financial management, and human relations.

One subject of interest to every executive is rapid reading. A notable course is that given by the Reading Institute of New York University, but there are others around the country. Their aim is to increase both the rapidity and the comprehension of one's reading through such mechanical devices as passing words more and more quickly across a screen. With reading forming so large a part of most executive jobs, improvement in this area might well save a man several hours a day.

Also popular are courses in public speaking. These aim—sometimes with considerable success—at teaching more than just how to give a good talk. Developing poise, knowing how to handle oneself before a group, and being able to meet strangers easily are important by-products.
A word of caution on correspondence schools: They offer advantages, as stated, for men living beyond the reach of regular instruction, but they should be approached with care. While there are many reputable institutions which will undertake to teach an astonishing number of subjects by mail, charlatans have flourished here from time to time. If possible, schools should be checked with educational authorities and with people who have actually taken their courses.

Subject Matter

Basically, management education covers four general areas, sometimes uniting two or more of these:

1. Improvement in one's own specialty.
2. Development of general, as opposed to specialized, skills.
3. Improved executive performance.
4. Increased human relations skills.

Improvement in one's own specialty. There are many specialized courses in such phases of business management as sales, finance, and personnel administration. Most university programs, however, avoid them except as part of a more general course; they are usually to be found in management and trade associations and in college evening sessions. Useful though they may be, they are naturally limited in their approach and do not attempt to give the broad view that is management education's main objective.

Development of general skills. Practical courses from which executives in all fields can benefit include public speaking, effective reading, conference leadership, and others designed to turn men with specialized backgrounds into all-round executives. But another approach to this problem is growing in importance: the humanities are enjoying a boom—partly, perhaps, for their own sake but partly because they are thought by some to contribute toward making a good top-level executive.

The Bell Telephone Company of Pennsylvania, in 1952, launched a nine-month program at the University of Pennsylvania. Participating in this Institute of Humanistic Studies, as it is called, were 25 middle management executives who studied a variety of subjects not covered in most business administration courses. It proved effective
enough that the Bell System has since organized similar programs at Williams and Dartmouth Colleges.

These latter programs, however, have moved toward the social and physical sciences, thus approaching courses like that for senior executives at the Massachusetts Institute of Technology. Here the core seminars cover national income accounting, motivating the individual, and the impact of government, foreign affairs, and our changing culture.

Although it is too early to know whether this interest in the humanities will develop more widely or die away, its supporters have practical arguments in their favor. The complexity of modern business and the varying influences on it place a premium on the ability to see a problem in perspective and to ask the right questions, rather than go on applying the standards of a simpler era. Perhaps, therefore, the study of art or literature or anything else which increases a man's sophistication and his understanding of motivation adds to his potential as an executive.

**Improved executive performance.** Management education in its purest form—in other words, that which is pointed directly at improving executive performance—deals with basic skills: how to reach and carry out decisions; how to draw up and use a good organizational setup; how to delegate responsibility yet maintain adequate controls; how to size up one's subordinates and direct them without checking their initiative.

Students in AMA's Management Course attend four units of one week's duration each. These are separated by several months to give time for the lessons learned to be tried out in practice.

**Increased human relations skills.** The current shortage of managerial personnel has thrown the spotlight sharply on the human relations aspects of management: getting the right people, keeping them satisfied, and encouraging them to produce. But handling people is always one of the most important parts of any job—even a scientist must sell his ideas.

Skill in face-to-face contacts with one's subordinates has from the start been emphasized in training first-line supervisors who, for the first time, have to work through others. At higher levels this personal relationship takes on more subtle forms. Consider the growing need for management—and not merely sales management—to play an active role outside the company organization. Dealing with govern-
ment and the community is, in fact, a very real part of the executive's job.

Informal Training

What possibilities are there for the man to whom neither full-nor part-time management study is available? Joining in local community affairs is one. A finance executive can, by handling the accounts of his church or veterans' group, obtain experience which he could not get inside his company short of becoming department head. Similarly, a "lone wolf" researcher can get out, meet people, and develop administrative ability by organizing a Boy Scout or Community Chest drive. Some companies encourage this kind of "extracurricular" activity in their development programs, and may even suggest to a man that he try a specific one. Whether self-initiated or not, a wide variety of potential "training courses for one" are open to every man in his home community.

Along the same lines, activity in professional groups offers valuable training. Such associations exist today in personnel, office management, finance, sales, insurance, and all types of engineering and scientific work. Attendance at their conferences can be stimulating and rewarding, and if one takes part in the programs, or is an active officer or committee member, the benefits are proportionately greater. Some companies pay the expenses of a man who attends a worthwhile meeting in his field; others do so only if he is on the program or has helped organize it.

Finally, the most basic self-development is well-planned, systematic reading. Every phase of work is represented by a flood of "how to do it" and "what you should know" books. Ten minutes with a library catalogue will show the range of possibilities.

Prospects for the Future

There is every sign that management training outside the company will continue to flourish. Here management parallels other professions: the recognized need for the continuous re-education of doctors, lawyers, and teachers has encouraged a profusion of summer and even year-round "refresher" courses. Increased leisure time, plus generally high incomes, has given the trend ample scope; and, with
need and opportunity coinciding, still further growth seems quite likely.

Evening sessions, for executives only, that do not take them away from their jobs may become more common. So may full-time, short-term programs which assume that a business man will continue to take courses, not on a hit-or-miss basis, but regularly and throughout his career. Participation may become more general as training in management spreads from those with special promise to the average executive whose improvement, after all, would also benefit his company.

There will undoubtedly be changes in method. And, should the impact of government and the complexity of society continue to grow as they have in the past quarter-century, broader subjects may be the rule. Whether or not the vogue for the humanities lasts, the social studies are so directly related to the business world that it may be desirable for executives to be reasonably at home in economics, sociology, political science, and the like.

One of the most encouraging signs has been the initiative shown by companies and executives in leading the way, in suggesting the type of course they want. Concrete leadership from those they seek to benefit may well help outside agencies to mold the training they offer in ways most useful to the continued progress of American business.
The disillusioning experience of numerous companies in their attempts to foster executive talent points to the conclusion that many objectives of formal development programs have yet to be realized. This discrepancy between goals and results is, more often than not, due to the "Achilles heel" of management development programs—the appraisal of performance.

The objectives set for an over-all development program will determine what is to be expected of an appraisal plan. The two most frequently stated purposes of appraisal are: (a) to improve current performance; and (b) to build an adequate managerial reserve.

Primary attention must necessarily be devoted to the first of these objectives. Building a managerial reserve is important, of course; but this cannot be done in the absence of good current performance. Therefore, priority must be given to the more immediate problem.

The Five Essentials

What is required to improve current performance? In order to enhance his efficacy, each subordinate must—

1. Know what is expected of him.
2. Have an opportunity to perform.
3. Know how well he is doing.
4. Receive assistance as needed.
5. Be rewarded (or penalized) on the basis of results.
Planning for manager growth obviously requires being specific about the objectives—that is, letting a man know what is expected of him. At the executive level, the initial definition of objectives is often prepared by the subordinate and approved by his superior. Interestingly enough, this first requisite is often difficult to achieve. Test yourself with these questions: Have you a written list of the results for which you are held accountable during the next year? Can you name five important ones? Would your boss name the same ones? The more precise the answers to these questions, the more precise the basis for guided self-development.

Providing an opportunity to perform means, in short, effective delegation. Simple as this suggestion is, failure to delegate remains a major deterrent to effective growth. The potential supervisor will not be able to supply mature direction until he has had the opportunity to learn by doing.

Because of the nature of executive jobs, the search for a yardstick for measuring manager performance is likely to be fruitless. Nevertheless, each subordinate must endeavor to satisfy his superior. And, in order to organize his own efforts and recognize a need to develop, it is imperative that the junior executive know how well he is doing. Fortunately, this third requisite does not demand an objective yardstick. It asks only that a superior let his subordinate know his satisfaction or dissatisfaction with the latter's performance.

An executive is expected to achieve certain results. Dissatisfaction with his achievement leads to tailored remedial assistance. Some managers may need little or no assistance; others may require a great deal. The forms that this assistance takes may vary widely. University courses, changes in assignment, and regular coaching are typical examples.

Rewards or penalties should be administered on the basis of results. Often men find themselves appraised for development by one method, and for rewards by a second. The most meaningful appraisal, and the one that will prove most effective in inducing managerial growth, is the one that pays off.

Limitations of Some Plans

Various appraisal methods have grown out of the executive development activities of the past few years. One of the most common
of these is the trait-rating plan. The number of traits rated varies from 6 to 20; the average is about 10. They may be evaluated in very general terms or in elaborate detail. Another popular method involves the appraisal, in narrative form, of such general factors as results, methods, personal qualifications, and potential. Regardless of form, however, most appraisal techniques suffer because of several major limitations.

Restricted application. A well-designed appraisal plan should make direct contributions to the five essentials for individual development. Most of them fail to do this. Particularly, they fail to be of any assistance in fulfilling the first essential—letting a man know what is expected of him. Hence, they are of limited value in providing a basis for planning assistance in improving performance. When post-appraisal discussions take place, they do contribute somewhat to "letting a man know how well he is doing." However, the rewards are not likely to be based on results; instead, they probably depend on the demonstration of such traits as aggressiveness and initiative. In sum, too many plans are of limited value in implementing the basic development principles.

Lack of pertinence. Managerial jobs are unique. The typical appraisal form, however, is purposely designed for company-wide use, and is therefore not pertinent to any particular job. To conclude how well the job is being done, the reviewer must either know or infer the responsibilities of the position, and must infer some relationship between the data on the form and those responsibilities. And, certainly, such relationships are tenuous.

Emphasis on traits rather than on results. Trait-rating plans for non-supervisory employees have been popular for years. The deficiencies of such plans have been deplored almost since their inception, but few of these faults have been corrected in designing trait-rating plans for higher management. Among the more commonly mentioned weaknesses are:

1. Reliance on general terms, such as "poor" and "average."
2. Use of large numbers of traits—though research has shown that only a few basic factors account for differences in performance.
3. Weighting of traits. This is still less justified at the executive level than at lower levels. Most trait-rating forms ignore what managers are actually being paid for—results.
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Low counseling value. Most trait-rating plans are concerned with the personal characteristics of the ratee. It is difficult for mature men to counsel others about such matters; counseling frequently leads to arguments. Further, even after the counseling interview, the subordinate seldom has a clear picture of the job he is expected to do, just what and where he must improve, or how he should go about it.

A SUGGESTED APPROACH

In submitting an appraisal plan that attempts to surmount these limitations, we shall outline an approach involving three stages: (a) appraisal against a responsibility checklist; (b) appraisal against a statement of evidence; (c) appraisal against standards of performance.

Appraisal Against a Responsibility Checklist

As a first step in organizing an appraisal plan, a statement of the major responsibilities for each manager's job must be drafted. Many organizations have developed job descriptions or position guides. If such documents exist, they need to be brought up to date, and possibly modified, so that they are ready to be used for appraisal. An example of a top management job description embodying a list of responsibilities is shown here as Exhibit I.

As a guide in preparing such a draft, the following cautions are suggested:

1. Don't get too complex or too detailed. Most superior-subordinate relationships have been in existence for some time, and a working relationship has usually developed. Hence, the responsibility checklist serves only as a convenient reference. At subsequent stages in this approach, the checklist can be expanded; initially, however, it should be kept simple.

2. Stress responsibility for results. Responsibilities should be keyed to results rather than to personal traits—for example, cost reduction rather than cost-consciousness. To list the responsibilities in terms of results is essentially to state the
**PRESIDENT**

**A. Basic Functions.** In accordance with Article —, Section —, of the by-laws of the ——— Company, "the president shall be the chief executive officer of the corporation. In the absence of the chairman of the board, he shall preside at all meetings of stockholders and directors. He shall be ex officio a member of all committees, and shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the board are carried into effect."

**B. Organizational Relationships**

1. **Framework of operation.** The president is responsible to the board of directors.

2. **Individuals reporting to the president** (list)

**C. Specific Responsibilities**

1. **Management responsibilities**
   
   a. To plan, develop, and approve specific policies, programs, and methods designed to implement the general policies established by the board of directors, and to direct their administration and execution.
   
   b. To see that subordinates are delegated adequate authority to carry out their responsibilities and objectives but that appropriate limitations of their authority are clearly defined in writing and clearly understood with respect to policy, contractual commitments, expenditures, and action affecting personnel.
   
   c. To engage in long-range planning and innovation and to see that full advantage is taken of the long-range potentialities of the business.

2. **Corporate Responsibilities**

   a. To keep the board of directors fully informed on the condition of the business and on all important factors influencing it.
   
   b. In accordance with Article —, Section —, of the by-laws, "to execute certificates of stock, bonds, mortgages, and other contracts requiring a seal under the seal of the corporation, unless required by law to be otherwise signed and executed and unless the signing and execution thereof shall be expressly delegated by the board to some other officer or agent of the corporation."
   
   c. To nominate officers of the company for election by the board of directors.
   
   d. To consult with the executive committee in intervals between meetings of the board of directors on matters regarding authority of the board or of special interest to it.

3. **Organizational Responsibilities.** To develop, maintain, and administer a sound plan of organization; initiate improvements and enforce the organization plan of the company; initiate, control,
and approve the addition, elimination, or alteration of any major position in the company

4. Personnel Responsibilities
   a. To establish a basic personnel policy
   b. To initiate and control policies of selection, promotion, demotion, and removal of any member of management
   c. To set up a personnel inventory, an executive development program, and evaluation and succession policies
   d. To approve appointment and retirement of officers and major members of management
   e. To initiate and control a program of national wage and salary administration
   f. To approve basic employee policies and relationships with organized labor
   g. To approve managerial and employee benefit and vacation plans

5. Financial Responsibilities
   a. To supervise the annual and quarterly budgets
   b. To control the profitability of operations
   c. To maintain proper inventories
   d. To guard the long-run solvency and capital structure of the company

6. Committee Responsibilities. To serve specifically on the following committees (list)

7. Public Responsibilities. To direct and participate in such outside activities as are deemed advantageous toward enhancing the prestige of the corporation, broadening the scope of the corporation’s operation, and fulfilling the public obligations of the corporation as a member of industry and the community

D. Authority. The president is authorized to take any reasonable action necessary to carry out the responsibilities delegated to him, so long as such action does not deviate from established policies and practices as defined by the board of directors or conflict with sound business judgment, except for specific limitations placed upon his authority by the board of directors or the by-laws of the company

E. Accountability: Criteria for Exercise of Responsibilities

1. To obtain the optimum profit and return on the investment of the company over the long run
2. To obtain and maintain the optimum percentage of the potential market sales for major products of the company
3. To maintain at all times the optimum class, type, design, and quality of products; approve new products; and assure the optimum service of all products of the company
4. To obtain the optimum utilization of expenditures
5. To assure fulfillment of operating budgets and foster economy
6. To assure efficient management throughout the company
objectives to be achieved. The periodic consideration of objectives thus becomes inherent in this approach.

3. **Prepare the checklist jointly.** The responsibility checklist should be drafted by the two people most concerned—the superior and his subordinate. It can be, and often is, a real developmental experience for both.

4. **Avoid generalized lists.** There is a natural urge to produce a list that will do for everyone. It is true that some positions have common responsibilities; but their scope and priority may vary for different employees. A general guide may be used to speed up preparation, but the final checklist should be specific to the supervisor and his subordinates.

The simplest way to utilize the responsibility checklist, once it has been drawn up, is for the supervisor to make a brief statement expressing his opinion as to how well each responsibility has been performed. (For those who prefer the group appraisal method, the checklist can be used as a basis for the discussion and the conclusions, which are then noted in narrative form.)

A second application involves a structuring of the appraisal judgment, utilizing some scaling technique. The scale is used only as a convenient device for summarizing judgments and enabling them to be reviewed easily. It is not assumed that the scale improves the quality of the information obtained, or that it permits direct comparison between two individuals.

One method of summarizing stresses improvement. The individual is graded according to his need to make (a) "great" improvement; (b) "considerable" improvement; (c) "some" improvement; (d) "very little" improvement; or (e) "no further" improvement.

A second method of summarizing uses the following categories: (a) "not observed"; (b) "fails to meet requirements"; (c) "meets minimum requirements"; (d) "with few exceptions meets normal requirements"; (e) "exceeds normal requirements"; and (f) "far exceeds normal requirements." In using the scale method, each responsibility is first considered independently, after which a judgment of over-all performance is rendered. This judgment is not derived arithmetically; it is the appraiser's final decision after considering the ratings given to the specific responsibilities and relationships. It is important that provision be made for supporting each rating with remarks.
Experience has shown that the immediate supervisor is in the best position—and is sometimes the only one who has sufficient knowledge—to make a sound appraisal of all responsibilities. Hence, the recommended procedure calls for appraisal by the immediate supervisor and review by his superior. However, some organizations have gained considerable benefit from encouraging self-appraisal, followed by a performance interview.

**PARTIAL OUTLINE FOR A STATEMENT OF EVIDENCE**

**Sales Manager**

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Forecast of sales by products</td>
<td>Actual sales</td>
</tr>
<tr>
<td>Short-range (1 year)</td>
<td>How often short?</td>
</tr>
<tr>
<td>Long-range (3-5 years)</td>
<td>How often long?</td>
</tr>
<tr>
<td>Number of revisions</td>
<td></td>
</tr>
<tr>
<td>2. Product development</td>
<td>Number of new products</td>
</tr>
<tr>
<td>Field surveys</td>
<td>Sales volume of new products</td>
</tr>
<tr>
<td>Market analysis</td>
<td>Profit on new products</td>
</tr>
<tr>
<td>Industry trends</td>
<td></td>
</tr>
<tr>
<td>3. Customer service</td>
<td>Number of customer service complaints</td>
</tr>
<tr>
<td>Shipping dates</td>
<td>Number of customer service recommendations</td>
</tr>
<tr>
<td>Order information</td>
<td>Number of salesman service reports</td>
</tr>
<tr>
<td>4. Sales personnel and training</td>
<td>Adherence to manning table</td>
</tr>
<tr>
<td>Home office</td>
<td>Adequate replacements</td>
</tr>
<tr>
<td>Field office</td>
<td>Attitude of personnel</td>
</tr>
<tr>
<td></td>
<td>Turnover</td>
</tr>
<tr>
<td></td>
<td>Performance interviews conducted</td>
</tr>
<tr>
<td>5. Expense budget and control</td>
<td>Variance from budget</td>
</tr>
<tr>
<td>Home office</td>
<td>Budget revisions not due to changed conditions</td>
</tr>
<tr>
<td>Field office</td>
<td></td>
</tr>
</tbody>
</table>

**EXHIBIT 2**
Appraisal Against a Statement of Evidence

The responsibility checklist serves to get the program launched. Though it provides a base for securing worth-while results, after one or two years' experience with it managers are likely to request some improvement to secure greater precision and objectivity.

This improvement can take the form of a statement of the evidence to be considered in appraising each responsibility. (See Exhibit 2 for a partial outline.) Here it should be noted that a statement of evidence is not a standard of performance; it merely sets forth in writing what evidence will be considered.

The same alternatives for recording appraisals recommended for the checklist can be applied here. Narrative statements expressing the supervisor's judgment can be made; however, in this stage, the statement must mention each type of evidence previously specified. Similarly, in using a structured form, an indication of the evidence submitted is made, followed by a summary statement or check mark for each responsibility.

Appraisal Against Standards of Performance

At this point, sufficient experience has been gained to specify more precisely just what a "standard" is. It now becomes possible, in most cases, to add some statement of what is to be considered an acceptable accomplishment.

In its Management Course, the American Management Association has stressed the development of standards of performance. In a manual prepared for this course, President Lawrence A. Appley suggests that, in order to get the greatest benefit from their development and use, standards of performance should be:

1. Jointly developed by employees and supervisor.
2. Statements of basic results required of the operation.
3. Worded to include references to accurate means of measurement.
4. Worded to prevent misinterpretations.
5. Measurements of quantity and/or quality of work performed.
6. Set up in officially approved form.
7. Attainable by at least one member of the group concerned.
8. Continually revised with use.

Exhibit 3 shows part of a statement of performance standards developed for a production superintendent.

<table>
<thead>
<tr>
<th>Partial Listing of Performance Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responsibility</strong></td>
</tr>
<tr>
<td>1. Production</td>
</tr>
<tr>
<td>schedule</td>
</tr>
<tr>
<td>2. Quality</td>
</tr>
<tr>
<td>of product</td>
</tr>
<tr>
<td>3. Control</td>
</tr>
<tr>
<td>of cost</td>
</tr>
<tr>
<td>4. Reduction</td>
</tr>
<tr>
<td>of costs</td>
</tr>
</tbody>
</table>

EXHIBIT 3

Some of President Appley's comments may be quoted here:

In this development of standards of performance, the objective is to use finally only those standards which can be measured definitely by facts or figures. While this may be a desirable objective, it is not often attainable at first writing.

Noble and practical as the measurable standard may be, an attempt to attain it in all cases seems undesirable. After all, standards of performance should reflect the subjects and conditions about a manager's activities that ought to be a subject of discussion between the employee and his supervisor at the time of the performance review.

Many individuals who have not participated in a group discussion during which standards have been developed, become quite critical when they see those that have been written. They pick many imperfections in the subject material, in the wording of these standards. It is important to remember that the
first standards written, poor as they may be, are better than anything that existed previously. Better standards will be written only after the first ones have been used.

Once this stage has been reached, appraising becomes quite a different problem. The evidence of results is collected and reviewed: Either the results are up to standard, or they are not. In actual practice, however, there may be instances where circumstances warrant a modification of the original standard. The actual format of the appraisal will vary with the type of information to be recorded.

Some typical appraisal forms, with related material, will be found on pp. 212-227.

O B J E C T I O N S — H O W V A L I D ?

It is customary for innovations to meet with resistance, and this three-stage approach is no exception. The most common objections to it are these:

The approach is too time-consuming. It is true that the preparation of the three types of documents, as well as preparing the appraisals and discussing the results, takes time. However, the approach is designed for maximum expediency in effecting improvement. Occasionally companies may feel that securing better information about executive performance is not sufficiently important to justify the required investment of time and energy. This, however, is a problem of management attitude—not of appraisal method.

There are no general factors. True. Responsibilities, evidence of results, and standards of performance are specific for given positions. The emphasis is not on comparison between individuals, but on how well the responsibilities of a given position are performed in relation to the results that are expected.

There are no uniform standards. Also true. It is not assumed that a manager can be measured against some standard yardstick. In fact, it is unlikely that such a yardstick will ever become available. The judgments required in this approach are those of the immediate supervisor and the individual above him. Actually, this process goes on in the course of normal operations anyway; the new plan merely represents an effort to systematize and improve it.

A list of responsibilities may limit what a man does. This ob-
jection is almost always raised when job descriptions are discussed. In fact, some executives argue that you can’t really describe a complex job—“director of engineering,” for example. Nevertheless, by whatever process, each individual has to arrive at some determination of what is expected of him. The truth is that, when executives lack this specific knowledge, they are more likely to be restrictive in their activities than otherwise. The emphasis upon results and evidence certainly doesn’t limit action; rather, it should stimulate it.

Potential and readiness are not considered. The usual estimate of potential is a prediction of future effectiveness. An accumulated record of results in specific jobs should be the soundest basis upon which to project future performance. This estimate can be secured at the same time as the appraisal of performance. Readiness for promotion to a higher position is purposely disregarded. Preferably, this should be determined against a personnel specification or position requirement list. This information can be secured in addition to the performance appraisal.

It is difficult to define responsibilities and results. “This may be all right for other departments, but we just can’t measure results effectively. It’s even difficult to specify just what we expect.” In this objection there is often some truth. It is more difficult in some areas than in others. But the more difficult, the more necessary it is to make the effort. There may be a lack of precision at first, but this will be remedied as experience increases.

There is no consideration of traits. The approach deliberately avoids traits. There are over 18,000 different terms that can be used to describe an individual. Contrary to popular belief, no one trait or group of traits has ever been discovered to account for success at the managerial level, except in very specific situations. Occasionally it is possible to trace ineffectiveness in carrying out a responsibility to some pattern of behavior which is consistent enough to tie a ribbon around and label a “trait”; but this is rarely the case. In this approach, for reasons of economy, traits are not considered unless they influence the carrying out of a responsibility which previously has been appraised as unsatisfactory.

Stress on results may interfere with cooperative teamwork. It is, of course, possible to stress results so heavily that managers will achieve their own goals at the expense of others; but this happens

(text continued on p. 228)
SUPPLEMENT

Company Appraisal Forms
and
Related Material
RESPONSIBILITY SUMMARY PREPARATION CHECKLIST
(for the person to be rated)

.................................. Read your position analysis.

.................................. List the 10-15 most important responsibilities of your position, based on your position analysis. These may be specific items under any factor in the position analysis or a combination of two or more items that make up a major responsibility.

.................................. Begin each with an action verb.

.................................. Avoid overlap.

.................................. Place more important items nearer the top of the list.

.................................. Submit to your supervisor no later than ..........................................

.................................. (Suggestion) Mentally rate yourself.

Aircraft Gas Turbine Development Department
General Electric Company

Since appraisal is based on performance in a particular job, many companies provide for a statement of responsibilities, either as part of the appraisal form itself or as a separate sheet. The sheet above is given to the person being appraised, along with a copy of his job description. The actual responsibility summary is prepared jointly by the man, his supervisor, and the latter's immediate superior.
**Management Development Appraisal**

<table>
<thead>
<tr>
<th>Name</th>
<th>Birth Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division or Plant</td>
<td>Department</td>
</tr>
<tr>
<td>Position Title</td>
<td>Group No.</td>
</tr>
<tr>
<td>How Long on Present Job</td>
<td>Service Date</td>
</tr>
<tr>
<td>Special Requirements of Job</td>
<td></td>
</tr>
</tbody>
</table>

I. **Strongest Points**

II. **Areas for Improvement**

III. **Ability to Select Personnel and to Develop Them**

IV. **Overall Performance**

- Exceptional
- Good
- Satisfactory
- Fair
- Doubtful

Comments: 

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*In its simplest form, an appraisal can be a straight narrative statement. However, the majority of companies with formal systems provide a special sheet which will serve as a guide to thinking and give some idea of what is wanted. The two-page form shown is typical.*
<table>
<thead>
<tr>
<th></th>
<th>Promotability</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>What Directions?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI.</td>
<td>Replacement</td>
<td>Who?</td>
<td>How Soon</td>
</tr>
<tr>
<td></td>
<td>Proposed Action for Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Remarks:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**APPRAISAL COMMITTEE**

**REPORT ON INTERVIEW**

Results: 

Is the person interested or qualified in other areas? 

Comments: 

Date: 

(Interviewer)
This type of form shows a way of guiding the appraiser's thinking on specific qualities and phases of the job. Pages 2 and 3 are reproduced; page 1 contains the necessary instructions, page 4 space for comments after discussion and review. An insert sheet (pages 217-218) explains the terms used—for example, "delegation," "initiative," "utilisation."
## Tools and Techniques

### (page 3 of 4)

<table>
<thead>
<tr>
<th>Function</th>
<th>Should</th>
<th>Improve</th>
<th>Satisfactory</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship with Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Association</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Cooperation</td>
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<tr>
<td>Understanding</td>
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<tr>
<td>Support</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Utilization</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Control &amp; Coordination</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of People</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Important Functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signed ____________________________

(immediate superior) (date)

Moore Business Forms, Inc.
GUIDE SHEET FOR USE IN PREPARING PERFORMANCE REPORT

I. PLANNING
1. He plans his time.
2. He plans ahead on what the group should do.
3. He effectively plans for personnel needs.
4. He sees that there are realistic goals for the group.
5. He has the group participate in setting its own goals.
6. He establishes priorities for work to be done.
7. He minimizes the necessity for overtime.

II. ORGANIZATION
1. He sees that authority for each member is clearly understood.
2. He shows members how each job fits into the total picture.
3. He lets members know what is expected of them.
4. He sees that members have the equipment and material they need to work with.

III. DELEGATION
1. He effectively delegates responsibility and authority.
2. He concerns himself with a minimum of detail.
3. He avoids trespassing on responsibility once delegated.

IV. INITIATION
1. He recognizes situations which need improvement and corrects them.
2. He originates new approaches to problems.
3. He makes the most of a promising new plan or idea.
4. He gets group reaction on important matters before going ahead.
5. He puts suggestions by the group into operation.
6. He encourages members to start new activities.

V. COMMUNICATIONS—RECEIVING
1. He encourages members to express their ideas and opinions.
2. He keeps well informed about the accomplishments of the group.
3. He knows when something goes wrong.
4. He keeps informed on how members think and feel about things.
5. He listens understandingly.
6. He invites criticism of his actions.

VI. COMMUNICATIONS—GIVING
1. He reports progress to the group.
2. He keeps his group currently informed of changes in policy and procedure.
3. He informs members of activities of other departments.
4. He expresses appreciation when a member does a good job.
5. He keeps his group informed about matters affecting the work.
6. He explains the "why" of his decisions.
7. He facilitates exchange of information within the group.
8. He makes significant contributions in group meetings.
9. He expresses himself clearly in writing.
10. He expresses himself well orally.
11. He comes to the point quickly in discussions.
12. He keeps higher levels of management informed.
13. He conducts worthwhile meetings of the group.
14. He handles questions satisfactorily.

VII. RELATIONSHIP WITH OTHERS
A. Association
1. He shows that he enjoys his work, including associations.
2. He does things which make it pleasant to be a member of the group.
3. He gives personal attention to members.
4. He attends social events of the group.
5. He makes members feel at ease while talking with him.
6. He visits members in their workplaces.
7. He participates in community activities.
8. He interests himself in the personal well-being of others.

B. Cooperation
1. He encourages cooperation with members of other groups.
2. He generates a sense of belonging.
3. He goes out of his way to cooperate with others.
4. He encourages cooperation between members of his group.

C. Understanding
1. He understands members' problems on the job.
2. He understands members' problems outside the job.
3. He recognizes members' accomplishments which are outside the job.
4. He tactfully adjusts to personalities and circumstances.

D. Support
1. He carries out policy enthusiastically.
2. He goes to bat for members of his group.
3. He backs up members in their actions.
4. He publicizes outstanding work of members of his group.

VIII. UTILIZATION
1. He inspires in others the willingness to work toward objectives.
2. He makes full use of the skills and abilities of members.
3. He makes effective use of his time.
4. He makes effective use of equipment.
5. He deals objectively with problems and situations.

IX. CONTROL and COORDINATION
1. He sees that the work of members is coordinated.
2. He emphasizes the meeting of deadlines.
3. He sees that standards are met.
4. He emphasizes the control of costs.
5. He makes prompt decisions.
6. He sees that standard operating practices are followed by members.
7. He provides know-how to members of the group.
8. He maintains proper balance of interest between his group and the company as a whole.
9. He helps members of the group settle their conflicts.

X. DEVELOPMENT OF PEOPLE
1. He selects the right person for the job.
2. He helps new members make adjustments.
3. He provides opportunity for members to improve their skills and abilities.
4. He creates in members a desire to do a better job.
5. He evaluates objectively each member's performance.
6. He lets members know how they are doing.
7. He uses constructive criticism.
8. He recommends for promotion the best qualified members when vacancies occur.
9. He discusses with members their career opportunities.
10. He maintains or improves his physical fitness.

XI. OTHER IMPORTANT FUNCTIONS
### Initiatives and Acknowledgment of Responsibility

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Did you feel comfortable recognizing and accepting responsibility?</td>
<td>[ ] Yes, I was comfortable</td>
</tr>
<tr>
<td>2. Did you feel confident when accepting responsibility?</td>
<td>[ ] Yes, I was confident</td>
</tr>
<tr>
<td>3. Did you feel confident when accepting responsibility?</td>
<td>[ ] Yes, I was confident</td>
</tr>
<tr>
<td>4. Did you feel confident when accepting responsibility?</td>
<td>[ ] Yes, I was confident</td>
</tr>
<tr>
<td>5. Did you feel confident when accepting responsibility?</td>
<td>[ ] Yes, I was confident</td>
</tr>
<tr>
<td>6. Would you like to have a similar experience?</td>
<td>[ ] Yes, I would like to have a similar experience</td>
</tr>
</tbody>
</table>

**Performance Appraisal: A Common-Sense Approach**
### APPRAISAL SUMMARY

<table>
<thead>
<tr>
<th>Date of Birth</th>
<th>Date Assumed</th>
<th>Present Position</th>
<th>Salary</th>
<th>Present Annual</th>
<th>Last Increase</th>
<th>Annual</th>
<th>Salary Range</th>
<th>Number</th>
</tr>
</thead>
</table>

On the basis of the performance described herein I recommend:

a. A salary change from $________ to $________  [Semi-monthly] [Annually]

b. No salary change

(When it is company policy to consider such increases for management employees in the November review only.)

### SUMMARY OF PERFORMANCE ON THE PRESENT JOB

Indicate your ratings on the single scale below by symbols: (L) for Leadership, (O) for Organizing and Planning and (J) for Judgment and Decision, placing these symbols on the line, in the same relative positions as checked on the scales on the preceding pages.

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Organizing and Planning</th>
<th>Judgment and Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Symbol]</td>
<td>[Symbol]</td>
<td>[Symbol]</td>
</tr>
</tbody>
</table>

In the light of the appraisal on the preceding pages, what are the Individual's---

**Areas Requiring Improvement in Management Characteristics?**

---

### TRAINING PLANS

To improve the individual in his present assignment or for advancement, what specific training recommendations do you have?

---

### DISCUSSION WITH THE INDIVIDUAL

What does he hope to achieve within the company?

---

What is he doing to improve himself both personally and in relation to his present position?

---

Has he trained a person capable of succeeding him?

---

As a result of your discussion, list the immediate steps or plans you have agreed upon for the individual's improvement. Show specifically the development activity planned, the starting and completion date of the activity, and who is responsible for its administration.

---

Discussed with the

<table>
<thead>
<tr>
<th>Individual</th>
<th>Position</th>
<th>Date</th>
</tr>
</thead>
</table>

*Refers to last increase other than general or cost of living.

---

Detailed appraisal forms may run to as many as 8, 10, or even more pages. In this case, as above, the last page usually provides for a summary, including comment on training plans and the results of discussion with the individual.
III—RECORD OF APPRAISAL INTERVIEW WITH EMPLOYEE

PURPOSE:
To let the individual know how he is doing; to call attention to his strong points and weaknesses as identified by his supervisor; and to indicate what he might do to improve his performance on his present position.

PROCEDURE:
After completion and review of the detailed performance appraisal and performance appraisal summary, the immediate supervisor will review the appraisal in detail with the employee. As little time as possible should elapse between the approval of the appraisal by the second immediate supervisor and the interview with the employee.

TECHNIQUE:
1. PLAN THE INTERVIEW. Schedule suitable time and place. Study the facts. Plan the approach to suit the individual, and put him quickly at ease in conversation.

2. EXPLAIN THE PURPOSE. Make clear just what the appraisal program is and how it can benefit him.

3. REVIEW THE GOOD POINTS OF HIS APPRAISAL FIRST. Avoid opening the discussion with references to weaknesses. Refer first to the factors where progress has been substantial, or where performance has been good. Comment on his best qualities.

4. REVIEW WEAK POINTS TACTFULLY. Be friendly. Refer only to those weak points which he can do something about. Make comments constructive and give factual examples to support your criticism.

5. SUMMARIZE BOTH STRONG AND WEAK POINTS AND DEVELOP A PLAN FOR IMPROVEMENT. Get his ideas on methods for his improvement in weak factors. Point out possible training courses, individual study or outside courses for his consideration. Explain why it is to his advantage to improve himself and if possible develop his enthusiasm and cooperation.

Sometimes the record of the appraisal interview may be a separate section of the form. Here, for example, are pages 11 and 12 of one company’s “Performance Appraisal of Management Personnel” (see also page 219).
REPORT:

1. What is the employee's feeling as to how he is getting along:
   a. On his job?
   b. With his associates?
   c. With you?

2. What does he believe to be his best abilities:

3. To what position or type of work does he aspire?
   Does he believe this work will serve himself and the Company best?
   Why?

4. What is he doing now to improve himself personally and in relation to his present work?

5. What help does he want from the Company toward his improvement program?

---

TRAINING ACTIVITY PLANNED

Discussion held on ........................................ By ........................................

Date ........................................ Signature ........................................
APPRAISAL OF POTENTIAL OF MANAGEMENT PERSONNEL
(Confidential. Do not show to or discuss with employee.)

NAME ................................................. .

Last First Initial

ORGANIZATIONAL UNIT

POSITION TITLE...........................................

SALARY GRADE

DATE HIRED .................. ON PRESENT POSITION SINCE ...........

YEAR OF LAST APPRAISAL ......... AGE

This form is to be used to appraise the abilities of management employees in terms of their readiness to assume greater responsibility, and to provide management with a picture of our present resources for filling positions at all levels in the organization. When carefully and accurately completed, it will also indicate steps that must be taken to develop, and length of time required, for future placement of management employees in positions of greater responsibility.

IN COMPLETING THIS FORM, CONSIDER THE FOLLOWING:

1. Some performance characteristics are important in your evaluation of potential for advancement; more important, however, are the following factors:
   - Is the desire to advance present? Yes ☐ No ☐
   - Is the employee willing to assume greater responsibility? Yes ☐ No ☐
   - Is health or age a deterrent to movement? Yes ☐ No ☐
   - Is the capacity for additional technical growth present? Yes ☐ No ☐
   - Is the capacity for additional personal growth present? Yes ☐ No ☐

2. Potential for advancement may change from one appraisal to the next.

3. Each individual should be evaluated in one of the three groups shown on pages 1, 2, and 3.

☐ POTENTIAL SHOULD NOT BE APPRAISED BECAUSE:
   A. Capabilities are now being fully utilized.
   B. Health or age limits advancement.
   C. He is not suited to present position.
   1. Does he have potential or promise in another field? Yes ☐ No ☐
   2. If so, what is the field?

The same company has a special form for use in appraising the potential, as opposed to the current performance, of its management people. The point is made here that the performance appraisal, discussed with the individual, is designed to help him improve on the job; in contrast, the appraisal of potential is intended solely for administrative use.
POTENTIAL FOR ADVANCEMENT

Personnel having potential for advancement should be appraised in either one of the following groups:

- **Ready for immediate advancement**—Page 2
- **Promotable, but needs further development**—Page 3

It should be noted that in each of these groups provision is made to appraise both the short-range and long-range potential for advancement.

Advancement, in terms of this appraisal, is generally considered as progress from one to another of the “levels” defined below, though it might also involve movement within a “level.” In each case indicate both the short-range and the long-range potential of the individual by appropriate checks and comments.

**Level 1:** Division or Subsidiary Head, or higher.

**Level 2:** Branch or Plant Manager, or equivalent.

**Level 3:** Department Manager, Field Sales Manager, General Superintendent, Supervising Engineer, or equivalent.

**Level 4:** Superintendent, Supervisor, Senior Engineer, Senior Accountant, General Foreman, or equivalent.

**Level 5:** Foreman, Assistant Supervisor, Engineer, Accountant, or equivalent.

**II □ READY FOR IMMEDIATE ADVANCEMENT:**

A. Can advance immediately to:

<table>
<thead>
<tr>
<th>LEVEL (see above)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
</tbody>
</table>

B. If he has further potential, indicate below:

<table>
<thead>
<tr>
<th>LEVEL (see above)</th>
<th>YEARS FROM NOW</th>
<th>NEEDS DEVELOPMENT IN:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>Adm. Sales Prod. Tech. Personal</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>1-2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>3-5</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>6-10</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>10+</td>
</tr>
</tbody>
</table>

C. Comments: (Use this space to amplify what you have checked above—qualities in the man which influenced your recommendation, ultimate and intermediate positions, present limitations and specific actions to secure the required development.)

The Carborundum Company
III □ PROMOTABLE, BUT NEEDS FURTHER DEVELOPMENT:

A. Next advancement should be to:

LEVEL (See Page 2) YEARS FROM NOW NEEDS DEVELOPMENT IN:
1 2 3 4 5 1–2 3–5 6–10 10+ Adm. Sales Prod. Tech. Personal

B. If he has further potential, indicate below:

LEVEL (See Page 2) YEARS FROM NOW NEEDS DEVELOPMENT IN:
1 2 3 4 5 1–2 3–5 6–10 10+ Adm. Sales Prod. Tech. Personal

C. Comments: (Use this space to amplify what you have checked above—qualities in the man which influenced your recommendation, ultimate and intermediate positions, present limitations and specific actions to secure the required development.)

APPRAISAL BY REVIEW BY
Immediate Supervisor Date Date
Second Immediate Supervisor Date Date

The Carborundum Company
MANAGEMENT PERFORMANCE REVIEW

PART II
SELF-REVIEW

A. What are the major responsibilities of your job?
Briefly list below your major responsibilities for the period under review—the most important and critical elements of your job—covering both operations and people.

B. What are your major strengths as demonstrated in your performance on your present job?

C. What changes have taken place in your performance since last review?
Emphasize specific ideas and accomplishments which helped to increase sales, resulted in savings, improved management of your position, or contributed to the development of self or subordinates.

The Reuben H. Donnelley Corporation

A man may be expected to evaluate himself as a part of his appraisal. Here is Part II, Self-Review, of an extended "Management Performance Review."
D. In what important respects do you need to improve in terms of the management of the functions of your present position, the management of people, or personal improvements? What methods or devices are recommended to accomplish these changes? 

Needs

How to accomplish?

E. Are there any health, personal, or family factors which may affect your current performance, availability for transfer, or company progress?

CURRENT PERFORMANCE

F. Based on your review, characterize your overall performance on your present job.

This judgment should be based on what is expected as standard performance for this position, not on a comparison of individuals in like positions.

☐ Outstanding ☐ Below standard
☐ Above standard ☐ Unsatisfactory
☐ Standard ☐ Too new to rate
whether appraisal takes place or not. Actually, in addition to the major results expected, the checklist of responsibilities should include a list of relationships. In other words, the manager is expected to secure results and to maintain effective working relationships at the same time. In any event, the approach provides for a discussion of the difficulties in achieving results, in the coaching interview. This often leads to suggestions that improve relationships.

THE PLAN IN USE

The mere fact that good performance appraisals are secured is not, of itself, proof that the plan is a success. Both reviewer and ratee must utilize the information obtained to improve their respective performances.

Criteria of Sound Information

Before formulating any specific appraisal plan, provision must be made for selective screening of data in order to insure their appropriateness. There are four criteria by which the significance of information should be judged:

- **Reliability** refers to the consistency of the measure—the likelihood that the information obtained would be similar if the appraisal were made again.
- **Relevancy** refers to the pertinence of the information to the position under consideration.
- **Representativeness** refers to the degree to which the information accurately indicates the level of the entire performance under review.
- **Freedom from bias** refers to the extent to which the data reflects the impartiality of the appraiser.

Increasing Ability to Appraise

How can the ability to appraise be increased? A number of factors operate here. Among them are:

- **Organisational arrangement.** The more precise the delegation
of responsibility, the easier it is to appraise. The current trend toward decentralization is making for more effective appraisal; in fact, the need for improved appraisal techniques may further emphasize the trend.

Skill of appraiser in observing, judging, and reviewing performance. This skill can be increased by training and by more effective record keeping and report preparation, resulting in more readily available evidence.

Adequacy of the appraisal form in facilitating the transfer of observations into recorded judgments. The form doesn't do the entire job itself—it merely facilitates the doing. It cannot, for example, provide really comparable data on different executive positions. Care, then, must be taken not to expect too much of the form.

Increasing Willingness to Appraise

How can the willingness to appraise be increased? Here, the operative factors are:

Attitudes and actions of superiors. Appraisals are often regarded as a chore to be over and done with as fast as possible once a year, whereas they should be looked upon as an important management tool enabling supervisors to achieve more effective results. This second attitude can best be instilled at all levels if it is reflected in the actions of superiors.

Understanding of and confidence in entire process. The more completely appraisers understand the purpose and importance of the entire program, the more successful it will be. Experience with the plan is, of course, necessary before real confidence can be expected.

Successful utilization of plan. An appraiser who has invested time and energy in appraising and in using appraisal information will more likely invest them again if he sees some direct results of the entire process. The most effective kind of evidence is the immediate improvement in the performance of subordinates.

Improving Employee Performance

At any one of the three stages, this appraisal method lends itself to practical discussions about the job to be done and overcomes one of
the most frequent obstacles to effective coaching, that of discussing personal traits with mature men.

The appraisal is well adapted to a patterned coaching interview:

1. State the purpose of the interview and outline the sequence to be followed.
2. Concentrate on a discussion of the appraisal, in the course of which the subordinate should appraise himself.
3. Provide for an analysis of the reasons why certain responsibilities are not being adequately performed.
4. Canvass the various possible ways of improving performance.
5. Establish a specific plan for improvement.

If these coaching steps are carried out, the essential requirements of development will be met. The employee will have a much clearer idea of what constitutes a job well done. He will know how he is doing, and will have a development plan tailored to his needs.
Counseling Executives After Appraisal

The scientific, objective approach to improving performance is simple and practical, including only three steps:

1. Setting performance standards.
2. Rating, measuring, judging—as objectively as possible—how close a particular executive comes to the standards; learning where the man exceeds requirements, where he meets them, and where he misses them.
3. Counseling with the man regarding the findings of Step 2.

There is no magic or mystery to these steps. They are perfectly easy and straightforward. In a great many cases, the first two are undertaken and completed more or less objectively and fully. But how rarely is the third step undertaken—with what timidity, anxiety, and reluctance is it approached.

The list of excuses for procrastination in counseling is long:

- The man being counseled will react badly. He may argue; he may be upset and made insecure; or he may get a conceited notion of his own importance.
- The man will reveal the content of his counseling, particularly that part which is complimentary, and thus provoke jealousy in the group.
- Executives don’t have time for counseling. The men really know where they stand from the hints and suggestions given them.
- Lower-level executives are not skillful enough to counsel their subordinates.
Rarely, if ever, does the truest objection to counseling come out: Executives do not know how to begin what appears to be a complex, difficult job and possibly an unnecessary one for them. Instead of talking frankly with their subordinates about performance and development, they spend thousands of dollars for executive talent scouts, psychologists, executive evaluations, and elaborate packaged development programs—all this to avoid the analysis of strengths and weaknesses and follow-up counseling which only a man’s superior is ideally equipped to undertake.

Careful grounding in the principles and techniques of face-to-face counseling can go far toward removing top-level reluctance toward tackling this fundamental need in executive development. And, after all, what successful development can there be until both the superior and the subordinate recognize specifically the candidate’s strengths and weaknesses and cooperatively lay plans for growth and improvement?

Guides to a Positive Approach

One of the principles that must guide us in appraisal is the old truism that we do not see ourselves as others do. In counseling after appraisal or evaluation, we must therefore proceed as though it is very unlikely that a subordinate will rate himself and all parts of his work as his superior does. We must accept it as completely natural that a man who appears to us to be good in personal relations may think himself a miserable failure in this function. We must also realize that the reverse may be true; and, in either case, we must label the man, not “maladjusted” or “weak” but, rather, “human.” We must expect to find people who, in our eyes, are not contributing enough but who themselves think they are contributing more than their share. We must not be at all surprised to find men with an insatiable ambition for executive status whom we look upon as mediocre. We must not be surprised if we find here and there a man who expects a promotion when we thought he knew he was not doing his job satisfactorily.

Because these things are so, we must counsel regularly with our people, for it is most improbable that our evaluation of their work matches theirs. Yet, as simple as this principle seems and as long as it has been recognized in our literature and in our own personal re-
Counseling Executives After Appraisal  233

...relationships, most of us in business do not use it in our day-to-day operations. Instead, most of us let our executives and supervisors roll along, unaware of their failures or their successes, of their mediocrity or their brilliance. Some of us rationalize that if our subordinates are "good" men they will make an objective judgment of their own progress and personality. Others believe that "no news is good news" and think that their subordinates will also accept this negative sort of approval. Thus we miss the greatest possible opportunity for strengthening the weak and making stronger those who are already successful.

The fundamental assumption upon which we must proceed is the belief that most people can, if properly assisted, change their attitudes and behavior for the better. Performance counseling, in addition to letting the subordinate know where he stands, helps by providing encouragement and assistance while improvement is taking place. But, because of the blindness of man to himself, we must counsel slowly and carefully, recognizing that insight into one's own behavior comes slowly, sometimes not at all, and hardly ever completely. We must recognize that we ourselves may have as many false definitions as does the man with whom we are talking, and that it is impossible to recognize and allow for our own biases completely. Even when we are certain of the direction in which we want to lead our subordinate, we must remember that it may take him many interviews to see in himself what we see in him: we must lead the man into only as much self-criticism and suggestion at one time as his personality can absorb without disintegrating effects.

We must remember that the purpose of counseling is one more of development than of discipline. The approach must be positive, and our outlook on this score will go far to determine our success or failure. When the subordinate sees that the counseling is for his own good, one of the major obstacles to mutual understanding is overcome. And he will see that our purpose is to help him if we keep in mind that people need to hear about their good points as well as their weak points, and if we make clear our intention to use his strengths and reward him for them while we simultaneously help him discover and overcome his weaknesses.

The practical suggestions that follow were worked out at Johnson & Johnson. Ideas and recommendations developed during conferences with the personnel directors of Johnson & Johnson and af-
 affiliated companies were edited, organized in writing, mimeographed, and used at executive development meetings—but not until all executives had participated in (1) a general conference-style discussion on counseling after evaluation and (2) role playing where such counseling was demonstrated. The suggestions then served to stimulate further discussion, to recall points that had been previously raised, and to provide a summary for the whole learning unit.

PURPOSES OF COUNSELING*

• Getting the subordinate to do a better job through making clear your standards of performance. Remember that you, too, have peculiar traits and expectancies. Here is a chance for the subordinate to learn your preferences in quality, quantity, and methods of work, and to understand your reasons for these standards.

• Giving the employee a clear picture of how he is doing, with emphasis upon strengths as well as weaknesses, showing how well he meets your standards. We assume that much trouble results in business and industry from subordinates whose self-rating is sharply at variance with their superiors' evaluation.

• Discussing together plans for improvement and projects for better utilization of the subordinate's strengths.

• Building strong, personal relationships between superior and subordinate in which both are willing to talk frankly about the job, how it is being done, what improvement is possible, and how it can be achieved. Improving human-to-human understanding so that closer, stronger relationships exist.

• Eliminating or reducing anxiety, tension, and uncertainty, which may exist where individuals do not have the advantage of planned counsel.

PREPARING FOR THE INTERVIEW

• Assuming that the appraisal has been done and that some brief time has passed between the evaluation and the interview, it is well to do a little reviewing before meeting with the subordinate:

* In some cases, counseling will be clear and direct; in others, it may be subtle and non-directive. In some cases, a meeting will be called specifically for counseling; in others, a less formal, more casual approach will be made.
1. Restudy the job of the man to be counseled and what it takes to do it.
2. Think about the man, his personality, record, experience, and training. Have his personnel file available.
3. Also review in your mind how you rated him in the light of his job requirements:
   a. Review and weigh the factors which entered into your evaluation.
   b. Review why you rated him as you did.
   c. Bring to mind specific facts or illustrations from his job performance to substantiate your opinions.

• Determine what you want to accomplish in the interview and prepare a plan of discussion for doing so. You may wish to accomplish some of the following:
  1. Leave the man with more will to work than he previously had.
  2. Send him away with as much knowledge of his specific strengths and weaknesses as his personality can take.
  3. Leave him with a specific or general statement of his over-all effectiveness. Example: "Adding it all up, John, we feel that you are an asset [or a distinct asset] to the company, and we hope you stay on with us for years." Or, "John, I think your work as office manager compares so favorably with other similar work in the company that we should soon begin to look for new opportunities for you." Or, "Your performance is not adequately meeting the needs of the position, and suggested improvement is expected."
  4. Work out with the subordinate a few specific steps that both of you are to undertake for his betterment. This may include giving him a special assignment in a field where he thinks he is weak, assigning him to a committee or to a training program, etc.

• After the first meeting has been held and cooperative relations have been established, some executives like to inform the subordinate of the time and subject of the meeting so that he can anticipate the discussion and be better prepared psychologically for it.
• Plan to meet in private, and without interruptions.
• If the counseling is being done for the first time, anticipate some curiosity, tension, or anxiety in the individual. Prepare to reduce it.
• Decide in advance how to use whatever rating form, narrative description, or questionnaire you have recorded your data upon. In some instances, the rating form itself is used as a guide in the interview. The supervisor may, in such a case, show the employee his rating sheet and discuss it with him. However, there are certain disadvantages in this approach:
1. The form may come to be the principal issue of the interview. Discussion may center on the language of the rating form, the weighing of factors, or the definition of degrees.

2. The older executive may be so resistant to a written record that he also resists any corrective efforts. He may feel that he is condemned unalterably because of the record.

3. The employee may be so concerned with the end rating, the alphabetical or numerical score, that he never hears the constructive suggestions of the interview. (Some feel, in the light of these objections, that the form should never have been shown. However, whether or not he sees the form, the subordinate should eventually know how he has been evaluated.)

- Visualize how you might lead into your points, indirectly at first.

**MANNER FOR THE INTERVIEW**

(acceptance depends heavily upon this)

- Create the impression that you have ample time for the interview and that you consider it highly important.
- Throughout the interview, place primary interest upon development and growth for the individual. The executive must see that the individual feels the activity is a constructive, cooperative one. Minimize evaluation, rating, recording of evidence. Avoid implications that the meeting is or could be used for disciplinary purposes.
- Create the impression that your evaluation or opinion is not unalterable and permanent. Let it be shown that you realize men are dynamic and ever-changing, and that your opinions, too, are open to change.
- Be open-minded to the opinions and facts presented by the one being counseled—be prepared to change your estimation in the light of additional or new evidence. Be willing to learn about him.
- Don’t dominate or cross-examine. Avoid argument. Listen attentively as well as politely. Listen to sift the important points from the detail, to separate facts from opinions, to identify information and know when it is presented as such and when it is used to persuade and influence toward the teller’s own objectives.
- Remember that the subordinate must do almost all the talking at some points in the interview: in bringing his opinions and feelings to the surface and to your attention; in getting a better understanding of himself; and in making plans for self-improvement.
The Interview

- Setting the stage for and beginning the interview:
  1. Pick the right time, day, and place. Counseling should not occur close in time to a disciplinary action or an argument. Pick a time when the relationship is strongest, when you are in a good mood, and have reason to feel the subordinate feels likewise.
  2. At the outset, relieve tension to make the man feel at ease and receptive.
     a. Get the man talking.
     b. Then explain the objectives of evaluation; point out that everybody is involved; invite the man to raise questions and introduce his own problems; give him a feeling of security. Say that your interest is in helping him with his job or his future.

- Techniques
  1. Tell the good things first. Show appreciation of past successes.
  2. Talk generally about the man's status at the outset.
  3. Ask the man, as some executives do, to evaluate himself as a starter.
  4. Get away from past failures as quickly as you can. Get the discussion into prevention of future failures, into plans for success. Build upon strengths.
  5. In almost every instance, allow for "face saving." Explain that you once failed similarly. If you are dealing with a first offense of a very good man, you may share some of the blame. With repeated offenders, however, you will need to be sterner.
  6. Remember, however, that you should guide the interview. Invite the subordinate back from detours, escapes, fruitless conversation.
  7. Just how directly the subordinate should be told or led to see (a) his strengths and weaknesses, and (b) the over-all quality of his performance, depends upon the levels in the organization which are being worked with, personal traits of the individuals involved, the subordinate's degree of success or failure on his job, the counselor's objective, etc. How direct to be must be determined in each individual case. Remember, however, that improvement is most rapid where an employee learns from counseling to understand himself and where he himself makes judgments about his abilities. The skillful executive leads the employee to better evaluations of himself. He does not make them up for him. It is what the subordinate sees for himself and accepts that he does something about.
  8. Note these specific suggestions for handling various reactions
to the counseling. It is true that typing like this is not completely realistic, since some reactions will fall in more than one category. Allowing for this, however, good results have followed from the use of these suggestions.

a. *The man accepts your evaluation and indicates a willingness to improve.*

(1) With the average successful executive, the reaction described will be the ordinary one, occurring more often than all the others mentioned.

(2) The subordinate may express genuine surprise at some aspects of your evaluation of him and his work, but his response will be positive and friendly rather than defensive and antagonistic, for most subordinates—particularly in the executive and supervisory levels—admit their superiors, respect their opinions, and want to please them.

(3) When the subordinate is told that his work is satisfactory, and when plans for self-improvement and growth are invited or suggested, the response is usually highly enthusiastic. There is no greater motivating force for an employee than for his superior to lay plans with him for improvement and security in his present position or for eventual advancement in the organization.

(4) The average person, when being counseled about his work, is likely to ask for elaboration of any constructive criticisms. This gives the counselor a chance to talk over the full story, although it appears to the counseled that the information is in response to his own request.

(5) We can look for most people to try to improve immediately after counseling, and we can expect them to come back with evidence of their improvement, asking for further suggestions and help.

(6) Normally, the subordinate can be expected to accept his full share of responsibility for failure in departmental operations. In fact, particularly at the middle and higher levels of management, people tend to feel more responsibility for operations than their functions prescribe, and they are usually quite ready to work on cooperative plans for improvement.

(7) We can expect frank and honest counseling to gain for the superior a reputation among his subordinates for being a square shooter. This can be of great help in efficient and cooperative performance of normal day-to-day operations.
(8) The subordinate is very likely to feel that an evaluation of his performance comes to him somewhat as a personal favor from his superior. All kinds of relations are likely to be closer and smoother where the superior has shown a genuine interest in letting a subordinate know his strengths and weaknesses and has helped him with the latter. An alert executive does not shut off other close personal relations which a subordinate is likely to invite following a good evaluation.

(9) Even successful people need frequent reassurance that their work is satisfactory. Some of your best men may appear somewhat over-eager for this reassurance.

b. The man can't agree with your evaluation or the constructive criticism; has evidence to show your evaluation in some respects is not accurate; disagrees constructively and unemotionally.

(1) Don't try too hard to get agreement the first time, or even the first few times counseling is undertaken. Let your first job be to state your position; getting acceptance of your point of view may take more time.

(2) The man's disagreement with you may come from his own personal make-up, his experience on the job, and other factors which are entirely within him and which it will be difficult for you to understand at the outset.

(3) Be prepared to expect some disagreement based upon the difference in your personality and role within the company and his. Such disagreement should not handicap regular communications between you. No one of us completely agrees with any of the persons with whom we cooperate daily. Full agreement is impossible and unnecessary. It is impossible to expect people to have the identical motivation, values, definitions, outlooks, etc.

(4) Listen carefully to find out why the man does not agree. Check the reliability of your own facts and of his criticisms. Prepare yourself for future discussions and additional evidence about the man's performance.

(5) Say that you will look into this matter and give him every benefit of the facts. At the same time, raise any questions which you have about the reliability of his own information. Send him away to think over his own position while you do the same with yours.

(6) Realize that experienced men who have done a great
deal of evaluation and counseling agree that they frequently learn from those they are evaluating. Many experienced executives know that they have some time or other been given false steers and colored information, and they are happy to receive any additional facts which may improve their judgment.

(7) Be willing to change your evaluations in the light of more evidence. Evaluations are not static things. Just as men change constantly, so should our opinions about them.

c. The man agrees completely and almost too easily. You suspect he does not understand or is reserving his objections.

(1) Get him to state the condition as you stated it to him. (Example: "Joe, I've been talking a lot here, and I may have gone too fast; why don't you review for me what I've said?")

(2) In this case, be sure that the man's agreement is fundamental, that it is not a device for complimenting the counselor and thereby avoiding emphasis upon his need to improve. Some people use a device of easy agreement when criticized. In accepting easily like this, they seem to think there will be less stern insistence upon their taking some direct and immediate steps for improvement.

(3) Emphasize what is to be done about change, improvement, or development. Get the man who appears to have accepted your evaluation to commit himself strongly about doing something regarding it. Outline how you plan to follow up on his plans for improvement. This check-up may be the very help he needs.

d. The man is too eager for promotion or financial reward.

(1) If the subordinate uses your favorable evaluation of him to insist upon immediate financial reward, you may remind him that a man has to perform in a highly successful fashion for some period of time on any job before thinking of advancement.

(2) Outline the promotional route which he may expect to follow. Discuss in general or specific terms when you think he may be ready for advancement and, after readiness, how long it has taken men in similar positions to find an opportunity.

(3) The subordinate's insistence on promotion or salary increase in return for a good rating may reveal his desire to see some tangible evidence of the success
which you have told him he enjoys. Be sure you have made full use of intangible rewards—assignment to committees working on difficult problems on higher levels; release from routine operations to attend conferences, training schools, etc.; minor improvements in office facilities, secretarial services, and personal attention in a variety of ways.

(4) If too many of your men insist upon overly rapid rewards, perhaps you are stressing opportunity, promotion, and advancement too much. We should evaluate people first to improve their performance on their present job and only secondarily to prepare for promotion. Present success in the full meaning of the word must precede promotion. Put your emphasis upon it. People can, and should be, motivated to outstanding performance on their own job before there is promise of advancement.

(5) Review your salary schedules and rate of promotion to assure yourself that the man has been treated fairly.

(6) The man may not deserve advancement. It is the purpose of your counseling to get him to see this. Do not be surprised if you do not accomplish it at the first meeting.

(7) Wives are sometimes responsible for husbands' impatience. Remember that your counseling may have to include her, too.

(8) If your salary schedules are adequate, regard frequent requests for pay increases as an indication that you are not providing enough intangible rewards. The subordinate may be compensating for their lack in demanding excessive financial returns in their place.

e. The man avoids blame which is manifestly his, shifts the criticism to others—to his own subordinates, to associates on his own level, to you, or to company policy.

(1) At the outset, listen to him rather than halt his recital. To do the latter might merely send him somewhere else with his complaints.

(2) Speak and act so as to create the impression that you are impartial and fair-minded and want the man to take only that responsibility which is his. Above all, take care that his irrational conduct does not upset and annoy you; at any rate, do not let your words or actions convey your distress if you feel it.

(3) Try to find out why the man blames others. What in-
adequacy does he have that makes it impossible for him to accept justifiable blame?
(4) Then ask yourself how you can help him to feel successful enough that he will not need to use such an escape or excuse to provide for his requirements. Find out what taste of success you will have to help him achieve so that he will not find it necessary to deny all blame.
(5) Directly or indirectly compliment him for his willingness to assume responsibility where you find any evidence that he has done so. Let him realize that acceptance of blame, when accompanied with determination to improve, will not be a disadvantage to him.
(6) Watch carefully from meeting to meeting with him to see whether he grows in willingness to assume responsibility for his failures.
(7) After a few sessions handled in this way, determine whether his blame-avoidance is basic in his personality and requires psychological counsel, or whether it is based on factors in his environment which you can help him to recognize and improve upon.
(8) Sometimes it helps to put the man in closer contact with the individuals or groups he is criticising. Assign him to committees, give him special projects, find other ways to throw him into closer association with capable people whose abilities he underestimates.

f. The man wants to quit. He is a good man, and you would like to keep him.
(1) Find out why he wishes to leave. He may not be too clear on this himself. Perhaps the emotional release he gets in reviewing his reasons will satisfy him. If his reason for leaving is based on some failure which you recognize within the organization, take some prompt action to correct it. If this comes as a surprise, it may mean that the executive has failed to maintain close enough relations with the subordinate.

(2) Don't be afraid to assure him of your respect for his ability. Some men talk of leaving only because they are not sure they are wanted in their present jobs. Remember, too, that success is not enough of itself to reassure a man. He must hear from you that you consider him successful. Too many executives say, "He should know he's doing all right unless I tell him different."
(3) If the man is accepting temporary advancement with some other company in place of an ultimately better future with you, outline the growth possibilities in his present position. Make sure he sees all the inducements which you have to offer.

(4) If he has a better offer elsewhere and you truly wish to retain him, look carefully at your own rewards, tangible and intangible. Can they be increased, now or in the future?

(5) Steer the conversation so that the man does not commit himself definitely to leaving and so that he does not make statements so harsh that he will feel all confidence in him has been lost by his management.

g. The man loses his temper, becomes emotional, angry, or abusive.

(1) Listen.

(2) Don't argue. Don't show disapproval.

(3) Be sure to let the man know that his loss of temper or emotional behavior is not a permanent black mark against him. It is very important that you leave him realizing that you still have a friendly feeling toward him. Next time you meet him, be especially cordial.

(4) Call him back a few days later. If he is still in the same mood, listen, don't argue. Call him back once more.

(5) If there is no improvement, you must soon state your case.

h. The man seems determined to argue, denies most of your facts, evidence, and opinions.

(1) Let him talk freely. While he is talking, try to find out what it is basically that is bothering him. Since all behavior has some reason for being, listen carefully. Try to find the cause of his resistance.

(2) Thank him for calling his point of view to your attention. Say that you will look into it and talk with him later.

(3) Avoid being drawn into an argument which may arouse emotions that might block or seriously delay an understanding.

(4) But don't retreat. Be sure the man understands your point of view and your insistence upon it. Do this tactfully, moderately, without arguing.

(5) Close the interview tactfully. Try it again when the
subordinate may be in a better mood, or when you have taken whatever constructive action is possible about the fundamental cause of his resistance. He may be completely cooperative and understanding in the next interview.

i. The man is surly, uncooperative, resentful, or just passive and unresponsive.

(1) Try to figure out why he acts this way. Is it normal for him? Is he giving careful attention to what you say? Is it self-protection? Does he fear to reveal his own attitude, or something in his job?

(2) Don't be afraid of a certain amount of silence. Give the man ample time to think and respond.

(3) Watch carefully for any sparkle of interest in what you are saying. Try to get the man to talk about anything you have said that seems to strike even a small response. Ask his opinions about things important to him: "What do you think about so and so?" Or, "What would you do in this case..."

(4) Reassure him early in the interview. Talk about as many complimentary things as you can at the outset.

(5) Remember, the man may think that you think he is worse than he really is.

(6) Don't push or try to persuade too much at one sitting. The man may change his attitude by the next sitting, or you may learn more about why he is as he is.

(7) He may resist the whole idea of evaluations and counseling. Go over your reasons again. Show how he can profit from knowing where he stands and from laying plans for improvement. Long-service men sometimes see no merit in evaluations. Anticipate some of this and explain the reasons for scientific evaluations. Ask the man's objections.

(8) He may feel you are trying to change habits within him which exist of his own personal choice. He may resist your discussion of what he thinks are personal matters and none of your affair. He may not realize that certain habits (courteousness, personal appearance, punctuality, modesty, for example) relate closely to success on the job. Show him how this is so.

j. The man is obviously nervous and sensitive.

(1) Apparently you have not put him at ease. Both before and during the interview, talk about things he knows best and feels most free about—the new home he is
building, a good idea he recently submitted, his service on the school board, etc.

(2) If he is not participating, try to get him to do so; make it a two-way communication.

(3) Explain the purpose and constructive values that may come from evaluations and counseling.

(4) Don’t talk about him—instead, talk about his work or his job. Begin by referring to actual work situations in which he has done well—a new system he installed, a quality improvement, a report he prepared.

k. You have nearly given up the idea of improvement in the man. This may be the last or next to the last interview before he leaves. You are now thinking more of separating him pleasantly with good public relations and with constructive help for him in his future employment than you are of improving him so that he may stay on.

(1) Talk frankly and directly about his leaving. It will be a shock to him at first, but getting him to face the facts realistically will make his remaining days much easier and will minimize his future employment troubles.

(2) If there is evidence that he is not perfectly clear about his failures, review them. Ask him to recall your previous conversations, your recommendations for improvement and what he thinks he has done about them. If possible, get him to state what he has been told previously about past failures.

(3) Review assets in the man which may make him valuable in some other company. Talk about these places and how he can get contacts with them.

(4) Tell him just what kind of work you will recommend him for. Give him the proper names in the organization to use as references.

(5) Refer the man to the proper sources in the organization which will help him prepare résumés, register with agencies, or otherwise look for employment.

(6) Some like to review “the second chance.” Discuss what he has learned from the failures, what he intends to do differently.

(7) Leave your mind open as to the possibility that the man may still change for the good.

Closing the interview:

1. Review the points made in the interview and encourage the subordinate to summarize them or put them in his own words.

2. Always reassure the man of your interest in his progress and
indicate willingness to take up the discussion again at any time.

3. Close when you have made clear whatever points you intended to cover, when the younger or junior executive has had ample time to review his problems and release any emotional tensions that exist, when plans of action have been cooperatively developed, and when you and the subordinate are at a natural stopping point. It is particularly good to close when both of you have a feeling of satisfaction about the results obtained.

**FOLLOW-UP**

- After the interview, many executives like to make a few notes before the facts brought out and the plans developed are forgotten.
- Some plan to follow up the interview with a visit—stopping by the man's office or calling him into theirs on some detail or other—wherein the subordinate has opportunity to get any additional help he may require.
- In the interim between interviews, it is good to keep careful, but unobtrusive, watch over the man's progress or lack of it. Then, early in the next interview, you can review what the subordinate has done toward the recommended self-understanding or improvement and how effective his efforts have been.

The use of this outline in conferences, role-playing sessions, and even lectures can go far toward removing top-level reluctance toward tackling a fundamental need in executive development. Indeed, what successful development can there be until both the superior and the subordinate recognize specifically the candidate's strengths and weaknesses and cooperatively lay plans for growth and improvement?
PART TWO

A Look at Company Experience
HAROLD F. SMIDDY

General Electric Company

GE thinks in terms of "manager" rather than "management"—with the emphasis wholly upon the individual and upon affording opportunities for self-development to each man. There is no consistent manager type, this company has found, but there are "discernible patterns of successful managerial action." Reduced to fundamental principles, these have formed a basis for GE’s approach to its development problem.

The main objectives of manager development, as it is termed at GE, are only four in number. They are by no means either easy or beyond our faith in our capacity to attain them. They are:

• To provide all individual employees in General Electric with challenges and opportunities for maximum self-development on their present jobs and for advancement as earned.

• To work toward improving skill and competence throughout the entire manager group so as to help General Electric managers become equal to the demands of tomorrow’s management job.

• To operate to furnish the company with both the number and kind of managers that will be needed in the years ahead.

• To encourage systematic habits and procedures to make it simpler for each manager to discharge his manager development responsibility.

This approach consists, therefore, not of "one General Electric plan," but actually as many "plans" as there are individuals involved, because each individual manager has the dual responsibility, first,
for his personal self-development, and second, for creation of the best managerial climate in his own organizational component for those other men for whose stimulation for their own self-development he is directly responsible.

This approach, therefore, integrates three essential elements:

- The individual manager’s desire for his own improvement,
- His responsibility for the development of the men in his own component, and
- The company’s needs for adequate and competent managerial leadership.

**Principles Behind the General Electric Approach**

The principles on which this approach is founded, as evolved through a formal Manager Development Study, are seven in number: and are short enough to quote here in full:

1. The General Electric manager development approach is founded on continuing systematic research.
2. Focus of the approach is on the individual.
3. Responsibility for development of men is part of every manager’s job; and is specifically written into all manager position guides.
4. All managers and potential managers come within the scope of this approach.
5. Manager development in practice operates for and through the decentralized components; both general product-business components and single-functional or subfunctional components.
6. Manager development requires comprehensive and selective application.
7. The General Electric approach recognizes managing itself as a profession which is learnable and teachable.

Perhaps the most provocative of these seven principles is this last one. But, despite fears to the contrary, as the job of manager has become more complex, it has also become more identifiable and more learnable.

No longer is it true, in our reasoned judgment, that experience
alone can teach the work of managing adequately and in time. Man­
aging is no longer merely an art. It is unlikely ever to be an exact
science, either. Yet it is fast acquiring the character of a profession.
And this means that its principles can be increasingly discovered,
stated, verified, and taught systematically. They can be learned, and
they can be applied.

The experience an individual acquires in his work as a manager
can be organized in an orderly way so that he may derive general
principles from it. He can apply such principles to improvement in
his present job, to different jobs, and to different work.

The company's organization, its objectives, its goals, and its man­
agement philosophy—all these things and others—can definitely be
taught systematically and learned systematically.

Some people will always be better at developing men than others—
they are the "naturals." But today enough is known about what
encourages development of people into effective managers that each
manager can be systematically aided to discharge his manager devel­
opment responsibilities adequately.

We can, in other words, diagnose fairly accurately both the in­
dividual's development needs and the impact on him of the climate
of the organization—its spirit, its policies, its management methods.
Hence, it is feasible to plan for maximum development opportuni­
ties and to measure actual development progress.

Purposes of Systematic Manager Development

Further, a need for more systematic manager development exists,
particularly for these five purposes:

1. Decentralization requires managers capable of carrying
greater responsibilities.
2. The company's growth plans call for greater numbers of
competent managers.
3. Increasingly complex business problems have intensified
the need for "professional" managers.
4. Developing managerial leadership is a social, as well as an
economic, responsibility.
5. The job of developing managers itself needs to be sim­
plified and made more systematic.
FOUR KEY AREAS

These needs and purposes can be boiled down to the simple requirement that General Electric managers today do not have any real choice between doing manager development or not doing it. Their only realistic choice is between being overwhelmed by this part of their job or being master of it.

To master it calls for the individual manager to organize his manager development skills in four key areas for practical day-to-day implementation of the company's philosophy and objectives. These deal, respectively, with the managerial climate of the organizational component; with self-development planning; with manager manpower planning; and with manager education.

1. The Managerial Climate of the Organizational Component

What we have come to call the “managerial climate” of an organizational component—or in turn of a business as a whole—is created essentially:

- By managers, by their attitudes and behavior,
- By policies and practices from above,
- By two-way communication between the manager and the men he manages, and
- By the standards for such climate which the managers themselves set.

Analysis and improvement of climate is feasible by orderly managerial action, and is a required, regular duty of every manager.

The climate in which a man works may thus encourage self-development, speed its growth, and guide it in the right direction—or it may stifle development potential and wastefully misdirect human efforts. And, since men tend to manage as they have been managed, they tend to perpetuate the climate under which they themselves came up.

The General Electric approach, founded on these factors, holds that the managerial climate of any manager’s component can be appraised and can be improved; and that it is the job of the manager of that component to see that this is done.

This necessitates systematic, and periodic, examination to find
out the attitudes and behavior of the manager himself, as well as to review calmly and critically the policies and practices, in and impinging upon the component, which are responsible for the climate which actually exists—be it good or bad; be it getting better or worse from year to year.

Climate is thus created by managers, individually and collectively. It directly reflects their attitudes and their skill as managers. It is a measure alike of each manager’s capacity to express himself to the individuals reporting to him so that both their work and their teamwork responsibilities may be crystal clear to them; and also of each manager’s ability to make two-way communication real by listening well, by giving men the “right to be heard” in a sincere and genuine sense, and by trying to understand what they are thinking as well as what they are saying when either observing them or listening to them.

Finally, the managerial climate of the component will be a function of the standards which the managers themselves set and follow in this respect. One of the most curious, yet possibly most obvious, facts about manager development is that continual but fair and realistic raising of the standard of what is considered adequate performance is of itself a potent spur to climate improvement.

There are few, if any, managers who do not sincerely intend to create the right spirit and policies in their components—or who do not sincerely believe that they are doing just that. But to have a good climate, and to improve it steadily and persistently, more than good intentions is required.

To improve the spirit of the organization, or his managerial policies, a manager has to find out what is amiss and to find out how to go about correcting it.

The first key element in the General Electric approach to manager development, therefore, is that each manager has the personal responsibility to do this, to do it in an orderly and systematic way, and to review and appraise both his climate and his progress at regular intervals, in all cases taking action in this respect at least annually.

II. Self-Development Planning

The second fundamental of the General Electric approach to manager development is equally personal and equally direct. It is that
each manager is responsible, first, for his own self-development and second, for providing both opportunities and challenges to all the men whose work he manages.

This responsibility also calls for periodic and comprehensive appraisal by the manager to discover each individual's strengths, his potential and his weaknesses; and then to use planned challenges and opportunities to help a man to fill needs, to acquire additional strengths and qualifications, and to correct weaknesses or else move to other work where they are not a detriment to his performance and his progress.

The foundation of this part of the General Electric approach is that the manager actually does sit down and make the required appraisal of each man reporting to him; and then builds with that man a personal plan of development—based on his demonstrated needs, qualifications, and appraisal potentials. The secret of this is not in devising some magical or uniform appraisal sheets, but in doing it the hard way, year by year, man by man, manager by manager, component by component.

The participation and confidence of the man appraised are as vital as the appraisal itself; in order both to find the facts about the man's qualifications, potentials, and problems and also to build a personalized yearly plan for him which really will motivate him to effective self-development efforts and which will guide those efforts in sound and right directions.

Without such systematic appraisal, high visibility rather than outstanding performance can too easily result in injustices for men and company alike. Sometimes a good man, lacking such regular appraisal, can even be overlooked simply because he does not create problems which engage his manager's attention. Or a man's good performance may deprive him of an earned promotion by seeming to make him indispensable.

Systematic appraisal, therefore, is needed to save the manager's time and energy, no less than to insure fairness to the individual and best use in fact of the manpower available to the company.

Finally, lest anyone erroneously think that this is some kind of purely Pollyanna process for promoting pale people to potent places, the appraisal calls also for getting firmly into such critical factors as these, for every individual managed:
• Is this man willing to pay the price of success?
• Does he stick to the job, keep it moving, see it through?
• Does he do more than is required?
• Is he willing to take calculated risks?
• Is he usually able to avoid serious mistakes of judgment and of timing?
• Does he learn from the mistakes he does make?
• Does he organize and make effective use of his time?
• Is he effective and cooperative in working with others?
• Do people like to work with him?
• Does he gain the confidence of people?
• Is he persuasive?
• Is he a good listener?
• Is he effective in communicating and persuading at all levels, inside and outside the company?
• Is he successful in working as a professional manager himself; in planning, in organizing, in integrating, and in measuring to attain balanced and defined objectives profitably and on time through the work of others?
• Does he know the functions, and the products, with which his managerial work is concerned well enough that he can manage competently in his particular component or business?
• Is he in the right place, the right kind of work, and the right present job for him?
• Does he have growth potential beyond his present job?
• What specific action—and what specific self-development plan—is right for this man at this time?
• If he is not on the right job, after fair opportunity to perform and to improve, should he be transferred to some more suitable job in the company?
• Or should he be released to find work more suitable to his particular interests and capacities, outside the company?

This is by no means an all-inclusive list, but it does give a serious idea of why General Electric puts such powerful emphasis on self-development planning as a key element in the whole process of development of men, whether managers or non-managers.
III. Manager Manpower Planning

The third element in the General Electric approach consists of orderly manager manpower planning.

In this respect the approach is generally consistent with those used in the majority of American companies which do such planning regularly today.

Since so much has been written in this particular field, it need only be noted here that General Electric planning in this respect has three distinct, though interlocked, phases:

1. *Long-range* manager manpower planning; with a time span of anticipation and planning of at least five years, based on the required organization structure for the component, or business, not as it is today but as it will need to be to cope with then-anticipated conditions.

2. *Short-range* manager manpower planning; focusing on specific needs of the particular component for the 18 months next ahead; to provide for orderly filling of vacancies and for proper promotion and placement of men, company-wide as well as in each decentralized component.

3. *Planning for continuity of managerial leadership*, in a sound organization structure; the integrating and measuring phase of the whole manager manpower planning process.

This kind of analysis not only insures having a manager manpower plan for each component and for the company as a whole, it also shows whether the managerial team has adequate depth; whether there are thin spots and where they are; and whether General Electric's policy of company-wide equality of opportunity for promotion to higher-level positions is actually implemented in planning for and in filling managerial, and equivalent functional or specialist, positions.

IV. Manager Education

The unifying characteristic of the three basic elements of the overall General Electric approach to manager development so far outlined is their complete decentralization of responsibility to the individual component of the organization structure, to the individual manager, and to the individual men or managers reporting to each
manager. The fourth element, manager education, is similarly decentralized in its basic concepts.

A few hopeful souls still nourish the illusion that they can somehow "read a book" and soon thereafter be fitted to take over the president's job and pay. But the record says bluntly that the way to learn to manage is by doing, just as the way to learn to think is by thinking; and especially to learn to manage professionally by applying the principles of professional managerial work in the earliest and the lowest managerial jobs, specifically those like that of the foreman-manager on the first rung of the managerial ladder.

There are two simple reasons for this. The first is that you can only learn to manage, as you can only learn to do your other work, by trying; and, since human judgment in decision making is fallible, by making mistakes as one way of making progress. So the mistakes you can make in the lower-ranking manager jobs are both easier to correct and less costly in consequences than those in the more responsible managerial positions.

The second reason is that the man who waits too late, and then tries to start too high on the managerial ladder, tends far too frequently to have his mind so rigidly geared to some single functional kind of work and discipline that in practice he finds himself unable effectively either to see the picture whole and with all functions and subfunctions managed in good order and balance, or to sense clearly the fact that managing is itself a distinct and full-time job, to get results through the work of others, and hence requires delegation to those others of the fascinating functional work that has been his life and his joy so long.

Our intensive study of, and emphasis on, managerial work and manager development at General Electric emphatically does not indicate that we think managerial work is "more important" than other kinds of work such as engineering, manufacturing, marketing, financial, employee and public relations, or legal work.

Quite the contrary. If you think any of these are not important, try stopping them for a while and you'll see only too soon why managerial work is but one of the many kinds of necessary work, all important, for continued competitive growth and profitable operation. The answer is that if any work is not important you shouldn't be doing it at all. If you need it, then it is important whatever its functional nature, managerial or otherwise.
Also, the record should be made clear that managing in General Electric means doing your assigned managerial work yourself; without any so-called "assistants" trying to do without responsibility some work which you can't do yourself in your available hours and so should carve out of your job and delegate, directly and with authority, to others; and likewise without any so-called "coordinators," whom we define as "third parties with a vested interest in keeping two people apart whom you are paying to work together."

If "managing," then, is so very personal and if proficiency only comes by doing such work yourself, what is the place for manager education in a well-rounded philosophy and approach for manager development?

The answer to this dilemma is not as complicated as you might think. It was well expressed by the late Dr. Harry Arthur Hopf:

The successful exercise [of the functions of management today] presupposes the availability of new types of executive personnel whose assumption of the responsibilities of management is fortified not by comprehensive knowledge of one or more technical disciplines, however valuable these may be, nor even by long years of service accompanying a slow but steady rise to the top level of authority, but rather by thorough grounding in the principles of management, proficiency in their application to new and varying conditions, and possession of the ability to apply the tools of management in charting the course of the business and keeping it headed with the proper degree of momentum toward the appointed goals. . . .

The manager must succeed not through the "authority of position" but through the "authority of knowledge."

It is to aid General Electric managers to best—and earliest—awareness and acquisition of the essential knowledge already available as to such principles of managing professionally that the manager education parts of our approach to manager development have been given a primary place.

There are four chief features of such manager education in GE:

1. Individual reading and study plans. Each founded on the elementary concept that development is first and foremost the responsibility of the individual himself. Such plans are highly flexible and are worked out specifically for each manager or potential manager by his own manager in the course of the annual appraisal process.
These plans are highly flexible and really have in common only the need to help each man more easily, and earlier in his career, to learn how to mine systematically and discriminately the copious store of material at hand today in the fields of organization and management, both generally and in each particular company.

2. Local professional business management courses. Each carried out at the location and level of particular decentralized company businesses and organizational components; and each going into such topics as

- The company's history, organization, and managerial philosophy;
- New methods available to managers;
- The "work of a professional manager," as such;
- The component's place in the business, social, and economic world;
- What the department and the company expect of the component;
- The responsibility of the business enterprise in American society; and
- Economic education and other steps to better employee relations.

3. Outside management courses and activities. These embrace a wide range of other educational opportunities for manager development—including especially

- Courses offered through other functional divisions of the company;
- Courses of study offered by leading universities and business schools full or part time, in which General Electric's historic participation is actively continued;
- Useful educational programs and other constructive activities offered by management societies, both nationally and through local chapter programs and forums; and
- Sensible participation in the affairs of such outside organizations as professional societies, community and civic groups, and similar organizations which can contribute significantly to the self-development of an individual.
4. General Electric Advanced Management Course. Given at the General Electric Management Research and Development Institute at Crotonville on the Hudson, some 55 miles north of New York City. This course runs uninterrupted for successive 13-week periods, with participants from the ranks of General Electric managers in residence and freed of all other responsibilities for that period. It is thus in session on a year-round basis, under the guidance of a full-time faculty of professional educators with demonstrated leadership capacity in the field of adult education; brought together at the Institute for this purpose; and aided freely by visiting professors and consultants, as well as by experienced managers from all parts of the General Electric organization and from other companies and institutions.

The Advanced Management Course focuses on the specific tasks of General Electric managers; and covers such subjects as:

- The challenge to General Electric managers.
- Basic concepts and managerial philosophy.
- Broad responsibilities of General Electric managers.
- Elements of the work of managing.
- Improving teamwork among company components.
- Development methods and procedures for managers.

In summary, the four main manager education elements of General Electric's approach to manager development are designed as instruments for the individual manager which will help him to attain the habits of an orderly approach to his responsibilities in this respect; and to guide his authority into those channels which allow and require proper regard for its relationship to the accountabilities and authority of others throughout the General Electric organization and, indeed, outside that organization.

CONCLUSION

The cumulative complexities which have come to business in the ensuing hundred years have steadily decreased the possibility and increased the risk of managing by ear, until such a policy represents
today a luxury of irresponsibility which is neither economically sensible nor socially permissible.

The simple facts of life are that the decision-making work of a manager now affects so many other people that it can no longer justly and fairly be left wholly to cut-and-try methods.

And the teamwork which is absolutely required for sound relationships both within our individual components and businesses, and equally among even the diversely owned firms and enterprises in today's interlocked and specialized economy, can no more rightly be left to chance than can the intricate plays of a winning football team be left solely to the intuitive and instinctive resourcefulness of the individual players.

An organized and orderly approach to manager development is, then, not an option of those of us who are following the calling of manager today. It is not even some onerous or disagreeable chore which is added to our already baffling and diverse responsibilities. In contrast, it is a necessary route to work simplification for ourselves so that we may be able to realize, as Zay Jeffries so cogently said, that

Our progress depends to a considerable extent on seeing to it that the simplification processes move forward in approximate balance with the complicating processes [so that] individuals do not become casualties of their own complexities.

To conclude, no better words are pertinent than those used by Ralph J. Cordiner, President of General Electric, in summarizing this approach to the managers throughout our organization:

Each manager has responsibility for the working climate in his component and for its impact upon the development of managers among the men who report to him. He has a responsibility for knowing these men and for providing challenges and opportunities that will foster their self-development.

Furthermore, each manager has a responsibility to plan for future manager manpower needs of his component and of the company. He is responsible for bringing appropriate manager educational opportunities to the people within the component.

These principles are not new to us. Managers have developed successfully in General Electric for over 75 years. Why then an organized Manager Development approach at this time?

You will recognize from your own experience that for every
manager who does these things naturally, consistently, and well, there are many others who do them sporadically, poorly, or not at all.

The Company's philosophy and approach to Manager Development is a way of helping each manager carry out his development responsibilities in an orderly, systematic way. It is essentially a work simplification program for this highly important part of every manager's job.

It has been designed—as sound and enduring work in any sphere of human endeavor always must be designed—both to narrow the tremendous gap in insight, skill, and performance between the best and the average, and to push back the frontiers of the unknown, to convert rules of thumb into tested principles and practices, to transform hunch into a learnable and teachable knowledge.

The architects and principal contributors to this approach would be the first to agree that it is open to further thought and improvement.

Each manager will contribute to the success of Manager Development by experimenting with changes or improvements in methods—in harmony with the principles and spirit of manager development—which he believes will better meet the needs of his component.

I believe this philosophy and approach for Manager Development is traditionally General Electric; and I commend it to the serious attention of all General Electric managers.

Once it is understood, and accepted as a way of life, we will have made major progress toward achieving the goals we have set for ourselves.
International Harvester Company

International Harvester approached the problem of management development by interviewing top company executives and members of middle management to determine what experiences had been strongest in shaping their careers. The result, grounded in expressed needs, is a three-year development program for managers with records of consistent progress in the organization.

Everyone will agree that the present-day executive has two prime responsibilities in the area of management development: first, to provide a continuing program to raise the general level of effectiveness of his entire management group; second, to provide opportunity and guidance for those with the potential and desire to assume increasing responsibility at the various levels of management.

At International Harvester, efforts in both directions have been slow and painstaking, the fruit of many years of exploration and experimentation. Any conclusions we have reached have, in a sense, evolved rather than come upon us in a flash of inspiration. There is no need here to dwell on results in the first area—that is, the training activities directed at Harvester's total management group, either at our Harvester Central School or in our works and sales districts. These have already received, if anything, more publicity than they deserve. Instead, let us center our discussion on the second responsibility mentioned. Here we enter a relatively new field of training activity—both for Harvester and for business as a whole.

Current Trends in Business Community

Broad-scale management development programs, which were almost non-existent up until the past 5 to 10 years, are currently receiv-
ing an enormous amount of attention throughout the business community. Now, this is an encouraging trend, but there are at least four general criticisms that can be made of many of the programs that are receiving publicity these days:

1. More and more packaged programs purporting to contain the answers to executive development come across executives' desks every month. Some of these have valuable characteristics; others (and primarily plans developed outside the organizations themselves) seem in many ways impractical of adaptation to the needs of a particular company.

2. All too often, management development programs place undue emphasis upon techniques and forms and fail to pay sufficient attention to the analysis of actual needs and the establishment of attainable objectives.

3. Just about as often, these programs suggest an unrealistic organizational structure that removes management development from the authority of line management and makes it the sole responsibility of a special staff group or committee reporting directly to the president.

4. Finally, there is evidence that too many programs are being developed without the necessary preliminaries. Thorough research into the needs of the group to be trained, the methods that should be employed, and a realistic means of evaluation seems, in many cases, to be entirely lacking.

Today's interest in management development is obviously healthy, for it has developed in response to a real need. American industry urgently needs capable executives, but companies are finding it more and more difficult to find the potential for development outside their own organizations. It need not be pointed out that the demand far exceeds the supply. Therefore, business must look within its own ranks to meet its requirements—both for replacement and for expansion.

This interest is also the reflection of a growing recognition of the value of adult education. Since the war, the expansion of educational programs for adults has created a taste for knowledge among people who had always assumed that the educational process ended with their formal schooling. These people have found that they want to learn. And, when the knowledge they seek is job-related, they
naturally turn to the company for which they work. Any company that fails to satisfy that interest is therefore missing a bet.

Survey of International Harvester Executives

What has International Harvester done about this problem? Like every other business concern, we need executives; and we, too, have been looking to our own ranks as a primary source. But, before attempting to launch an integrated broad-scale program to meet this need, we decided to look into the problem from every possible angle. We were assisted in this research by faculty members from several major universities.

One particularly revealing, though essentially simple, approach involved a series of interviews with top executives in our company. We asked them many things about their background and interests, but the key question was: "As you look back to the time you were coming up through management, what experiences do you now consider as having been most helpful in developing your managerial ability?" As might be expected, we received many different kinds of answers—some detailed, others brief yet very much to the point. But what struck us most forcibly was the similar pattern of response as to the most significant influences in the development of these men.

First, nearly all had had some work experience involving the practice of a certain degree of business management during their school years—for example, managing a fraternity house or a boarding group.

Second, most looked back upon any experience in speaking before groups as having contributed greatly to their development as executives. A few recalled specific effective speaking courses—either during their school years or in evening school after they had entered business—that had given them greater fluency and confidence.

Third, to a man these executives recalled an exposure during their early years of employment to a certain type of superior. This was the kind of man who tended to delegate responsibility and to encourage initiative. He was in no sense a "soft" boss; on the contrary, he was thought of throughout the organization as a severe taskmaster. His outstanding characteristic was an untypically high standard for those who reported to him. The result—for those who survived the treatment—was a difficult but highly rewarding period of practice in assuming responsibility.
Fourth—and perhaps most important—those executives did not think of any regular job with the company as having been much more important than any other in their development; rather, they attached greater significance to certain special assignments. These assignments were far from routine. They were invariably outside the usual scope of the positions held and tended to involve highly important or sensitive projects. Almost without exception, these men had been put on their own—sometimes as key members of a committee—to investigate, analyze, and make recommendations. Work on such projects involved cutting across departmental lines to contact management personnel in many functional areas of the business.

Results of similar patterned interviews conducted subsequently with middle management personnel followed a similar trend, with two interesting exceptions: First, those who felt they were still on the way up had, thus far, hardly paused to reflect; therefore, their answers tended to be less positive than those of executives who had "arrived." Second, younger executives seemed to place greater emphasis upon formal technical education received at the university level. Many recalled with gratitude their experiences as progressive students within our own plants. (Our progressive student course has been in effect for many years and involves, among other things, rotation through many departments of a manufacturing works.)

It soon became apparent as we analyzed the results of our survey that, although the backgrounds of these men varied in many particulars, none had ever been content to settle back into the routine of a job; each had always deliberately sought ways of progressing in his work. All had in common a high degree of native intelligence coupled with a powerful upward mobility drive.

In our management development activities, therefore, it seemed advisable to expose men of similar intelligence and desire for advancement to experiences paralleling as closely as possible those that had proved most valuable to our present top management executives.

A STUDENT-CENTERED APPROACH

We felt strongly that the objectives toward which we were pointing should also be based upon the expressed needs of those in the group to be trained. Experience in our other training activities, as
well as the results of other research projects, had convinced us of the value of a student-centered approach, and we saw no reason why it should not be applied to management development. The subject content of the training courses and the methods to be used would, of course, be determined by our objectives, and any evaluation efforts would be based upon the degree to which those objectives had been reached. This would permit the realistic measurement of what was learned and understood, and eliminate the hit-or-miss type of evaluation consisting of such questions as "How well did you like the course?"

Accordingly, in 1953, we proposed a three-year program for selected management people who had records of consistent progress in our manufacturing operations. On the basis of broad standards developed jointly by our staff and representatives of operating units, our divisional management identified and passed upon the candidates. Two years later, encouraged by a highly favorable reception to the course on the part of both the students and their superiors, we included product engineers. The next year, the scope of the program was again broadened, and candidates from sales and accounting departments were enrolled.

The program, boiled down to its essentials, consists of these three elements:

1. **Individual schedules.** An individual development plan is drawn up for each accepted candidate, after a careful analysis of his strengths and weaknesses. Each plan reflects the man's own perception of his training needs, supplementing his superiors' judgment. According to the plan and on a specific schedule, we then, to the extent possible, expose each man to various important areas of the business through rotated job experience. We also suggest participation in related educational activities outside the company, including enrollment in courses or seminars at nearby universities.

2. **Special projects.** Mindful of the results of our survey, we decided that special assignments should become a key element in the program.

3. **Group activities.** The classroom instruction conducted during this program is not thought of as a separate element but is designed simply to provide candidates with the knowledge,
During each of the three years they spend in this program, candidates are brought into the Harvester Central School for an intensive two-week course.

The First Year

The central theme of the first-year course is problem solving. Also emphasized are knowledge of the company, personal development, and, of course, individual projects. To give the students a better knowledge of the principal functions of the company, we ask several top executives to spend an hour or two with the group discussing the activities for which they are directly responsible. A discussion of principles of business organization also figures prominently in the first-year curriculum and is carried over into the two subsequent years. In the area of personal development are effective speaking, report writing, and research methods. These subjects are not, however, treated as separate entities, but are integrated with what might be considered the main theme of the first-year course—the individual project.

This individual project merits a little elaboration. Each of the participants in the program is required during the two-week period at the Central School to apply the problem-solving methods discussed in the classroom to the development of an approach to a problem of current importance to his own operation. In some instances, this investigation may anticipate a trainee's next assignment; in others, it may involve activities well beyond the scope of his regular position. His selection is subject to the approval of his works and divisional managers. He must then collect the necessary data, analyze those data, interpret the results, and be able to show, within a six-month period after the course has ended, how his conclusions may be applied.

While candidates are at the Central School, we give them all the guidance we can. First of all, we ask each man to report orally upon some project in which he was recently a participant at his own works. Representatives of departments engaged in sales, engineering, manufacturing, or personnel research then go through a step-by-step
analysis and description of a current Harvester research project. Before they leave the school, students are required to prepare a preliminary outline of their project proposals—first for presentation orally to their own group and, second, for a more formal presentation to their divisional managements. This process, incidentally, calls upon all their skills in oral and written communication and, in addition, places great demands upon their analytical ability.

The trainees are also given an opportunity for further practice in problem solving through discussion and written analysis of three case studies assigned during the two-week period. But we do not drop them into cases "cold," so to speak; these sessions are preceded by a discussion of methods of approaching and solving a case problem.

It might be mentioned at this point that neither our three-year developmental program nor the special two-week Central School sessions are considered to be fixed. A certain amount of flexibility is, we think, desirable. For one thing, we place great stress upon obtaining at the close of each Central School session, not just the reactions of the students to what they have been through, but also their opinions as to what their further training needs may be. These comments then become an integral part of our planning for the ensuing year's course.

The Second Year

The Central School program for the second year has as its theme "Planning for Profit." At this time, we turn over much of the instructional responsibility to members of our various General Office staff departments—primarily to Accounting, though other groups, such as Treasury and Price and Contract, also are represented. We continue, of course, to emphasize the personal skills—particularly approaches to problem solving—and to discuss organizational principles; but attention is, by and large, concentrated upon financial planning and the control functions of accounting. Among the topics covered by our accounting people are accounting methods and reports; accounting considerations in the development of a new product; works, district, divisional, and company budgets and profit objectives; capital budgeting; return on investment; business statistics and financial analysis. Again it should be emphasized that this
instruction is thought to be of value only insofar as it bears a relationship to the students' future assignments.

During the first few days of the second-year course, students are called on to report upon the results of the projects on which they embarked the previous year. This satisfies two fundamental requirements of any adult education program such as this:

1. It presents an additional opportunity for practice in verbal and analytical skills. Each man is allotted time in which to review the objectives of his project and indicate the results—including savings, if any—of his project. We encourage students to use any visual aids or other explanatory material that will help them get their messages across.

2. The program is in keeping with the principle of “feedback,” which holds that any project undertaken in connection with such a program must be evaluated at some point as to its success or failure.

By this time, the projects will usually have been passed upon by the candidates' superiors in line management, but the presentations provide an additional opportunity for evaluation by their fellow students. In this sense, one can think of the projects as milestones; once one is passed, it is that much easier to go on to the next. For we are convinced there should be some sort of closure: no project should be left dangling in mid-air.

Toward the end of the second-year course, students are encouraged (but not required) to undertake another project—this one involving a problem connected with the accounting phase of our operations. Again, the problems are of the students' own choosing, and the methods of collecting and analyzing data are not limited to the confines of their own job assignments. In the past, trainees have chosen topics covering various phases of cost reduction, inventory control, financial planning, and similar management activities. The topics they choose and the methods they employ are, as before, subject to the approval of their divisional management.

*The Third Year*

The third-year course is organized around the theme “Organizational Relationships.” During this session we develop further
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some of the general management concepts introduced during the two previous Central School courses. For example, marketing, which is briefly described during the first-year course, is explained at this point in greater detail. Here are some of the topics we consider under this broad subject: problems of retailing, sales management, the market situation, and determining anticipated volume. Members of higher management in the company's sales and merchandising services organization act as instructors, attempting to give more than just the broad picture and to establish throughout the direct relationship between designing and manufacturing a product and marketing it to the user.

In this and other areas of instruction throughout the three-year program, we make use of outside instructors. We have drawn from nearby universities—Northwestern, Chicago, and Purdue, to name a few—for assistance. The University of Chicago professor who teaches economics makes an effort to relate economic principles to the actual situations these men are likely to encounter in the work that lies before them. To assist him in some of the discussion sessions, we have asked members of our middle management group to serve on panels and frankly discuss problems incident to their positions.

Another subject given intensive treatment during the third-year course is "New Directions in Management." This represents our attempt to develop a more imaginative approach to the kinds of problems that tend to arise in a management situation. In a sense, it is an extension of our previous treatment of problem solving. But we try to go deeper; we attempt to introduce a way of thinking about problems that will permit these men to break with tradition whenever it seems advantageous to the company. In other words, we try to discourage thinking in stereotypes and to encourage creative thinking along constructive channels.

"Individual and Group Relationships," also covered during this period, embraces a series of discussions on the personal relationships and group dynamics existing within an industrial organization. Here are some of the topics discussed: factors and forces that influence individual and group behavior; how a manager works with and through people; his conception of his duties; the kinds of authority he can and should delegate. At this time we also report on the
implications of several research projects carried on in cooperation with universities at various Harvester operations.

Each of the company's three executive vice presidents keynotes and gives a summation of a two-week Central School course. In addition, he arranges for one or more of the operating divisions under his jurisdiction to devote all or part of a day to a topic related to the theme of the course. The president of the company also participates, speaking to each new group as it enters the school and also to each graduating group.

FOLLOW-UP AND RESULTS

As has been pointed out time and again, education is a continuing thing; so we are under no illusions that our program completes the management development of these men. We encourage a continuing follow-up—including coaching on the job by superiors in line management.

Challenge to Divisional Management

It is our feeling that this type of developmental activity can become really successful only if it is made the exclusive responsibility of the line. Staff departments can only facilitate the training process that goes on continuously. Staff specialists in curriculum development, methods of instruction, and evaluative techniques can provide valuable help. But it is not their duty to administer the program; they can only offer advice in their particular fields.

An example of this type of cooperation between the development staff and divisional and local management can be found in the evaluation of students. At the conclusion of each of the Central School sessions, members of the staff submit their ratings of the candidates' performance in several categories of activity at the school. Speaking, report writing, problem solving, scores on personnel tests are examples. This evaluation has only two functions: to provide a basis for counseling the students and to serve as a measure of supplementary assistance to line managers in rating these men.

Divisional management has accepted this challenge wholeheartedly. It has assumed complete responsibility for the follow-up
of each of the students and has made considerable use of staff evaluations in its own counseling of these men. Those who have been released from the program have been dropped only because their own superiors have come to the conclusion that they do not have the potential for higher responsibility.

At the risk of oversimplifying, let us summarize by saying that our program is intended to give men with the potential for higher management experience with responsibility. But that experience can be gathered more quickly and effectively when some sort of meaningful training activities precede and accompany it. We try in our organized instruction to provide the knowledge, understanding, and skills these men need to assume higher management responsibility more rapidly and efficiently.

A Unique Advantage

We have, by this time, completed two three-year cycles with manufacturing management personnel. Two groups composed of personnel from other functions, as well as manufacturing, are still in training. A fifth group is just now beginning. However, we still consider the program to be—at least in a sense—experimental. With each year, there have been changes in subject order, content, and method. We have seen enough to be convinced, however, that very little alteration of a basic program such as this is necessary to make it apply to any functional area of our business. And we can see no reason why a similarly conceived and developed plan could not be applicable to any function of any business.

Our top management people have repeatedly stated their belief that success in the selection and training of management offers the greatest competitive advantage our company is likely to have in the years ahead. The quality, nature, and amount of management talent available is today the principal factor that distinguishes the successful organization from the failure.

Our competitors can readily imitate any new product that we may place on the market, even after we have devoted years of engineering effort to its development. Improvements in the design of existing products can be copied even more easily than totally new products. The machine tools and equipment in our factories, the materials that go into our products, the methods of manufacture—these are
fairly standard and are available to any competitor who is willing to pay the same prices that we pay. Distribution systems, successful advertising or sales promotion campaigns, and other aids to the movement of goods can all be duplicated or matched by our competition.

So, today, almost the only unique advantage a company can have is the possession of resourceful, aggressive, imaginative management at all levels of the business. That is the one feature of a business organization which cannot be exactly duplicated, imitated, or adapted by competitors.

Our company or any other will not stand or fall, it will not progress or retrogress in the years ahead merely because it has a manufacturing research center or a special engineering laboratory. But it will move ahead or move backward in direct proportion to the kind and amount of managerial talent it is able to discover and develop, attract, and retain in the business.

That is reason enough for all of us to be vitally concerned with management training.
Boeing Airplane Company

Basing its development plan on the highly important appraisal process, Boeing trains its managers in the fundamentals of effective appraisal and coaching. Individual development needs are met, as indicated, by a formal educational program which takes advantage of facilities both inside and outside the plant.

A. The Appraisal and Coaching Program*

The Boeing Airplane Company is a young company and has grown very rapidly in recent years. Over all, there are now about 7,000 people with management responsibilities.

We are in a business in which change is our most unchanging characteristic. Advancement in the aeronautical art proceeds at a constantly increasing pace. These factors—rapid growth, continuous change, and ever-accelerating technological progress—place a great premium on the quality of our managerial abilities. For this reason, our need for management development may be greater than that of other industries.

Basic Company Convictions

At Boeing, these basic beliefs govern our management development efforts:

* By Mr. Allen.
Able, high-quality management is our most valuable resource. To put it another way—the ability of management to reach sound decisions, its courage in making them, and its administrative skill in carrying them out to a successful conclusion are the primary factors which determine the success of a company. Because of the importance of management, we believe that it makes good business sense for our management to do all it can to assure that we will have the best possible management today and tomorrow.

2. Management planning and development is one of the most important responsibilities of a manager. First, a manager is responsible for his own continuing self-development and should avail himself of opportunities for this development. Second, he should stimulate, guide, and counsel his subordinates and provide them with development opportunities available within the framework of his organization. He should provide them with broadening work experiences and give them opportunities whenever possible for resolving real problems of progressively greater importance and magnitude.

3. Management development will result when managers believe in its importance. Management development will result when managers believe it is sufficiently important to the company and their own careers to do something about it. When this happens, managers will seek and avail themselves of development opportunities and will provide stimulation, guidance, and inspiration to their subordinates. We further believe that the key to such motivation is a sound relationship between the superior and his subordinate—a relationship based on mutual trust and understanding. In line with this belief, we are convinced that a periodic appraisal, followed by a constructive coaching interview, is one of the best instruments for improving the relationship between a superior and his subordinates.

4. Each manager has the right and duty to manage—in the fullest sense of the word. To do this, he must accept his responsibilities, be given commensurate authority, and be held accountable for results. Increasingly, we have been trying to give full meaning to this conviction, and have taken many steps to assure it is a reality.

5. Management is a separate art or activity and can be learned by able people. Our management development efforts are concerned with the body of knowledge comprising the management function and the art of putting it into practice. It is our purpose to
make available to all members of management the encouragement, the opportunities, the tools, and the techniques they may need for continuing improvement of their managerial abilities.

There is increasing evidence that a competent top-level manager can transfer his talents of planning, organizing, and leading to an area foreign to his profession or specialty with good results. Substantiation of this belief has been furnished by competent managers in the fields of government, civic affairs, social service, and church work.

6. *Indoctrination in sound management principles, philosophies, tools, and practices should begin at the earliest possible date in a manager's career, preferably when he starts his pre-management training.*

7. *Sound methods of selection and recruitment are necessary at the beginning levels of management.* We need a sufficient supply of able, high-quality young men coming in to assure that we will have competent men from whom to choose for our management positions in the years ahead. Mistakes in selection at any level of organization are most difficult (sometimes impossible) to overcome through development programs. We believe that any effective contribution we can make to help managers improve their ability to identify, screen, and select potential managers—before they are appointed to management positions—will pay off.

**Organization of the Development Unit**

With these principles as a frame of reference, Management Development at Boeing is organized into a unit reporting directly to the president at the headquarters level. Each division vice president—general manager has on his staff a management development director who reports directly to him. Since theirs are staff agencies, their job is primarily one of technical assistance to the line organizations.

The company's long-range goal for management development is to help every manager become more proficient in management and to provide qualified people for future management requirements.

**Formulating the Appraisal Plan**

The appraisal process, which is the core of our management development effort, dates back to 1953. In that year, we were asked to
recommend to the president a process for conducting management appraisals. Accordingly, we studied a great many plans and recommended the adoption of an annual appraisal process, tailored to our needs.

An important part of our recommendations had to do with a course of instruction which we felt should be designed and furnished to our managers for the purpose of developing appraisers with a good grounding in the principles and techniques involved and, in addition, giving them experience in conducting coaching interviews before they made their appraisals. (A consulting firm was retained to help design the course.)

Our recommendation was approved, but for a pilot test group composed of top executives. Following this experimental test, the appraisal process, including the course, was approved for all members of management, including first-level foremen and supervisors.

The Training Program Outlined

Of course, providing our entire management group with the necessary knowledge and skills to carry out the appraisal and coaching program has necessitated a comprehensive training program. This training program is centered around three activities:

1. The presentation and discussion of certain basic principles.
2. The presentation, explanation, and discussion of the operating tools.
3. Practice sessions designed to provide practical application of the principles; and experience in working with these tools.

In introducing the course, we emphasize that we are dealing with the two most difficult problems in the entire developmental process: effective appraising and effective coaching. We also emphasize that there is no rule or formula which will insure a solution to these problems, but that in the course we have put together a combination of certain basic principles and operating tools which we believe will help them accomplish the objective. We then discuss effective coaching and behavior principles.

Effective coaching. In discussing what we mean by effective coaching, we define it as a process by which a superior endeavors...
to get a subordinate to change or modify his way of discharging responsibilities. In other words, coaching is helping a man to help himself. We discuss the different types of coaching: the daily unscheduled kinds and the regularly scheduled annual coaching interview which includes a summary review of the individual’s performance. We believe that effective performance of scheduled coaching will also improve an individual’s ability to deal with the coaching he does at other times. These five requisites for effective coaching are discussed: (1) setting performance goals, (2) permitting individuals to perform, (3) observing and judging performance, (4) taking action to get results, and (5) developing enthusiastic team action. We also talk about development principles—or what is needed for a subordinate to develop. The five principles we suggest as basic are these: (1) Subordinates need to know what is expected of them; (2) they need opportunities for development; (3) they need to know how well they are doing; (4) they should be provided with assistance when necessary; and (5) they should receive adequate recognition for the results of their efforts.

We are concerned with the dynamic nature of an individual’s career with the company. Obviously, an individual’s opinion of his performance and potential for advancement may, and frequently does, differ from the opinion of his superiors. Sometimes there is a considerable variance, which can be very costly if not recognized early and dealt with realistically. Without a realistic approach, we frequently find discouragement, frustration, anxiety, tension, shock, unrealistic ambitions, less than peak performance, and sometimes even a loss of good men.

Behavior principles. In our course we can do no more than touch the high points in the broad area of behavior principles. For this reason, we discuss only three selected principles of behavior: motivation, perception, and learning. Motivation can be thought of as the will to do; perception refers to the way people look at things; and learning is finding out “how to do,” or the process of improvement.

Operating tools. Operating tools used are the position description, the performance appraisal, and the coaching interview.

We use position descriptions as a systematic method of defining what is expected of a man on a job. They enable the superior to be more precise in defining what he expects from those in his group. Our position descriptions include a brief summary statement of
the major functions of a position, a statement of the major responsibilities, and an explanation of the key relationships. Since the position description is the standard tool used in making the appraisal, supervisors are given instruction in its preparation.

We discuss the appraisal form and its use, emphasizing that the major benefit sought is the improved performance of each individual in his current job. Five requisites for a sound appraisal program are covered: (1) A specific purpose or purposes must be established; (2) good performance information must be obtained; (3) wise use must be made of performance information; (4) managers must be able and willing to appraise accurately; and (5) managers must be both able and willing to use the information, particularly in coaching, systematically and regularly. Some stumbling blocks in appraising management performance are reviewed, and the major pitfalls or bias tendencies in evaluating performance are considered.

We then discuss various types of effective coaching interviews, and a practical pattern or plan is suggested and demonstrated. We believe that the ability to conduct a constructive interview has been the most neglected factor in many appraisal and coaching courses. In preparing for an interview, a manager must (1) make the appraisal (we recommend that he also ask for a self-appraisal by subordinates), (2) prepare a balance sheet as a guide for his discussion, (3) consider probable causes for unsatisfactory performance, (4) consider action that might be taken to remedy the causes, (5) determine what he wants the individual to do differently as a result of the interview, and (6) consider the personality of the individual and the kind of person he is. Next, we recommend that the manager review the appraisal with his immediate superior. Following such a review, he schedules the interview.

About 60 per cent of the time spent in training is devoted to the practice sessions in which each course participant gets actual practice in conducting an interview, in the role of both a superior and a subordinate. Each practice interview is accompanied by evaluations made by the group and the instructor. Needless to say, these practice sessions constitute the heart of the training program.

After completing the course, every manager is expected to appraise and coach each of his subordinates annually and to prepare a mutually agreed-upon improvement plan for the development of the individual. Copies of the improvement plan, signed by the superior
but not bearing the name of the subordinate, are turned over to Management Development. The original copy remains the confidential property of the appraiser. These improvement plans are our prime instrument for the determination of development needs and for designing media to satisfy those needs, both on and off the job.

B. The Formal Educational Program*

A large and important part of the individual development needs which the appraisal and coaching process emphasizes is best met by an individualized, on-the-job approach. It may become apparent, for example, that the individual lacks familiarity with an activity closely related to his work, and that his position performance suffers as a result. He may be devoting a disproportionate amount of his time to relatively unimportant aspects of his assignment. Or perhaps there are scheduling problems which, once clearly recognized, can be worked out by the individual with the counsel of his superior. A wealth of comparable examples could be cited to illustrate our thesis: that a large and important part of the aggregate developmental needs existing throughout our organization lends itself most effectively to being met on the job, through accountable work assignments, and by cooperative action by the man and his superior.

FOUR FORMAL METHODS OF DEVELOPMENT

What, then, of the more formalized measures—such as courses and other organized activities—that comprise our management education program? Briefly, it is their purpose to complement the developmental job done by the individual manager in four ways:

* By Mr. Swain.
1. We provide basic managerial skills courses when needs in these subject matter areas are found to be common to a number of individuals in various components of the company. These courses are intended to be of particular assistance in carrying out individual improvement plans.

2. We offer courses and seminars that are aimed at special situations or at particular levels of management. Instead of being geared to individually identified development needs, these courses and seminars may result from over-all needs perceived by our top management, or they may anticipate foreseeable changes and problems. Examples include a six-session course with the descriptive title "A Manager's Survey of Data Processing"; seminars for upper management on such subjects as "Delegation of Responsibility and Authority" and "The Administration of Change"; and "Fundamentals of Management," an internal course which endeavors to bring to our middle management group many of the benefits which our top managers obtain from participation in the advanced management programs of the various universities and other institutions. Another continuing activity in this category is a carefully articulated six-part program for the training of the new supervisor. This includes:

a. A pre-management course, for which employees may nominate themselves, and for which they are screened against announced standards by departmental committees.

b. Company, or interfunctional, training that is concurrent with appointment.

c. Departmental training following immediately upon the above.

d. Planned on-the-job induction by the superior of the new supervisor.

e. Post-appointment training, for which the new supervisor is scheduled within the first year.

f. Selective use of other courses, readings, and the like, as may be necessary to provide for individual needs.

3. As a company, we participate in "outside courses, and maintain and furnish current information and evaluations so that line management can make the most effective use of them. Related to this activity is the extensive use of worthwhile seminars and conferences for development because of the opportunity they provide for
outside exposure and interchange of experience. We also find that community projects and professional societies—although less explicitly pointed in this direction—offer special development opportunities, and our managers are encouraged to participate in them.

4. Finally, we endeavor to make available to each manager promptly the complete information which he needs in order to relate the work of his component to over-all goals and in order to interpret the company properly to both subordinates and the community. A major vehicle for accomplishing this is our management newsletter, of which special issues are distributed when and as needed. In addition, special informational and discussion meetings are held for all managers on such topics as the company's annual report to stockholders. Furthermore, we have a management library which is, in itself, a way of making available to the individual manager a wealth of information on the managerial profession. We are convinced that one of the most effective and, at the same time, most economical media for self-development is the reading of worthwhile business literature. From a central library location we periodically circulate reviews of newly acquired management books and periodically furnish each member of management with an up-to-date, annotated library catalogue. Some 150 to 200 books are circulated monthly in this manner, with the details handled by a secretary.

THE BASIC MANAGERIAL SKILLS COURSES

This, then, is a brief recapitulation of the four major ways in which our organized educational activities supplement the developmental responsibility of the line manager. Let us now, however, concentrate on the first—the basic managerial skills courses.

Study of Reported Needs

In Boeing, we firmly believe that management education or training is not an end in itself but is, rather, a justifiable activity only if directly addressed to specific needs of the organization and the people in it. We apply this criterion to our program of management skills courses. In doing so, we are aided immeasurably by the fact that, each time a member of management is appraised, the Management
Development office receives an anonymous copy of the development plan which is worked out jointly by the man and his superior. Each plan shows the one or two needs that the two men together have agreed upon as being most important. After studying the total of such individually reported needs, we who are responsible for the course program are in a position to determine which ones lend themselves to the course approach and to which ones it is most important to give priority attention.

What do we find as a result? In one recent study of these individual improvement plans, we classified reported needs under three major headings:

1. *Needs for improved social skills*, under which we used such subheadings as communications skills, human relations skills, and needs even more distinctly personal (for example: attitude, aggressiveness).

2. *Needs for improved skill in certain managerial functions* (planning, delegation, coordination, control, training, evaluation, methods).

3. *Needs for more knowledge.* Here our subheadings distinguished among technical knowledge, knowledge of company policies and procedures, and knowledge of the work of other company units.

**Need-Oriented Management Skills Courses**

When we made this study of some 500 carefully prepared analyses of individual development, we found the largest incidence of needs in the area of the communications skills of individual managers. Perhaps this is not so surprising if we think of the very prevalent and apt definition of the manager as the one who gets things done through other people. To do this, he must be able to get objectives, procedures, and ideas clearly understood and accepted, and must himself be a good receiver and able to tap the thinking of others.

To us, this means that our need-oriented management skills courses must provide help in the acquiring of improved communications skills. Specifically, we have written communication courses at two separate levels; we have a reading improvement course, an oral communication course, a conference leadership course, and an “effective meetings” course that approaches better utilization of the meet-
ing situation from the standpoint of both the leader and the participant.

In the subcategory of social skills (needs of a more personal nature), it is our experience that the appraisal and coaching course has a major contribution to make to the individual manager's day-to-day, on-the-job approach to his subordinates' needs in this area. Next in our study of individually reported needs—and still within the "social skills" category—a need for improved skill in human relations was reported with substantial frequency. We have therefore oriented our program of management skills courses to this perceived need, also, and have made available a variety of courses grouped together under the designation of "Human Factors in Management."

In these courses we do not presume to give the participant definitive answers to all his "people" problems, but endeavor instead to increase his understanding of people, both as individuals and as members of the work group, by dealing with (1) fundamental concepts of human behavior, (2) approaches to gaining greater understanding of particular human relations situations, and (3) methods of taking action on human relations problems encountered on the job.

**Emphasis on Flexibility and Individual Requirements**

Boeing's program of basic managerial skills courses does not require an oversized instructional staff; we have a basic program into which we can fit resource personnel from other parts of the company, the community, and the universities, as well as our own instructional staff.

We also are continually thinking about the program and working to refine it. This means dropping courses that have reached the end of their usefulness and adding those that have promise of filling identified organizational needs. In the fall of 1957, for example, we added four new courses: "Economics for the Manager," "Basic Administration," "Personnel Management for Supervisors," and "Effective Selection Interviewing."

One other important characteristic of our management skills courses is that participation in them is voluntary, and the individual attends on his own time. In the case of some other Boeing educational activities, men are scheduled to attend during regular working
hours. But basically we are convinced that without self-development there is no true development at all, and so the initiative for participation in the management skills courses rests with the individual. This individual initiative in enrolling results in a commitment to learning and change that we feel would not exist in many cases if participation were required. The objectives are explained in the foreword to the current course catalogue: "To assist you as individual members of management in your task of self-development, and to assist in carrying out improvement plans prepared jointly by individual managers and their supervisors, Management Development offers a group of courses designed especially for Boeing managers." During 1957 alone, over 1,400 managers in our Seattle area divisions accepted the challenge which is implicit in this philosophy of the individual's responsibility for his own development, and voluntarily participated in one of these off-hours management skills courses.

In formulating our plan of management education, we at Boeing recognize that the development process never ends—that it must be progressively adapted to the requirements of the individual as he advances in the organization. The plan itself, as well, has to be in a continual state of evolution and adaptation to reflect changes that have been found necessary and worth while in our organization. It may be, therefore, that many of the specific educational activities which have been described will serve out their usefulness in the years immediately ahead. We are determined, however, that those that survive, and those that take their places, will have to meet the same criterion of need as do the elements in the current program.
Training technical men to manage represents a special phase of management development because of the much-discussed reluctance of engineers and other specialists to undertake administrative work. RCA, as an organization in which technical knowledge is important at high levels, has necessarily faced the problem of giving these men a taste for—and proficiency in—the art of working through people.

Management responsibility is an acquired taste for many engineers. In all fairness, much the same observation could be made about others who are scientifically or professionally trained; but our immediate concern is the engineer, whose success in industry is inevitably tied to the managerial ability of himself or others.

Radio Corporation of America considers engineers to be its life-blood. Without them, we would lose our reputation, built over a period of years, for the competent engineering of products for the consumer, for industry, and for the government. To grow and prosper, we need increasing numbers of professionally trained engineers; but even more necessary are managers capable of getting maximum results from available talents.

Key to Effective Utilization

Industry's demand for engineers isn't easily satisfied. Since the turn of the century, the ratio of engineers to all employees in the United States has grown from one in 200 to one in 60—more than a threefold increase. In 10 years, we in RCA have seen the ratio in a major area go from one engineer per 20 production employees to
one engineer for every six. The engineering organization involved grew from 300 to 1,600 professionals.

Partly because of this situation, the spotlight of attention has been focused on the utilization of engineers by industry. The heart of the criticism that managements have leveled at themselves—that they do not utilize engineers effectively—rests in management ability. It takes management skill to weld an assortment of engineering talent into an effective, hard-hitting team.

In all the hue and cry for engineers, the scarcity of managerial talent is often overlooked. The insidious nature of this problem makes it especially dangerous. As an organization expands, management positions are created and filled in one way or another. On paper, there is no management shortage. The fact that the organization chart shows all managerial positions occupied does not, however, guarantee the effectiveness of the newly appointed managers. Their ability to direct the effort and increase the skills of engineers becomes of paramount importance in the face of the continuing short supply of engineers.

Training: Essentials and Limitations

Our company’s experience in training engineers to manage provides three specific observations:

1. The early years of managerial responsibility are the critical ones in the development of the ability to manage.
2. The success of managers and engineers alike depends upon an adequate understanding of management aims and needs.
3. A climate is needed in which both manager and engineer can grow in understanding, skill, and teamwork.

Further, we recognize certain limitations. We can do our engineering effort a disservice if we portray managerial progress as the sole avenue to success for a professional man. (The man who has neither the interest nor ability for management can be made to understand management’s aims and needs through training. We would be well advised to do this rather than try to make a manager out of him.) We cannot offer group training as taking the place of the kind of individual development which is the heart of our man-
agement development programs. And we can't ask training in management skills to remedy poor organization structure. Each of these problems must be attacked on its own ground.

With these points in mind, let us examine the chronological sequence of the training offered the typical RCA career engineer, who may come to the company either directly from college or after experience with other concerns.

**TRAINING OF NON-SUPERVISORY ENGINEERS**

The training of non-supervisory engineers at RCA includes the Specialized Training Program, the Program for New Engineers, the Tuition Loan and Refund Plan, and the After-Hour Program. Let us consider each of these in brief outline.

Specialized Training Program

For recent college graduates, the Specialized Training Program bridges the gap between the college campus and a job in industry. The purpose of the program is to help graduates find the type of work for which they are best suited and in which they can be prepared for positions of greater responsibility. The program is one year long. The first phase consists of a one-week orientation, followed by four five-week assignments to different engineering activities of the corporation. These rotating assignments may be in any of several areas, such as Defense Electronic Products, Semiconductors, or Television. In addition to these technical assignments, the trainee is acquainted with the over-all engineering operations through lectures, tours, and interviews. At the end of each five-week assignment, he is rated by his immediate supervisor, and a frank discussion of his strong and weak points takes place. For each assignment the new man prepares a written report describing his experiences and indicating what has been learned.

Second-phase assignments total 31 weeks' training in a single activity. This is designed to integrate the trainee into that activity and to make him a productive member of the engineering team. The primary training technique used is on-the-job guidance by
experienced engineers. So that he can measure his progress, ratings and reports are required of the trainee at the halfway point and at the end of this phase of the program.

Program for New Engineers

The Program for New Engineers supplements work training for all new RCA engineers, whether recruits from industry or Specialized Training enrollees in the second phase of their program. First offered in 1956, it is the result of more than a year’s work by the Engineering Training Committee—a group of chief engineers’ representatives from major corporate divisions and company training personnel. This committee, after analyzing the results of an engineering attitude survey, various utilization studies conducted by our personnel research function, and interviews with engineering management, developed a list of training needs of the new RCA engineer:

- To know where he fits as an individual in his immediate organization.
- To know procedures and practices pertinent to his job.
- To learn how to work effectively with others.
- To know the major activities of the organization and their functions.
- To develop a practical approach to the solution of problems.
- To know how to communicate.
- To know the economic and product-engineering considerations in a business enterprise.
- To understand customer requirements and product acceptance.
- To advance his technical knowledge.

From this list of training needs, a corporate program was developed which represents a composite of the needs of new engineers at the various locations represented on the committee.

To fit the specific situation in a given engineering department, the corporate program is tailored, as needed, by the local training activity. For example, three parts of the program have been offered in Camden during the last year—Unit I: Job Introduction, conducted on the job by the new engineer’s supervisor; Unit II: Human Rela-
To implement Unit I, a supervisor’s manual was prepared. This manual outlines for the new engineer’s supervisor the job information he is to cover during discussions with the man. Topics included are: (1) responsibilities of the new engineer; (2) materials, equipment, services, and assistance; (3) record keeping; (4) engineering and manufacturing standards; (5) economic situation of the product line; and (6) future development and opportunities. When this portion of the program is completed, a record sheet signed by the supervisor is returned to the training function as an audit of the performance of the program for each engineer.

To assist in administration and follow-up, training representatives—one to about every 100 engineers—in the various engineering sections provide invaluable service. Incidentally, the same representatives perform in similar fashion for the Specialized Training and other programs. They assist in determining training needs, in conducting the programs, and in the evaluation and feedback of results. Such representatives insure that programs are both necessary and practical; that training information is given to operating managers.

Unit II of the Program for New Engineers consists of directed discussions, case problems, a motion picture, and a brainstorming demonstration designed to help new RCA engineers become more effective in dealing with people. Subjects covered are: (1) basic principles of human relations; (2) individual-to-individual relations; (3) individual-to-group relations; and (4) group problem solving.

A series of lectures and tours offered as Unit III gives the new engineer some understanding of the purpose, philosophy, and function of the activities with which he will be in contact, as well as their special problems, techniques, and services. Included in the schedule are talks on RCA organization structure and the profit motive in the electronics business; a tour of the David Sarnoff Research Center; and talks and tours describing the various engineering activities of the product division.

Tuition Loan and Refund Plan

Other development opportunities are available for engineers who desire further training. An example of these is the RCA Tuition
Loan and Refund Plan, which encourages employees to take appropriate courses at educational institutions or through certain approved correspondence schools. Tuition loans are offered, if desired, and employees are granted a tuition refund upon successful completion of a course. In the Camden area, for example, such schools as the University of Pennsylvania, Temple University, and Drexel Institute of Technology offer a variety of courses of interest to engineers. There are many employees seeking bachelor’s, master’s, or Ph.D. degrees through the plan, although a degree goal is not necessary to take courses which will increase the qualifications of a man in his present occupation.

After-Hour Program

Also popular is the After-Hour Program. It includes both courses which are not available at local colleges and courses which do not justify college attendance. Some typical subject matter: engineering accounting and finance, engineering management and organization, effective speech, engineering writing, and a substantial number of technical courses.

MANAGEMENT TRAINING

The training programs summarized so far—the Specialized Training Program, the Training Program for New Engineers, the Tuition Loan and Refund Plan, and the After-Hour Program—are basic ones designed to assure all engineers the opportunity for planned training to increase personal effectiveness and to prepare for advancement. However, once supervisory or professional engineering status is achieved, training does not stop. The company has established specialized training programs for both first-level supervisors and middle and advanced management.

Program for First-Level Supervisors

Our company has recognized the need for a training program to assist new supervisors of engineers to assume their responsibilities. The result is the RCA Training Program for First-Level Supervisors
of Engineers. In its present form, it is the work of the Engineering Training Committee, previously mentioned, which developed a corporate program as a guide for the various engineering operations. In practice, each location is expected to modify the program to meet its specific requirements.

The importance of such tailoring of program content cannot be over-emphasized. "Canned" programs imposed on a group of intelligent supervisors can fail miserably. Such programs may, in themselves, be excellent—but unless those being trained have a receptive attitude, little actual benefit can be expected.

An important key to supervisory training is to involve the potential trainees in the planning of their program. This can be accomplished by a series of planning meetings in which the program leader obtains from the supervisors a list of their responsibilities. The list of responsibilities should be worded exactly as the group desires and should include all the group's ideas. Next, the group should determine for each item the degree of help which is needed and further expand by open discussion just what is wanted. At this stage, the conference leader ought to be on the alert to avoid discussion of how the training will be accomplished until the supervisors, by analyzing their responsibilities, have convinced themselves that they need and want training. Once an outline of program content has been developed, it should be reviewed with the people to whom the supervisors report for possible additional items, then presented to the supervisors for their approval. Only after the program content has been approved should the group be solicited for ideas as to how the training will be done and who might do it.

Typically, the planning phase with any group of supervisors requires either two or three meetings of one to one-and-a-half hours each. This time investment is justified because, by the end of this phase, rapport has been established and the program accepted by the supervisors as their own, reflecting their specific needs and desires. Thus, when the program is begun, a fast start, active participation, and eager reception can be expected.

Though details will differ somewhat, it is interesting to note that programs developed at RCA using these techniques do follow the pattern of our corporate training program. Almost without exception, program content will be certain to include the following areas:
• Management viewpoint, to give an over-all picture of company organization and the place of the supervisor in the organization.
• Financial responsibilities, to give the new supervisor an understanding of techniques in controlling the costs of his function.
• Company policy and procedure, to help the supervisor become familiar with company policy and procedure in all applicable areas.
• Human relations and communications, to help develop skill and understanding in dealing with people.
• Organizing, planning, and evaluating, to increase the skills required in directing an effective work group.
• Training: to provide an understanding of training principles and programs and the supervisor's responsibility for training.

In the conduct of the program, a coordinator is desirable to provide continuity and direction from meeting to meeting. If meetings are held once a week, as at RCA, minutes (recorded by one of the trainees and mailed to each supervisor) are helpful in keeping thoughts moving between sessions. Small groups are recommended so that maximum participation is possible. A typical program may include individual speakers or panel discussions by representatives of various functions such as organization development, marketing, personnel, corporate staff, and engineering management. The use of such experts should be supplemented, however, by a generous allowance of time for questioning and group-centered discussions, case problems, and role playing, where training comes from within the trainee group itself. Upon completion of the program, the participants should evaluate the course in the light of their originally stated needs.

Middle Management Training

For higher levels of management, training programs can use similar techniques: determination of specific needs by small groups and the development of a program to meet the needs. Emphasis here, however, should be on the practice of the managerial skills which it is assumed the managers already possess. For this reason we have built such programs around all-day workshops held once a month
and preceded by weekly two-hour seminars to provide information useful in practicing skills at the workshops. A program we recently concluded shows the broader-brush treatment that can be used in this kind of training:

**Dealing with people:**
1. What is expected of the manager.
2. Labor relations.
3. Understanding problems of other functions.

**Problem solving:**
4. Promotion and control of creativity.
5. Developing creative skills—"brainstorming."
6. Evaluation and planning of program.

**Organizing ability:**
7. New demands of a changing organization.
8. Organization planning.
9. Selecting and training leaders.

*Advanced Management Program*

As management employees progress in an organization, it is apparent that further development becomes more highly individualized. In addition to some of the more obvious individual techniques, such as the type of on-the-job training that results from job rotation or assignment, we make use of university management development programs and AMA resources.

However, in a rapidly growing organization, which ours typifies, the frequency of certain individual needs justifies a group-development approach. We noted recurrence of such individual needs as better knowledge of profit and loss, interrelationships of various company functions, and marketing problems. Moreover, these needs existed, not only among engineering management, but throughout management in general. We felt much benefit would result from a program which would require all elements of our management to think about each other's problems in joint discussion.

Accordingly, during the summer of 1957, RCA conducted its first Advanced Management Program for about 180 upper management people on the Rutgers University campus. The program was offered
to groups of approximately 30, chosen from all elements of one of the company's major divisions; it lasted one week for each group. Its technique of instruction involved abbreviated case studies in which major management decisions, concerning the obtaining of new capital, the development of a product, and its manufacture and marketing, were all involved. Our managers returned from the program with a vastly increased appreciation for the decisions which must be made in the conduct of the company's business.

RESULTS TO DATE

What have been the results of RCA's programs? They are found in the performance of the many new men in management who are products of these programs. During 1957, for example, there were 193 managers and supervisors in Camden alone who received training. Behind them are a reservoir of trainees and engineers being prepared through training for future promotion. In the face of expansion and realignments required by the business, each of the engineering departments affected has been able to show significant progress. An expansion of engineering management is being accomplished largely from within the organization.

Just as we believe that no predetermined training will suit the individual needs of our various operations without a great deal of tailoring, we're sure that what RCA has done won't furnish the specific answers for other companies. Our approaches can serve as illustrations of techniques which can be applied to the solution of the individual problems.
Food Machinery and Chemical Corporation

Emphasis in this West Coast company's development plan is on, first, participation, to insure maximum acceptance; and, second, an individualized approach. Noteworthy are the care and thought devoted to increasing each manager's skill at face-to-face counseling and so making the most of the guidance interview.

There are two features which might be said to distinguish our approach to management development: (1) emphasis on the underlying philosophy—the why rather than the how—and on the actions taken rather than the pieces of paper which record them; and (2) an emphasis on each individual as a unique and continuing challenge. Hence it is recognized that there is no FMC Management Development Program as such but, rather, as many programs as there are people requiring development.

In the process of management development as we see it, there are three interrelated but different responsibilities:

1. A man's responsibility for his own development.
2. The responsibility of the manager for promoting the self-development of his subordinates.
3. The responsibility of the organization as a whole—corporation, division, and plant—for encouraging and directing all managers in creating the proper kind of developmental climate and for providing a continuing supply of properly qualified individuals at each level of management.

Some Fundamental Principles

The fundamental beliefs which underlie our activities have been developed in discussions with management groups throughout the
company and have been accepted and applied by all levels of management. They are as follows:

We believe that the growth and development of this Corporation is dependent upon the growth and development of the people who comprise it. Hence we believe that, to have a growth company, we must have people who are personally growth-minded.

We believe that to make the development of individuals of maximum value, both to the individual and to the Corporation, we should consider the qualifications of all available employees for openings which occur within the Corporation prior to the selection of individuals from outside the Company.

We believe that each individual presents a separate and distinct developmental problem—that his strengths and weaknesses, his hopes and aspirations are individual characteristics that must be recognized and catered to. Hence all of our management development is man development; all of our personnel development is personal development.

We believe that all personal growth or development or change must come from within the individual, that he must want to change. This presents our greatest challenge, and opportunity, in human leadership; for . . .

We believe that each boss in the organization has a responsibility to create the necessary growth climate for his subordinates and must work out with each of them a meaningful plan for personal improvement.

Finally, since a boss can thus foster or hamper the performance of his subordinates, we believe that the Corporation as a whole must provide advice and assistance to all bosses, in the form of usable tools and techniques, plus guidance, encouragement, and direction in their use.

Individual guidance is the very essence of what we mean by management leadership. If an executive accepts the generally recognized definition of a manager as a practitioner in the art of getting things done through people, then he acknowledges his responsibility for the people under his jurisdiction. It is this particular responsibility which distinguishes the manager's job from any other job in the organization—the responsibility for guiding, counseling, teaching, inspiring, and directing his subordinates. The basic rationale of management is the fact that there is a group of people involved in
some activity who must have guidance and inspiration if they are to perform effectively. The manager's responsibility toward his immediate subordinates cannot be delegated to anyone else—not to the personnel department, outside counselors, nor even a staff assistant.

**Criteria for a Review Approach**

The following points are some of the guides found of value in our attempts to get line bosses, at each level, to work more and more effectively with each of their subordinates. The objective is to provide these men with tools which they can and will use and which will facilitate their day-to-day working relationships with their people. The cornerstone of our approach is the performance review procedure, which has been designed as an aid in fulfilling these responsibilities. By using this procedure on a regular basis, we make it possible for each individual, first, to see himself as others see him and, second, to consult with his immediate superior about his development and how to foster it. The following, then, might be termed the criteria of the particular approach we are using:

1. *The whole technique is openly recognized as purely subjective.* We realize that it can never be entirely objective; that leadership is largely a face-to-face, personal activity, and the supervisor's judgment of his subordinates a part of this face-to-face relationship.

2. *The approach is centered on the individual, rather than on the group.* Each person is considered separately, as a unique composite of individual requirements, needs, and facets.

3. *The appraisal is made within the framework of present job responsibilities.* It is not made in terms of psychological abstractions, personality traits, or off-the-job behavior patterns. Wherever it is necessary to consider personal characteristics, these are always limited to matters that an individual can recognize and correct, and that are of a type which his supervisor can discuss positively with him. In all cases, every attempt is made to maintain and reinforce the personal dignity and security of the individual.

4. *Major consideration is given to job performance and to what aspect of it the individual should improve or change and how he can best do it.* Here the paramount question is as follows: "Is there any need for change or improvement in the performance of this responsibility, and how can this improvement be accomplished?"
5. **Primary emphasis is thus upon improvement in handling present responsibilities—not on promotion or advancement.** There are estimates of the individual's capacity for larger responsibilities and growth potential, but these are recognized as merely projective opinions. It is our experience that by de-emphasizing the promotional ladder, and emphasizing optimum performance on the present job, we are better preparing those with growth potential for the possibility of greater responsibilities.

6. **We try to keep the system as simple and as self-explanatory as possible.** Necessary instructions are made easy to follow, brief, and to the point. Instruction sheets also are as brief and as informal as possible. Even the name of the procedure is important to its acceptance and use: Many individuals who once objected to being rated or evaluated or appraised do not raise the same objections to having their performance on their present jobs reviewed for the purpose of helping them to do those jobs better, and with greater ease and satisfaction.

7. **A group consensus is considered to be fairer and more accurate than individual judgments.** Here we are helping the boss to work with his subordinates by providing him with a group opinion to augment and even clarify his own thinking. With the group approach, he isn't limited to saying, "I think . . ." in terms of job responsibilities and remedial items; he is reporting what several persons agreed was important to an individual.

8. **The form used is intended to provide a basis for realistic, meaningful coaching by the boss.** We consider the particular form to be relatively unimportant. It has been claimed that, if a reviewing group of three or four competent individuals sits down with blank sheets of paper and asks, discusses, and answers such questions as: "What is this person now supposed to be doing?" "What can, or should, he do better or differently?" "How can he do it better?" management appraisal is taking place and a basis is being provided for management development. Each manager who uses the form and procedure must see that it is of some value to him.

9. **The important by-product values of improved knowledge and understanding are openly recognized and utilized.** We have seen such results as a better understanding of the job under discussion, of the organization as a whole, and of the individuals concerned; and a greater knowledge of themselves on the part of all participants.
10. The system as a whole is considered an opportunity for a periodic audit of an individual's changing interests and progress. At least once a year, the questions are asked: "What does he want to do?" "What are his growth potentials?" "What developmental action has been taken?" The avowed purpose of the entire endeavor must be to help the individual to see himself and thus to help himself. The boss involved assists in this by providing the climate for growth and improvement—and the system as a whole is part of the company atmosphere which permits and encourages the actions of the boss to take place.

11. The form used is considered a tentative, flexible instrument and should be merely a guide for the review discussion. It is subject to constant change and improvement. We have had at least five "editions" of the present form. It is, moreover, merely a worksheet, and is not a form to be completed or filled out. In this connection, we believe the general appearance of the material used is important—the forms and systems of some companies appear difficult and formidable. In all cases, it is stressed that parts of the form that are not applicable in a given situation should be left blank.

12. Each individual is asked to review his own performance and estimate his own future potential. This process takes place concurrently with the regular group appraisal and prior to the discussion between the boss and the subordinate. As a help, the man is given a complete set of materials (the explanation sheet, reference lists of good performance actions, "Performance Review Summary Sheet," and "Self-Review of Performance and Prospects" shown as Exhibits 1-4) and asked to try them on himself. He is told that he may bring this self-appraisal to the counseling session, but only for his personal reference; he does not turn it over to his boss, nor do the two attempt to discuss together what he thinks of himself and why. These reviews have proved to be exceedingly valuable. Not only do they set the stage for a positive, non-defensive discussion between the man and his supervisor, but they aid materially in fulfilling the basic purpose of the entire procedure: to permit each individual to see himself and thus to help himself.

13. Finally, the summary sheet is considered only a means to an end, the end being the ensuing boss-subordinate discussion. Here it is clearly understood that the appraisal is a step in planning, not a rating of an end product.
Guidelines for the Manager

The counseling session which immediately follows the performance review gives the manager an opportunity to carry out his guidance responsibility toward his subordinates. Numerous discussions have been held with groups and individuals in the attempt to make this face-to-face session of maximum value to everyone concerned. Out of these discussions, certain principles have emerged which serve as guides to our executives:

1. The manager must prepare himself for the counseling session.
   This entails holding the session as soon as possible following the performance review, so that the material will be fresh in mind. The manager should review the summary sheet and make any notes that are necessary to amplify the items listed during the review. He may find it useful, also, to assemble relevant facts and examples.

   Another important element in the preparation process is the selection of a suitable time and place. Some bosses prefer "neutral ground" to their own offices. In all cases, however, the planning sessions should be private, free from interruptions, and held in a setting which is conducive to relaxed and calm discussion. It should not be forgotten that two of the most important facets of the subordinate's life—his job and his future—are going to be discussed.

   Furthermore, the manager needs to review his own attitudes. The atmosphere surrounding the discussion should be friendly and cooperative in every sense. No one should ever hold a planning discussion when he is out of sorts or has had serious friction or conflict with the subordinate concerned.

   Finally, as a part of his personal preparation, the boss should review the developmental resources which are available to every manager. These will include such activities within the company as developmental planning sessions with the immediate supervisor, planned rotation in other jobs, committee assignments, and temporary understudy positions. Outside the company there may be special classes, institutes, workshops, and seminars, as well as membership in technical societies and attendance at special meetings. Both in and out of the company are opportunities for assigned or directed reading, depth interviewing for self-appraisal and analysis, planned visits to other plants, and group leadership training and experience.

   (text continued on page 309)
The purpose of this periodic review of performance is to help each individual to see himself and, thus, to help himself. This is accomplished by providing for a group of approximately three individuals who meet to consider an individual's performance within the context of the responsibilities of his present position, plus his future prospects from the standpoint of available knowledge and opinions. The reviewing group always includes the immediate supervisor of the person being reviewed. If possible, the other members of the group should be from outside the immediate organizational unit and should be at about the same organizational level as the immediate supervisor.

Each division and each branch or plant within a division (wherever there are a sufficient number of employees) selects one person to be the "coordinator" of such activities at that location. This coordinator is the chairman and recorder at the performance review session—he convenes the meeting, generally guides and controls the discussion, and records the consensus of the group on the summary sheet [Exhibit 3]. The summary sheet which he thus completes is the "official" copy and the only one retained after the meeting is concluded. This copy is then used by the supervisor as a basis for his proximate discussion with the person concerned. It is this latter "man-boss" discussion which is the whole purpose, goal, and target of the performance review procedure.

Only reactions and opinions upon which the entire group is agreed are entered on the summary sheet. The objective is to get a considered group judgment, rather than separate, personal judgments and opinions.

Since this review of an individual's performance is based upon his activities in his present job, a position description outlining present responsibilities and position requirements is helpful. If such is available, it should be present and referred to at the review discussion. Thus, the best way to begin such a discussion is to consider the general purpose, scope, and responsibilities of the position prior to discussing the various aspects of the individual's performance. The respective responsibilities and requirements of the job should be considered in connection with each of the corresponding items on the summary sheet. If no position description is available, the immediate superior should state the nature and scope of each responsibility or requirement as it is to be discussed by the group.

The form used to summarize the performance review discussion is a work sheet. Any parts of it which are not applicable to a particular job or individual may be left blank. General comments and reactions can be written in any available space. The arrangement of items on the sheet is merely to guide the discussion—they may be considered in any sequence thought best by the review group.

Where necessary, an item should be qualified or explained in the space provided. Subresponsibilities may be itemized and separately appraised.

The following pages are for reference use during the performance review discussions. The items listed as "actions" are adapted from a list of management actions or practices which a sizable group of management people agreed were significant in "good" management performance. Hence, while these items can be used to stimulate discussion, they are not intended to be a checklist for rating or appraising performance. Rather, they are intended to provide the group with some "thought starters" to help in identifying areas where present performance can be improved or future potentialities enhanced.

EXHIBIT 1
REFERENCE SHEETS FOR USE IN PERFORMANCE-REVIEW DISCUSSIONS

[Adapted from a list of "leadership or management actions" developed by Prof. Earl Brooks, of Cornell Univ.]

I. RESPONSIBILITY FOR PEOPLE AND ORGANIZATION: Consider how he fulfills his responsibility for the people and organization for which he is directly and indirectly responsible. Some possible actions to consider:
1. Gets group reaction on important matters before going ahead.
2. Puts suggestions by the group into operation.
3. Encourages members of his organization to express their ideas and opinions.
4. Keeps well informed about the accomplishments of the group.
5. Keeps informed on how members think and feel about things.
6. Reports progress to the group.
7. Expresses appreciation when a member does a good job.
8. Keeps his group informed about matters affecting the work.
9. Is easy to understand.
10. Does things which make it pleasant to be a member of the group.
11. Attends social events of the group.
12. Helps members of the group settle their conflicts.
14. Understands members' problems on the job.
15. Understands members' problems outside the job.
16. Is firm in dealing with members of the group.
17. Defends his group against criticism.
18. Goes to bat for members of his work group.
19. Backs up members in their actions.
20. Publicizes outstanding work of members of his group.
21. Stimulates members for greater effort.
22. Inspires in others the willingness to work toward objectives.
23. Lets others do their work the way they think best.
24. Selects the right person for the job.
25. Helps members make adjustments.
27. Sees that authority of each member is clearly understood.
28. Shows members how each job fits into the total picture.
29. Lets members know what is expected of them.
30. Effectively delegates responsibility and assigns authority.
31. Avoids trespassing on responsibility once delegated.

II. RESPONSIBILITY FOR PHYSICAL ASSETS: Consider how he fulfills his responsibility for the facilities, equipment, materials, products, money, records, etc., for which he is responsible. Possible actions to consider:
1. Sees that member of his organization have the equipment and materials they need to work with.
2. Recognizes situations which need improvement.
3. Makes effective use of equipment, facilities, materials, and products under his jurisdiction.
4. Emphasizes the control of costs.
5. Is expense-conscious.
6. Maintains adequate records.
7. Controls expenditures.
8. Protects physical resources.
Performance Review Summary Sheet

Name ........................................ Position ........................................ Date ...........................

Indications of Needed Change or Improvement Performance Deserving Commendation

I. PEOPLE AND ORGANIZATION

II. PHYSICAL ASSETS

III. PLANNING AND INITIATION

IV. DECISION MAKING AND INTEGRATION

V. INTERNAL RELATIONS

VI. EXTERNAL RELATIONS

VII. SPECIALIZED SKILLS AND KNOWLEDGE

VIII. GENERAL SKILLS AND KNOWLEDGE

IX. HABITS, ATTITUDES, BEHAVIOR

Exhibit 3 (front)
X. WHAT IMPROVEMENT OR CHANGE WOULD CURRENTLY BE MOST BENEFICIAL?

XI. WHAT DOES HE DO ABOUT HIS SELF-DEVELOPMENT?

XII. WHAT DOES HE DO TO DEVELOP HIS SUBORDINATES?

XIII. IS HE WELL PLACED?

XIV. DOES HE LIKE WHAT HE IS NOW DOING?

XV. WHAT DOES HE WANT TO DO?

XVI. WHAT IS HIS APPARENT CAPACITY FOR GROWTH?

XVII. ARE THERE PEOPLE WITHIN THE ORGANIZATION CAPABLE OF REPLACING HIM?

PROPOSED DEVELOPMENTAL ACTION AND COMMENTS

Review Group: ........................................

........................................

........................................

(Chairman)
# Self-Review of Performance and Prospects

<table>
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<tr>
<th>Name</th>
<th>Position</th>
<th>Date</th>
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Summarize what you now do regarding each of the indicated responsibilities, if it pertains to your present job.

What can you or the organization do so that these activities can be performed more easily or more effectively?

## I. People and Organization

## II. Physical Assets

## III. Planning and Initiation

## IV. Decision Making and Integration

## V. Internal Relations

## VI. External Relations

## VII. What are the Specialized Skills and Knowledge Required for Your Job?

If needful, what can you do to enhance these skills and knowledge?

## VIII. What are the General Skills and Knowledge Required for Your Job?

If needful, what can you do to enhance these skills and knowledge?

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**Exhibit 4**

(front)
IX. DO YOU HAVE ANY HABITS, ATTITUDES, OR MANNERS WHICH ARE HANDICAPPING YOUR PRESENT PERFORMANCE OR YOUR FUTURE WITH THE COMPANY?

X. OF ALL MATTERS YOU HAVE CONSIDERED IN THIS REVIEW, WHAT IMPROVEMENT OR CHANGE WOULD BE MOST BENEFICIAL TO YOU?

XI. WHAT ARE YOU DOING ABOUT YOUR SELF-DEVELOPMENT?

XII. WHAT DO YOU DO TO DEVELOP YOUR SUBORDINATES?

XIII. ARE YOU CURRENTLY WELL PLACED IN THE ORGANIZATION?

XIV. DO YOU ENJOY WHAT YOU ARE NOW DOING?

XV. WHAT DO YOU WANT TO DO, NOW AND IN THE FUTURE?

XVI. WHAT IS YOUR APPARENT CAPACITY FOR GROWTH: WHAT ARE YOUR GROWTH LIMITATIONS?

XVII. ARE THERE PEOPLE WITHIN THE ORGANIZATION CAPABLE OF REPLACING YOU?

In light of the above, what immediate developmental action or change would you propose?
The coordinator of management development at each location is ready and able to translate these generalities into the specific classes, seminars, written materials, and so on, which are available locally or elsewhere. However, while the manager should give preliminary consideration to the developmental methods that might apply in a given case, the final decision must be based on the individual concerned.

2. The manager must prepare his subordinate for the discussion. This means that he needs to restate the objectives of the entire performance-review procedure and the ensuing discussion. He should make it clear to the subordinate that the discussion is intended to help him in doing his present job and in thinking about his future with the organization, that it is a serious discussion to which his supervisor gives a lot of emphasis, and that not only he and his boss but all key people throughout the organization are likewise involved in developmental planning.

An important part of the subordinate’s preparation, as mentioned before, is to get him to review his own performance, attitudes, and values before the discussion with his superior. This procedure has served as a highly effective icebreaker in the post-appraisal sessions and has helped to foster more positive, non-defensive discussions.

3. The manager must reach agreement with his subordinate as to the latter’s responsibilities. A job description or statement of responsibilities is of value in this connection, but it is more important to arrive at an actual agreement on the objectives, the purposes, and the scope of the job. These are the dynamic aspects of a job which usually change with time and therefore need reaffirmation from year to year. During the discussion, the boss can make it evident that he is comparing the subordinate’s performance with the standards which apply to the job itself—not with the performance of other people. Above all, the supervisor should not use himself as an example, either good or bad.

4. The manager must establish and maintain a positive tone throughout the discussion. He must make sure that the discussion does not become a fault-finding session, or a one-sided criticism of the individual’s performance, but rather that it is a joint effort to work out suggestions for improvement. It is well, therefore, to emphasize some positive features early in the discussion—definite areas in which the employee can be commended.
5. The manager must be willing to listen to his subordinate and try to get his reactions. Indeed, the manager himself may learn something from this practice. Here is an excellent opportunity for him to utilize the non-directive method and to reap some of its rewards. In applying this technique, the manager can develop his own self-understanding—certainly an asset to any executive.

If the interview is handled effectively, the boss can find out what the employee really wants to do—or thinks he wants to do. Two questions on our performance review sheet are designed for this purpose: “Is this individual well placed?” and “What does he want to do?” It is part of the manager’s job to determine the answers to these questions in order to help his subordinates develop realistic and meaningful occupational goals. Moreover, since goals are subject to change, as are other aspects of the individual’s life, these questions must be asked, not once and for all, but every year.

As part of this listening phase of the developmental interview, the boss should try to get agreement on improvements to be made in a specific area when the subject is mentioned by the subordinate himself. The boss must be prepared, of course, to suggest ways and means of accomplishing the desired change.

6. The manager must at all times help to maintain the individual’s self-respect. It does no good to argue a point, since, if the subordinate disagrees, the boss will gain nothing by proving him wrong. The discussion should be kept flexible and open to suggestions. There is nothing absolutely final about the comments on the performance review sheets, and sometimes the subordinate introduces new evidence which entirely changes the context.

7. The manager must seek to work out a mutual plan for the subordinate’s personal development. Here it has proved of some value to use the individual development plan form (Exhibit 5) for recording the developmental actions agreed upon. This form puts on record the specific why, what, when, and by whom. If the procedure is properly handled, the subordinate will view the plan as his own. Therefore, the manager should use the individual’s own words wherever possible and avoid emphasizing himself.

In preparing the individual development plan, it is important not to snow the man under—to list, for example, 15 different areas in which the subordinate is to improve himself during the next six months. Rather, the boss should seek agreement on some few points
### INDIVIDUAL DEVELOPMENT PLAN

<table>
<thead>
<tr>
<th>Date</th>
<th>Period</th>
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<tr>
<th>Purpose or Reason</th>
<th>Methods of Development to Be Used</th>
<th>Dates, Places, Comments</th>
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**Specialized or Technical Development**

**Broadening or General Development**

**Development of Avocational Interests**

**EXHIBIT 5**
where improvement is most urgent. It is usually better to select areas in which the subordinate can recognize progress and experience some success than to list all the possibilities.

8. The manager must close the discussion on a positive note. It should be made clear to the subordinate that his performance and his development are a joint responsibility—of himself and of his boss—and that he should keep the manager informed of his progress. At the same time—

9. The manager must make sure to follow up the discussion, scheduling definite sessions for the purpose. After reviewing the plan which has been agreed upon, he and the subordinate should consider the progress made and explore any further possibilities that may arise. This cannot wait until next year's performance review. The manager, in fact, should observe the subordinate continuously, commend or correct actions as they occur, and arrange to see the individual frequently in order to sustain the positive note on which the development session ended. It will be helpful if the boss refers from time to time to the individual development sheets which he keeps in his desk and bears these in mind when he inquires about the progress of his subordinates.

10. Finally, the manager must assist his subordinate supervisors in their planning for man-development. He should review with them the results of discussions they have held with their own subordinates. By asking to see the individual development plans which they have worked out, he can inquire about the progress being made on specific items. If a supervisor is unable to report on the progress of his subordinates, he himself may require some attention from his boss.

These directives have been culled from a variety of sources and thoroughly discussed in management sessions throughout the company. By no means, however, do they represent a complete "how to do it" manual on counseling. Individuals differ, bosses differ, performance differs—hence there is no one best way to approach the problem. For the most part, effective coaching is something that must be learned by doing. Not all the suggestions outlined here will be applicable in any given case, and there may be situations in which other techniques will prove more suitable.

Our approach to developmental counseling is based on the belief that leadership is an essential function of the executive at every
level and that this is essentially a face-to-face activity. Letting people know how they are doing, where they stand, and what may lie ahead requires personal communication. It cannot be done merely by letters or memoranda or telephone calls or delegation—it is the outgrowth of a personal relationship between the executive and each of the persons for whom he is responsible; and only this relationship, continually renewed, can build a mutual feeling of accomplishment and progress.
The Goodyear Tire & Rubber Company

In an organization which makes extensive provision for training employees at the entering level, and which hopes to fill management vacancies from within, development may logically be viewed as a matter largely of apprenticeship. In such a company, programs for craftsmen, for production supervisors, and for college and technical school graduates will run side by side, supplemented in the potential executives' case by continuing training at higher and higher levels in advanced management techniques.

Executive development, the growth of your people to assume management responsibilities, we believe at Goodyear to come as a result of good, sound personnel planning and training.

Any organization, no matter what its size, may be said to resemble a pyramid, with the familiar broad base tapering to a point at the top and each layer of stone or blocks representing a level of management. When you stand back and look at it, you may see that some of the blocks need replacement, that some of them can be used more advantageously elsewhere, and, of course, that some of them can stay where they are but need additional strengthening.

In this process of standing back and looking at your organization, three questions come readily to mind: (1) What do we need to perpetuate this organization? (2) Who can do it? (3) How can he be trained?

Methods of Approach

Let us look a little more carefully at these three questions.

1. What do you need? There are many methods of approach to this problem. It is pretty much a matter of inventory, plus due atten-
tion to anticipated expansion or contraction. Actually, it becomes long-range planning, which cannot be emphasized too much. You can, of course, use the yardstick which best applies to your company. You estimate future business, and then you get down to your own people in terms of age, physical condition, performance, and the like.

2. Who can do it? Who is there in the company that can take over this important responsibility of developing the personnel needed if the company organization is to be maintained and strengthened?

3. How can he be trained? Is the man's background sufficient? Does he need to be prepared for this job? It's not enough to say simply, "Joe came up through the company—he understands our organization. Certainly he ought to be able to take over."

We are not speaking here of all the techniques involved in executive development. We do not regard them lightly at Goodyear; we recognize the need, for example, for good job descriptions and an inventory of what your people have done and are prepared to do. Nor do we minimize the importance of outside training, though this is only a very small segment of executive development as we visualize it.

Many times we have been asked, "Are you people doing any executive development work?" We say, "What do you mean?" And the reply is: "Are you sending men to Harvard, Northwestern, or AMA programs? Do you think they are really doing a job?" And, of course, we do take advantage of such programs, and we do think they are worth while. But we are afraid all too many companies are getting the idea that, by putting a man with any type of background through a 4-, 9-, or 13-week program, they can have him come out on the other side ready to do an executive job.

The Goodyear Plan

What do we do, inside the company, to help the pyramid of people that is the Goodyear organization to grow and prepare for greater responsibility?

Like many other companies, we are made up of three major divisions: Sales, Office and Finance, and Manufacturing. Without attempting to describe in detail the training programs in all these
areas, we may say that our over-all plan is in complete balance so far as they are concerned.

In Sales, for example, we have an extensive program for training the new men on the job, as well as refresher schools which bring the older salesmen into the parent company for review at least every two years. In the Office and Finance Division, we have office management conferences in which groups of men, not to exceed 20, usually participate in 16 or 18 sessions a year, covering four or five subjects about equally divided between personal development and company information. In the Manufacturing Division, we have pre-supervisional and supervisional conference training programs and extensive squadron and apprentice programs for beginners. And we have a Training Center School, which cuts across all these areas, offering self-help programs both day and night to all employees.

As a matter of fact, we have even set up programs for people who are with us only temporarily, as part-time employees, but who may eventually become full-time employees. First, we have about 400 part-time students from Akron University and other schools working with us for an average of three days a week. Second, we participate in cooperative programs. Third, we organize summer programs of 10 to 12 weeks for groups of college sophomores and juniors. Why do we do all this? Because it provides an excellent source of supply for new talent and helps to develop some of our people before they actually become what we might term employees.

Five Major Programs

Let's take a look, now, at five of the major programs directed at the people who make up the base of our organizational pyramid:

1. Our apprentice program, which is a four-year program for high school graduates in the mechanical trades. It is made up of on-the-job rotation assignments, classroom work, and management conferences.

2. Pre-supervisional training. Under this program, men are selected from the shop, not for technical training, but for training as production supervisors. They have one year of on-the-job rotation assignments, classroom work, and management conferences.
3. The *production squadron*, which is largely our entering wedge for college graduates. This is a six months' to two years' program of on-the-job rotation assignments, school, and management conferences.

4. The *engineering squadron*, basically for graduates of the apprentice program. It consists of two years of engineering shop and staff rotation assignments, school, and management conferences.

5. The *staff squadron*, composed mostly of engineering and technical graduates who are destined for staff rather than line jobs. Members spend six months in staff rotation assignments, school, and management conferences designed to give them a varied experience.

To our way of thinking, all these may be considered executive apprenticeship programs. True, they may be primarily aimed at increasing proficiency in the immediate or next foreseeable job, but at the same time they lay the foundation for steady growth at higher levels. Their basic elements, already listed—which are certainly those of management development as it is generally conceived—may be summed up as follows: (1) on-the-job rotation; (2) classroom work, about equally divided among company information, job knowledge, and personal development; and (3) management contact, either individually or in small groups.

*Job rotation* is as important for the beginner as the higher-level man. All five of these programs include short yet adequate and comprehensive assignments, so that the new employee gets a cross section of company operations before he is assigned to his first real job.

*Formal classroom instruction* is similarly important. It is essential, however, that units be kept small and that the student be able to tie together what he has learned on the job with company practices, procedures, and history.

All too often, *management contact* is thought of in terms of a young man, scared to death, sitting before an executive with his hands on his knees—with the executive so absorbed in other interests that he can only wonder how quickly he can get rid of this youngster. Executive contact, either individually or in small groups, must be a personal thing, well organized. You may even find that the respon-
sibility of training the executive for interviewing is as big as that of training the young man.

Continuation at All Levels

Executive apprenticeship at Goodyear thus implies training at an early level, but that training never stops and is continued at all levels.

Just as a brief example, the young man who may have had a year of pre-supervisional squadron training, and who now finds himself assigned as a production supervisor, will learn that he has simply stepped from one program to another. Naturally job assignments will depend upon his superior's judgment, but he will again be exposed to a combination of what we like to look upon as school and conferences. In this program he will be associated with 15 or 20 other supervisors who have the same general type of job responsibilities but not necessarily the same personal work experience or background. The man on his right at the conference table may have had six months of service on the job, the man next to him six years, and the man farther on 26 years.

The program will consist of 25 to 50 per cent presented material, and the balance of the time will be spent in discussion. The topics discussed can best be portrayed by showing a representative schedule:

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<td>Cost I</td>
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<tr>
<td>Contract Interpretation</td>
</tr>
<tr>
<td>Cost II</td>
</tr>
<tr>
<td>Human Relations</td>
</tr>
<tr>
<td>Quality Problems</td>
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<td>Contract Interpretation</td>
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<td>Quality Cost</td>
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<td>Human Relations</td>
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All this machinery that is put to work in developing an executive, from the time he walks in your door until the time he is president, must be a conveyor-belt rather than a shot-in-the-arm type of program. Although it may cost considerable money to set up and operate, it is still so inexpensive in the over-all, considering the long-range objectives, that no company can afford to be without it—or to let it suffer in times of business uncertainties.
The Role of Outside Courses

It would be unfair to proceed without a further word concerning the advanced management programs offered by a variety of organizations. To reiterate: We at Goodyear are in favor of such programs, and we have sent a great number of men to them. But we do so only when we have already put the stamp of approval on the individual and only when we feel that he is far enough up the pyramid of our organization that the material presented, the methods of instruction, and the rubbing of elbows with men of somewhat the same level of responsibility, but perhaps a different business background, will be beneficial. Moreover, we do not send him off with the idea of having him “made over”; this is simply a step in what we consider a good plan of executive development.

We of course do a great deal of advanced management training in our own company. We most certainly subscribe to such devices as “assistants to,” special assignments, and job rotation at these higher levels as well as the lower. Yet, with all this, somehow it comes back to determining who are potential company executives at the earliest possible moment.

In short, it is difficult to go out and buy a pennant. A good farm system, as a rule, is more productive.

Proven Success

What have these programs done for our company? Since the production flying squadron was started in 1913, a total of 1,664 men have been graduated, and 879 are with us today. Our apprentice program, started in 1925, has had 411 graduates, 324 of whom are still with the company. The engineering squadron was started in 1925—399 have been graduated, 312 are still with us. And in staff training, begun in 1925, we have had 1,102 students, of whom 562 are with us today. This added strength—2,000 men in all—has made it possible for us to expand in the rubber business and, beyond that, into the atomic, aircraft, chemical, and other fields. It has made it possible for Goodyear to grow from its beginnings in 1898 to our present worldwide operation.

Our chairman of the board, whose idea it was to develop the original squadrons, has stated on many occasions that Goodyear
could never have become the organization it is today without a squadron training program.

Have these men simply come in at the bottom and stayed there, or have they risen to executive positions? Let us look at a small segment of the company, leaving out the Akron organization, which is by far our largest manufacturing plant, and selecting what are our most representative manufacturing units, a total of 16 domestic and 14 foreign plants. And where did the men who are running these plants come from? Out of this group of 30 Goodyear plant managers, 24 started in the Akron squadron program.

Executives are being selected in companies every day. They are entering as beginners. The men on the top today were the men on the bottom yesterday. Are these men being given the start a future executive should have?

The methods and the tools used in training are not so important as a sincere interest in the development of people. Executive development must include a good program of executive apprenticeship; and—to repeat—the over-all plan must be a long-range one, grounded in good sound personnel planning and training.
At least as important as management development for existing managers is the process of training potential recruits for management's ranks. The difficulty, of course, is that of identifying potential. To avoid it, one company offers—successfully—basic management training for all.

The increasing professionalization of management at every level—from the lowliest foreman or group leader to the very top—has brought with it an almost universal recognition that the manager's training and development can no longer be left to chance, but must be placed on an organized footing. As a consequence, the business organization that is not making some formal effort to upgrade the caliber of its managers, supervisors, and foremen is becoming increasingly rare.

Thus far, the principal effort has been directed toward those persons already in the ranks of management. For the most part, the potential manager—except for college graduates hired specifically as management trainees—has received little attention. To a surprising degree, rank-and-filers are still being converted to supervisors by the process of ordination; and, in far too many cases, the workman selected to become a supervisor (i.e., a manager) receives a few hours, or at most a few days, of unplanned, hit-or-miss instruction, usually from the supervisor he is to replace. This, despite the almost universal agreement that the role of the front-line foreman is rapidly becoming one of the most critical points in the management hierarchy, and that weakness here contributes a large share to the myriad problems of management.

To be sure, the individual elevated to supervisory status at once becomes a participant in whatever management training program
his company has and thus begins the laborious process of acquiring professional ability. But our new manager is not entering a training period in the usual sense. He is, of necessity, a full-blown practitioner from the first day. This is not too unlike giving the would-be physician a license to practice on the same day he enters medical school.

Bridging the Gap

It is encouraging to observe that many companies are becoming aware of this serious gap in management training programs, as they are now constituted, and are taking some positive steps to give the potential supervisor some preliminary training before he actually becomes a supervisor. Hence the pre-management training program now in use in the Cities Service Refining Corporation.

We do not feel that the program is new, revolutionary, or world-shaking. Many companies have done and are doing the same thing in one form or another, in some cases more extensively. Moreover, we are aware that our program barely scratches the surface, so to speak, and a supplement that will considerably enlarge its scope and coverage is now being planned. Nevertheless, we do feel that it is concrete and practical. It has been thoroughly tested. It is workable. It is something you can do—a tool you can immediately throw into your own training kit.

Admittedly, such a program is rather expensive. But even this is a good omen. We have long since learned that management training which does not cost money is like free advice. Both are worth about what they cost.

Initial Problems and Decisions

Cities Service Refining Corporation first decided in the spring of 1950 to prepare and put into effect the first phase of this long-range program designed to equip potential supervisors for their management role. Almost a year was spent in developing the subject matter of a course of instruction in the following subjects: company history and products, economics, leadership, communication, principles of management, human relations, labor unions and labor legislation, foreman-steward relations, and the existing union contracts. The text was designed for lecture-discussion presentation and was
well supported with a wide variety of pass-outs, films, charts, case examples, and visual demonstrations.

When we were satisfied that the program was ready to launch, we came face to face with the age-old problem: Whom to train? Just as we had no reliable method for choosing supervisors from the ranks, so we had no dependable means of selecting candidates for training. Also to be considered was the problem of morale. Almost invariably, whenever a new supervisor or manager is selected, two or three other men are aggrieved at having been passed up. Weren’t we likely to encounter the same situation in selecting men for training? Except that, in this case, our difficulties would be amplified by the comparatively larger group of trainees.

Upon investigation, we learned these were precisely the problems that had prevented many another company from instituting any form of pre-management training at all. So we did some soul searching and engaged in a little objective analysis. After all, if the majority of our supervisors are obtained through a policy of promotion from within, then in theory, at least, all our top mechanics, operators, technical and clerical personnel are potential candidates for supervisory jobs. The question, then: Which of them, as a practical matter, possess the qualifications enabling them to develop into competent managers?

It was during the course of this analysis that we hit upon the proposition of making the selections in reverse. Of course, we could pick out individuals here and there who for obvious reasons could not qualify; but how could we predict, with any degree of certainty, how the remainder would respond and react to training? This brought us the answer to our problem, which—as so often happens—had been obscured by its very obviousness: *Train them all!* From various tests and careful observation by the instructors, we could then make a determination in each group, not so much of those who looked like promising material but, rather, of those who positively did not.

*Important Aid to Morale*

Not only did this decision solve the problem of initial selection, but at the same time it minimized the adverse morale factor that would have been present had selection been limited to a chosen few.
Realizing as we did the tremendous importance of favorable acceptance in the initial stages by the general employee group, we hedged our bet further by announcing the program in a general notice to all employees, issued well in advance of the starting date. Signed by the general superintendent, this notice expressed dissatisfaction with the old hit-or-miss method of supervisory selection, and then went on to announce and briefly describe the new course, which was to be called basic management training.

To avoid the danger of seeming to guarantee a future management job to everyone who might participate, the notice emphasized that satisfactory completion of the course would not in itself be an assurance of promotion, and that those who did not attend would not therefore be eliminated from consideration for such vacancies as might arise.

Method of Presentation

Having designed the course, developed a method for selecting the students, and paved the way for the program's inauguration, we were ready for our biggest task—presenting the course effectively.

The subject matter which had been developed required approximately 40 hours for presentation. Should it be given in one week or over a longer period; and, if over a longer period, what were we to do about men who were on rotating shifts which changed each week? It was finally decided that absorption would be better, and intellectual and physical fatigue less, if the program were extended over a three-week period and the subject matter broken down into sessions of one and a half to two hours. The shift problem was solved by relieving the men involved and assigning them to straight day work for three weeks.

Since skillful presentation was a "must," two former line supervisors who were serving full time as conference leaders in the regular management training program, and who had been thoroughly grounded in lecture and discussion, were trained as instructors.

A Typical Group

Let's see how a typical group gets under way. After a few remarks by one of the instructors, the initial meeting begins with a short
talk by the general superintendent. He re-emphasizes the points made in his general notice and points out what he feels are the advantages of the course to both employees and the company. In later meetings, each of the five major department heads also meets the group and makes a short talk emphasizing some aspect of the subject which the members will be discussing in that particular session.

The tenor of the meetings is informal to the extent that use of the prefix "Mr." is considered bad taste. Following the general superintendent's talk, the advantages of group discussion are explained; and, in order that the discussions may be more productive, it is stressed that whatever opinions are expressed are to be treated as confidential by both students and instructors. Members of the group are assured that they may feel perfectly free to call a spade a spade, since at all times the discussions will be directed toward determining proper management methods. It is not the intent of the instructors to rationalize present practices in the plant, which may or may not be correct.

Subsequent meetings, which are held in the executive conference room, usually start with an informative lecture in which general principles are outlined, followed by a discussion of the application of these principles to specific plant problems from the experience of the conferes.

In order to have a general cross section of plant opinion, and at the same time keep the meetings on an intimate and personal basis, classes are limited to 12 persons, each selected from a different craft or department. By the time the course is completed, each student has met—in most cases for the first time—all members of top management except the president. Then, on the last day, the president gives a luncheon for the group in the executive dining room, awarding a certificate and a group picture to each student, and it is on this occasion that one of the highlights of the entire course occurs.

Practice in Public Speaking

During the meeting on communication, the frequent necessity for a manager or supervisor to make short talks to his work group is brought out. On the premise that one of the surest ways to improve
one's ability to talk to a group is through practice, each member is invited to make a five-minute speech to the class at one of the following meetings. To get the group off to a start in its speech making, the instructors review and discuss elementary techniques of public speaking.

The group members, all of whom thoroughly enjoy this practice speaking, select their best speaker to give their opinion of the course in a short speech following the president's luncheon. The chosen speaker is told to feel perfectly free to express himself as he and his classmates desire. In fact, the instructor leaves the room while the group discusses the forthcoming talk.

The opinions voiced by the group speaker at the luncheon therefore give top management an intimate personal view of the progress of the training and its impact upon the students, a view which could not be obtained in any other fashion.

Results to Date

Now for the results: To date, 536 hourly employees have completed basic management training. The initial purpose—that of preparing a backlog of potential supervisors—has long since been achieved. It should be emphasized, however, that the potential is by no means exhausted. For, although the cream of the crop were among the first to attend, we are, curiously enough, still encountering some truly outstanding men who, in the normal course of events before the program was installed, would very likely have been overlooked in the shuffle. Conversely, some of those who were considered the most promising candidates have, under the microscope of searching group discussion, exhibited traits of character and mental processes which are not at all compatible with sound management.

The most startling aspect of the entire program has been the multiplicity of unexpected by-products that has emerged. Each group is asked to fill out an anonymous questionnaire. From an analysis of the questionnaires, together with the remarks of the group speaker and comments by the students to their bosses, we have found that the course is unexcelled as an attitude-changer and morale-booster. Those who have completed it are enthusiastic in their praise and, to a man, urge that it be given in one form or
Another to every employee. Union stewards are especially insistent that it be given to all other union stewards.

Many long-time employees state they have learned more about their company in three weeks than in all the 20 or 30 years of their previous employment. They are impressed by the sincerity and frankness of both management and instructors in answering their questions and in discussing the problems of managing an industrial organization. They gain a new appreciation of the difficulties encountered by their own supervisor in the discharge of his duties, and there is an almost fervent endorsement of the principles of good human relations as taught in the course.

Those who have since been promoted endeavor to function in accordance with the principles outlined in the course and are eager students in the regular management training program. And these men, together with those who have not been promoted, are somehow having a leavening effect on the older men who were promoted before the program was set up—making them look to their laurels, as it were.

The trainees assert that they see a big change in the plant since this training program was instituted. They say the value of the program cannot be measured in dollars and cents and is even difficult to express in words, for it will inevitably cause a man to want to do a better job.

Oddly enough, some of the trainees indicate that, as a result of having seen the complexities of the management job, they have no desire for promotion. Nevertheless, they emphasize that they wish to be supervised by men who have taken the course and who will practice its teachings.

All are convinced that here is no superficial tongue-in-cheek approach: If management did not unreservedly subscribe to the philosophy which is set forth in the course, it would be dangerous—if not suicidal—to teach its precepts to future managers and the general employee group.
Notably comprehensive, Canadian Marconi's program of management development strikes a balance between techniques designed to increase know-about and know-how. Interestingly, the value of selected reading in management is given more than passing acknowledgment; the company librarian consults with the development staff in choosing material, and lists of appropriate books and articles are circulated periodically to the management group.

At Canadian Marconi, management feels that there are six factors underlying all planning, coordination, decision making, and human relations. These factors, which also constitute the basic tools for management development, are an understanding of (1) how we learn; (2) how we receive information; (3) how we evaluate; (4) how we reach decisions; (5) how we communicate; and (6) man's desires and needs.

To gain continuing knowledge of these factors, Marconi leans heavily on new developments in the management, research, and academic fields.

Two Phases of Development

Marconi's management development program grew out of our managers' need for better methods and greater skills to handle increasingly complex problems. It is based on the conviction that most members of our company have the potential to cope with the difficult jobs of tomorrow, provided they are equipped with the tools.
Increasing "Know-About"

This program is comprised of two phases. The first, which is concerned with increasing our "know-about," includes taking steps to—

1. Know about new methods of management and organization, no matter where they may be developed.
2. Know about methods used by other companies.
3. Know about our people, their capacities, and their individual characteristics.
4. Know about communication techniques.
5. Know about new developments in understanding people.

Increasing "Know-How"

This "know-about" program is concurrent with the other half of Canadian Marconi's effort, which is concerned with increasing our "know-how." This aspect of the program seeks to enlarge our—

1. Know-how in learning, observing, writing, planning, reading, evaluating, decision making, speaking, and listening.
2. Know-how in working with people.
3. Know-how in personal thinking or, more specifically, emotional control.

ELEMENTS OF THE PROCESS

These principles are the only formalization of the Canadian Marconi Company's management development process. Any project which legitimately falls within them may, at any time, become a part of the process.

Some of the methods used to increase both "know-about" and "know-how" are the following.

Inventory and Evaluation

Canadian Marconi, aware of the continuing expansion, changing conditions, and increasing complexity of business methods, con-
stantly reviews its organizational structure. To allow for these factors, as well as retirement, movements out of the company, and the like, organization charts are brought up to date at regular intervals. The charts are color-coded to show each individual's level in the development process and possible line of progression. Accompanying this organization analysis is a careful delineation of the area of freedom and responsibility for each position on the chart. To be effective, this must be reviewed often.

Step 2 in this phase of the development process is an analysis of the performance of each man in each position. For this purpose Marconi uses a form which is divided into three main categories: (a) job qualifications; (b) management qualifications; (c) personal qualifications. Each of these main divisions is subdivided into several factors, with about six questions per factor. These questions are made as descriptive as possible in the hope of reducing subjectivity. Space is provided with each factor for a summary and an opinion as to whether the ratee might profit by emphasis on this factor.

These forms are filled out individually by the man being rated and his superior. The two versions are then studied by a correlating team of four men. Their analysis is reported to the superior, who then talks to the ratee. In this way three main objectives are accomplished:

1. The man tells how he sees his performance.
2. The superior tells how he sees the man.
3. Both make suggestions as to how the development process might help make the man's performance more effective.

Two major benefits, which are implied but not explicitly stated here, are the clarification of the thinking of both men during the process of evaluation and a great increase in communication potential after the superior-ratee interview. This analysis of performance technique is most effective when everyone feels that the basic purpose is to help the individual.

Recently, we have been experimenting with a combination of training and appraisal. When an individual comes up for appraisal, he is asked to bring with him some kind of statement of the short-term and immediate objectives of his job. We then try to determine, by discussion with the man and, if necessary, by discussion with others, how we can help him achieve these objectives and, in the process of so doing, develop his capacities as a manager.
Focus on Strengths

Most business managers have succeeded by virtue of the particular strengths of their individual characters, and in spite of their peculiar weaknesses. In other words, their strengths were sufficient to impel them forward despite the braking effect of their weaknesses. It is perfectly true, of course, that one may advance by reducing or eliminating this braking effect. However, it should be suggested that one can advance even faster by concentrating on the development of existing strengths. The program with which we are now working is designed precisely for that purpose.

This is not to imply that we overlook the weaknesses, or that we brush them aside in any way. But we sometimes find that, by concentrating on the strengths, we are able to bring the weaknesses into such a position that, even if they do not become strengths, at least they do not continue to be hindrances.

Scientific Management Studies

A constant stream of men from the management group attends courses, workshops, and seminars given by the American Management Association, the University of Western Ontario, McGill University, and other such organizations. These sessions help give Marconi people the benefits of direct discussion with members of other companies and also expose them to the latest methods of scientific management.

The head of the development department coordinates these trips and himself attends courses at such places as the Institute of General Semantics, the Research Center for Group Dynamics, the University of Buffalo, Massachusetts Institute of Technology, to name only a few.

Off-the-Job and In-Plant Conferences

A notable feature of the development process is "management briefing conferences" initiated by five days of study away from the job, usually at a resort hotel in the Laurentian Mountains north of Montreal. These are followed up on the job with a weekly session of three hours over a 24-week period. So far as possible, each group is
selected from a cross section of company functions within adjacent levels of management. The group studies through discussion, experiment, role playing, and the like, and the diversification of backgrounds assists greatly in developing communication. These conferences are led by a member of our own staff.

The accent in these off-the-job conferences is on personal development. Operating on the assumption that each man uses only a small portion of his potential, they are designed to bring out new knowledge in the areas of learning, gathering information, relating information, making and testing decisions, speaking, listening, and individual and group behavior.

In conjunction with these conferences, each man is given a series of books on relevant topics. In addition, a comprehensive reading list in this area is prepared for those who wish to continue their study.

Using the same basic ideas as the off-the-job conferences, in-plant conferences for foremen are conducted in human relations training and work simplification. These occur weekly over a period of 20 weeks. The material for them is drawn from work done in the fields of industrial relations, psychology, general semantics, group dynamics, teaching-learning, perception, and philosophy, and is being constantly expanded.

Practice Through Skill Sessions

Those parts of the development process discussed so far deal chiefly with information or "know-about." In order to turn some of that "know-about" into "know-how," we have established the "skill sessions."

Those men who have attended at least one scientific management course and one of the management briefing conferences form a group limited to 12 and practice some of the skills they "know about." These groups meet for a two-hour period twice monthly.

The direction of each discussion is determined by what type of practice the group wants or appears to need most. Some of the problems considered by the skill sessions are drawn from published case studies, while others are problems currently confronting the company.

Using such techniques as a variant of the "incident process," role playing, listening exercises, diagramming problems, and disciplined
planning groups,* the group gains practice and confidence in new tools. Each session is completely tape-recorded and afterward analyzed.

The skill sessions help to transform uncertainty in using a new method to solve a firing-line problem into the confidence that derives from experience.

Professional Appraisal of Management Group

In order that Canadian Marconi may have an over-all view of those making up its management group and that the men themselves may gain further assistance in personal achievement, each member of the management group from president to foreman is professionally appraised by the director of McGill University's Applied Psychology Department.

Also, before any supervisory position is filled, individuals being considered are appraised, provided this has not been done previously.

Assistance from Staff Counselor

Staff members are individually assisted in applying some of their new skills by visits, on a more or less continuous basis, from a staff counselor. The function of this coaching is not to suggest solutions to the individual but rather to help him apply his skills more effectively and reach his own decisions. Often the counselor is called upon to act only as a sounding board during the analysis of a situation.

A further function of the counselor is moderating meetings on request. The counselor here performs a service by disciplining the

* The disciplined planning group, developed by Dr. J. Samuel Bois of Montreal, is made up of line managers acting in a staff function. The group is limited in size to seven. A moderator outlines the question in such a way that it is least limiting or directive. The group, with the help of the moderator, disciplines itself in analyzing the situation in two definite phases: (1) Information gathering. No opinions, inferences, value judgments, or tentative conclusions are accepted during this phase. The group tries to locate hidden assumptions. (2) Correlation and conclusion. The group relates the factual information assembled, and the moderator diagrams this on chalkboards. Inferences are made from the interrelated information, some conclusions are evolved, and suggested plans of action are outlined. See Dr. Bois' Explorations in Awareness, published by Harper & Brothers, 1957.
group in using the techniques of information gathering, relating, and decision making. The disciplines enforced are those each member of the group has studied.

This on-the-job help is available on a request basis. Unless the man asks for assistance, the counselor does not intrude.

Guidance by Immediate Superior

The guidance provided by the immediate supervisor is perhaps the most important phase of the development process. Upon it depends the long-range effectiveness of all parts of the program. Such guidance can best be divided into two categories, actually inseparable but distinguished here for purposes of explanation:

1. Coaching by the supervisor in new personal skills and scientific management methods. This is a planned passing-on of the information and abilities he himself has acquired.
2. The establishment of a development field around the superior. The superior is constantly applying his new techniques, and his people use him as a model. In this way a definite belief in the life and vitality of the development process is created within a department.

To be effective, these two forms of superior guidance must truly be inseparable; the whole effort succeeds only if this guidance is taking place.

Reading of Books and Articles

The Canadian Marconi Company has a comprehensive library, the librarian being guided, to some degree, in her choice of periodicals and books by the Personnel Development Department. Carefully selected lists of books and articles are circulated regularly to members of the management group.

One of the basic principles of our development process is that a wide range of interest, experience, and knowledge helps a manager to function more effectively. Based on this principle, our reading lists cover a wide field—including, in addition to standard management texts, such titles as *People in Quandaries*, by Wendell Johnson; *The Power of Words*, by Stuart Chase; *Doubt and Certainty in Science*,
by J. Z. Young; Science and Sanity, by A. Korzybski; I, 2, 3 . . .
Infinity, by G. Gamow; On Being Human, by M. F. Ashley-Montagu;
Education and the Nature of Man, by E. C. Kelley and M. I. Rasey;
and Personality and Organization, by Chris Argyris.

Many of the magazine articles which are circulated are recommended by members of the management team themselves.

CONCLUSION

These programs form the backbone of Marconi's development process.

In addition, expenses incurred in university and technical school extension courses may be borne by the company, and staff members are encouraged to join professional and technical societies, boards of trade, and chambers of commerce. Approval is given and time is made available for work on civic projects, such as Red Cross and Community Chest. Every effort, in short, is made to promote a wide range of experience in business and community affairs.

Much of the success of this development process can be attributed to the attitude of senior management. The president, general manager, and other senior officers initiated the process and are still taking an active part in it. It has become an integral part of Canadian Marconi's business method.

The whole principle of the development process is stated in the published policy of the company: "To encourage and assist each member of the company to develop his potentialities and achieve satisfactions consistent with the interests of his fellow man."
PROGRESS IN PRODUCTION MANAGEMENT

Case Histories with Emphasis on the Development of Management Talent for the Manufacturing Divisions
A great need for manpower set the tone for the production management development program at the Marinette Paper Company. Basically, we were looking for men with potential to move to new assignments in the business in the coming 12 to 24 months. We felt that, normally, manpower development programs employ the shotgun technique of “developing everybody.” In contrast, we rifled our initial approach to a group of 35 to 40 men. We were cognizant of the dangerous “crown prince” problem and felt we were overcoming that objection in several ways: First, the group initially involved—although of workable size—was still fairly large; we were not singling out a few individuals for future success but were working with those who we felt were best prepared to move ahead quickly. Second, we were in no sense limiting our program to the initial group but, rather, establishing priorities by the selection process.

New Evaluation Formula

Next we looked for a rifled approach for individual development—a personalized improvement program. We reviewed the manpower evaluation form currently in use and discarded it. Although it was the standard method of establishing personal profiles, we felt that it
missed the key completely, particularly in the final section headed, "Please make a brief statement summarizing the opinions you have expressed in evaluating this employee. Indicate the individual's greatest strengths and weaknesses along with any recommendation you care to make." The truth of the matter is that most of us are just too lazy to think about the basic recommendations that are essential to the individual's development.

Instead, we borrowed a simple formula from Professor Myles L. Mace, then of the Harvard Graduate School of Business Administration, and set out to get the answers to three simple questions for each individual:

1. What are the man's strengths?
2. What are the man's weaknesses?
3. Who is going to do what about them?

Committee of Three

We organized a permanent Manpower Development Committee of three—an intimate, informal, personal, and flexible group consisting of the plant manager, the personnel manager, and the production manager—to help the various division heads develop the answers to the three questions listed.

At the first meeting, the division head comes prepared with his program for each person to be discussed. We review it, re-arrange it, add to it, and subtract from it for an hour to an hour and a half. The division head leaves the meeting with his program for personalized action. Actually, the records contain a minimum of verbiage. We refuse to be wordy in our evaluations; rather, the personnel manager, acting as secretary for the group, records the words or phrases which in our best judgment summarize the thoughts we are trying to express.

The initial reviews are followed up in a second meeting of the Manpower Development Committee with the division heads after a six- or seven-month period. At that time, the programs for the initial group of people are reviewed, those men re-evaluated as required, and new programs developed. Further, additional people are added to the list as their development becomes more and more desirable.
Special Development Aids

As the program developed, we were able to identify a list of manpower development aids. These were simple, inexpensive devices available within the structure of any organization. For example, out of a list of 23 such devices, the following few may be mentioned:

- Public-speaking assignments.
- Time with sales personnel in the field.
- Personal contacts at selected levels—either subordinate or superior as the case requires.
- Promotion.
- Special assignments.
- Counseling interviews.
- Meetings of management associations.
- Familiarization with organization chart.
- Union negotiations.

"Who's going to do what" about individual weaknesses was definitely established as not being the Personnel Department. On the contrary, we made it completely clear that the committee was only assisting the division head in developing his manpower program and that its execution was his responsibility. In this way, we took manpower development out of the hands of a sacred few who could never handle the workload effectively anyway and spread it across a broad base within the organization.

Broader Training Not Supplanted

In no way does this program supersede training as it is normally known; group devices continue to be used—devices like supervisory training classes, discussion groups with the plant manager, speech courses, and the broader Scott Paper Company programs such as "What're We Doing?" and "How're We Doing?" Instead of supplanting training, this approach prepares us to make better use of training, because, in an orderly fashion, we have looked ahead and planned for attendance at these sessions by the individuals most in need of that kind of training.

It should also be emphasized that we do not ignore the individuals
not specifically selected for this program; rather, we continue to hold the division heads responsible for the broad development of their entire group. We are merely concentrating the greater portion of our efforts on those people who in our judgment most nearly merit that attention.

**Highlights of the Program**

The most significant points in our program are these:

1. The rifled approach in selecting a workable group from a large organization.
2. The rifled approach in developing a personalized evaluation of the man.
3. Insistence on facing the question of "who is going to do what" about the development of the individual's strengths and the correction of his weaknesses.
4. The delegation of responsibility for this program over a broad base within the organization.
Columbia Records
(A Division of Columbia Broadcasting System, Inc.)

In some industries—like the phonograph record business—production schedules may fluctuate wildly, depending as they do on the public whim of the moment. When, in addition, the company is new to the business, improving production management may well emerge as the No. 1 problem.

In December, 1938, the Columbia Broadcasting System decided to enter the phonograph record business. It bought the American Record Company, a firm which had been unable to recover from the depression of the early 1930's. The American Record Company had factories in Bridgeport, Connecticut, and in Los Angeles. It also had recording studios in New York and Hollywood. CBS organized Columbia Records, using the factories and studios of the American Record Company as the starting point.

Just as soon as time permitted, a small group of men was hired to run the new Columbia Record Company. It was the job of this group to make Columbia Records the leader in its field. To do this required a greatly increased output from its factories and, also, a great improvement in the quality of the product.

Special Manufacturing Problems

The principal product of Columbia Records is, of course, phonograph records. Oddly enough, very little is known by the general public—and, for that matter, even by most industrialists and engineers—concerning the way in which phonograph records are made, even though they have been familiar for more than 70 years.
To understand our production problems, the first thing that must be recognized is that a record is a precision product. The most minute carelessness anywhere in the manufacturing operation will result in a defective product and high rejects. Therefore, careful supervision is required all along the line, from the time the recording is made in one of our studios until the disc is placed in an envelope on the finishing line. And the 100,000th or 1,000,000th record must sound exactly the same as the first.

Difficulties of Scheduling

Production scheduling in a record factory is subject to almost incredible swings—depending on the popularity of a particular song or tune at a given moment. Thus the factory must be extremely flexible, and its every segment must have the same degree of flexibility. It must also be recognized that management is helpless to control these wild and wide fluctuations in record demand. This requires extremely fast action on the part of our Scheduling Department so that production orders are placed to cover the demand and, also, to avoid overproduction of a hit tune, since its popularity can fall off overnight and any overproduction is just so much scrap. Moreover, the Columbia Record catalogue covers more than 5,000 different items, and service is expected on each item as soon as an order is received.

With this background picture, it can easily be understood that our Production Division had serious problems to solve if we expected to meet sales forecasts with a greatly improved product.

THE PRODUCTION MANAGEMENT DEVELOPMENT PROGRAM

The greatest of our problems concerned the training and development of foremen and supervisors and others in the management group. It was at this time, in 1939, that we embarked on our production management development program.

After considerable thought and study, it was decided that every effort should be made to develop the production management group from within the organization rather than to employ new people.
This procedure was adopted because it made use of personnel already familiar with the record business and would eliminate the time-consuming process of training and educating new personnel. It was, of course, recognized that where entirely new skills were required, it would be necessary to look elsewhere.

For the purpose of this discussion, we may consider employees in the Production Division to be divided into two classes: (1) the management group and (2) production workers. The management group comprises all employees having to do with supervision, ranging from assistant supervisors up to the vice president in charge of production. The production workers represent all other employees.

Our program is divided into two parts: (1) finding prospects for the management group from among the production workers and (2) developing management personnel to do a better job and to qualify for a better position with the company.

Finding Prospects for the Management Group

The best and quickest place for management to find potential foremen or supervisors is among the workers making up the production group. These employees are already familiar with the product made by the company and with many employees already in the management group. They feel at home and have already demonstrated a degree of loyalty to the company; otherwise, they would not be working for it.

We therefore make a serious effort to pinpoint employees who appear to have what it takes to make good supervisors or foremen. This requires careful observation of the particular individual and careful attention to all factors which we feel to be of importance. Once an employee is considered to have management possibilities, a personnel file card is prepared covering the individual, and a more exhaustive search is made and recorded on this card. For practical reasons, this particular activity on the part of management is kept confidential, and the employees themselves are not informed. As a result of this study, which is really a continuous process, it is possible to have available a small number of workers with management possibilities from which we can draw as the need arises. It should be emphasized that this group represents just a small percentage of the total employees on the payroll—but a very important one.
An effort is made to upgrade employees in the production group by arranging for them to attend classes at local trade schools where specialized courses are given. This applies particularly to the skilled trades. A careful record is kept of the progress of those attending the trade schools, and those who stand out are encouraged to take additional courses covering more important and advanced subjects. Management discusses with the individual employee various matters concerning his progress, and during these discussions management is again afforded an opportunity to size up the individual, keeping in mind the possibility of developing a prospect for the management group.

Development of the Management Group

When a person is in the production management group, he is constantly concerned with problems relating to plant output. These problems vary depending upon the particular department in which the person works and also upon the particular type of supervisory work being performed. While working on production problems, regardless of their particular type, the plant manager learns a great deal concerning each individual in the group, and it is here that he gets his first opportunity to classify the relative merits of each. When serious trouble develops, management can very quickly identify those individuals with real potential; and, at the same time, each member of the team has an opportunity to demonstrate his full ability. This applies to problems affecting an entire plant and also to separate departments.

Our regular training program for the development of the production management group consists of the following eight component parts:

1. Meetings in the plant.
2. Schooling or classroom training.
3. Correspondence courses.
4. Educational literature.
5. Visits to factories of other companies.
7. Transfer from factory to factory.
8. Speaking at civic functions.
This entire program did not spring into existence at one time, but was actually developed by the process of evolution.

1. Meetings in the plant. Regular plant production meetings are scheduled, usually once a week, at which time the regular business of the Manufacturing Division is discussed. These meetings are attended by the plant manager, superintendents, and general foremen. They are conducted solely for the purpose of getting things done. Nevertheless, the way in which each man conducts himself enables the plant manager to evaluate the ability of the various individuals. In the event the manager cannot attend an occasional meeting, he appoints someone to represent him. This is a tribute to the individual so selected and stimulates others in the group to do a better job and possibly be selected to conduct a meeting.

Departmental meetings also are conducted regularly for the purpose of discussing problems relating to the individual groups. These meetings are attended by foremen, supervisors, and any other individuals whose presence is necessary. Here, again, individuals can be classified according to their relative ability.

Educational meetings are scheduled at which a representative from one department explains the functioning of his particular department to representatives from others. As an example, a supervisor from the Accounting Department may explain to foremen and supervisors from production departments what the relationship is between the Accounting Department and the Production Division. This not only serves to educate all the individuals concerned but also enhances the prestige of the individual conducting the meeting.

2. Schooling or classroom training. We take every advantage within reason of having members of the management group attend classes in nearby schools and colleges or having instructors visit our plants to conduct courses on our premises. We select courses that have a definite bearing on production management problems and also on specific or specialized problems unique to our business.

We have found such training to be extremely valuable, and we cannot recommend it too highly. The benefits derived include more than just the subject matter of the courses. Our men come into contact with those from other factories and industries; and, as a result of the new associations, a greater interest is developed in management problems.

3. Correspondence courses. On occasion, provision is made for
special correspondence courses, the subject matter of which would not otherwise be available.

4. Educational literature. The company provides the supervisory group with literature which is received by each man through the mail. This literature is usually of the inspirational type, and its purpose is to promote an interest in reading about management problems in the home or off the job.

5. Visits to factories of other companies. Our management group is encouraged to visit the production divisions of other companies. These companies may be manufacturing products similar to those of Columbia, or their output may be entirely different. The factories that are visited are selected by management so that our group will gain first-hand knowledge of how a particular problem can be better handled. The problem may be related to good housekeeping, materials handling, plant layout, or any other matter concerning production.

Again, an important by-product of such visits is that our group becomes acquainted with men from management groups of other companies and broadens its acquaintanceship, particularly insofar as management people are concerned.

6. Job rotation. Occasionally we transfer foremen from one department to another, especially when the departments involved are closely related with respect to production methods. This is done in order to improve the individual's knowledge of the business and to improve management's over-all flexibility. Furthermore, it is by means of job rotation that we develop superintendents who will be familiar with all the details of various departments and, also, with the production workers in these departments.

7. Transfer from factory to factory. To make certain that the management group in our various factories adheres to the same general policy, we arrange to transfer men between plants. Usually a transfer means a promotion, so that it serves a double purpose: rewarding a man for outstanding ability and strengthening the management organization as a whole.

8. Speaking at civic functions. We receive numerous calls from civic groups in our community requesting speakers for special occasions. We use this as an opportunity to have members of our organization learn to speak before a group of people. Our purpose is certainly not to develop orators; instead, it is to improve the social
prestige of the individual and to build the self-confidence which comes with such activities. Also, it puts our management personnel into close, profitable touch with men from other industries.

THE RESULTS EVALUATED

A considerable amount of time and money has been spent on this program, and it is only natural to attempt an evaluation of results. To do this is easy, since it is only necessary to compare our situation as of today with the conditions that prevailed in 1939. The following points stand out:

1. Our manufacturing costs have been reduced considerably.
2. The quality of the product has been improved tremendously.
3. New products have been developed and manufactured which would not have been possible under the conditions that existed prior to this program.
4. Our factories are now fine examples of good housekeeping.
5. Our safety record has improved beyond our fondest expectations.
6. Our prestige in the community has never been better.
7. Our labor relations have never been better.
8. Production schedules are met on time, and complaints about deliveries are the lowest on record.
9. An efficient production organization has been developed of which the company is proud.

Top management is kept fully informed concerning our program. The results have been so encouraging as to make it very simple to persuade management to increase the scope of the campaign. The real problem is the question of finding time to do all the various things in which we are interested. A happy medium must be found wherein time is provided for these training programs but not at the expense of affecting production activities. We feel we have now approached this point.
To increase productivity and cope with rising costs, the production manager must obviously be trained, not only to use all possible tools and controls, but to work effectively with the staff specialists who assist him. Production must, however, be his first concern. If demands on his time and the uncertainties of having to satisfy varying groups interfere with this goal, the purpose of management development will be defeated, and good production men will be hard to attract and hold.

We at Heinz have the same basic principles governing the technique of production that are found in other organizations. Our goal is higher productivity, or an increase in output per man-hour. Our method involves automation, improved equipment, ingenuity of layouts, and production and inventory control. Procedures are conceived, planned, used, scrapped, and replaced—always with better results in mind.

To achieve these results better and faster, we need men—production management-minded men. For each new development creates for the production supervisor new problems in personnel, for example, with changes in seniority, wage reclassification, the work week, or the retraining of help.

Four-Phase Program

How do we find and stimulate this needed managerial ability? How can we (1) find, (2) train, (3) develop, and (4) keep forward-looking production managers?

Finding. The majority of our men are promoted from the ranks—with a continual spicing from the college campus. Men from the
ranks are recommended by their supervisor, tested by Personnel, and selected by the plant manager and the department head. College men are obtained through a recruitment program. All are classified as "trainees."

Training. Each trainee is assigned to a man of experience and patience who can counsel and otherwise help the members during this period of abrupt transition. He makes a monthly progress report to management. The trainees go through an orientation program to familiarize them with company policies and objectives, which are also printed concisely in a small brochure for future reference. While they acquaint themselves with the physical layout of the plant, the trainees are given organizational charts which set forth titles and duties, as well as the names of the men in the company, to show them how lines of responsibility are set up. Under a regulated but flexible schedule, they move from department to department to become acquainted with the work of Purchasing, Sales, Personnel, the Controller's Office, Scheduling and Supply, and other divisions of the business. They also visit some of the company's suppliers and the advertising agency.

Frequently, during this period, the college man discovers that he would like to take added university work at night that might pertain particularly to his job. And, of late, the technically trained man is finding it advisable to study non-technical subjects in the humanities. This usually encourages the man from the ranks to take a course in a subject in which he finds himself lacking or to join some technical or other organized group interested in regular meetings for self-development.

Finally, we arrange dinner meetings and invite members of top management to talk to and associate with new men. They emphasize the fact that knowing how to do a job is of little value unless one has the ability and likability to get people to do it. They stress the importance of having, and staying with, an opinion—of using one's imagination; that is, trying new ideas and not accepting standardization, which leads to stagnation. These concepts and others—like civic responsibility and respect for confidential information—impress the trainee only if he hears them from the top.

Developing. The third phase, or development, is in the main an on-the-job program. There are two oft-repeated principles in this field: (1) The best training for management is to manage.
The best teacher is experience. In actual managing, the new man learns how to think logically, organize properly, instruct fully, follow up, explain why, develop others' interest, and make the proper kind of reports.

During this "do it yourself" phase, we put a likely candidate with a good boss so that he will acquire the know-how of the master. He is given opportunity to exercise his judgment when the boss is absent and, in some matters, when the boss is present. Thus, when he replaces his promoted or retired superior, we can expect a better man than the teacher. There is nothing sadder than a production supervisor who lacks thorough grounding in the job he is supervising.

Both the new man and management must realize that mistakes will be made during this period. It is unavoidable—eVEN though the apprentice has reached the zenith of his knowledge the day he leaves school and reports for work. Like you and me at this same period, he knows all the answers. Subsequently, he comes face to face with everyday work problems and appreciates the value of advice and experience. While we have special conferences for the new trainee, the best training he gets is in accompanying his immediate superior to regularly scheduled meetings where he observes practical management in action with all its trials and errors.

A taciturn but successful superintendent was asked to what he attributed his success. He replied, "Good judgment." "But where does one get good judgment?" "From experience," he growled. "But," persisted the questioner, "how does one gain experience?" "Purely," he said, "as the result of bad judgment."

We expect some "bad judgment." The worst mistake a beginner can make is that of attempting to deny or cover up his errors. The sooner he learns he is not expected to bat 1,000 per cent, the sooner he confesses and profits by his failures and assures his future success.

**Keeping.** Finding the production trainee and starting him in the development program may be more or less uniform procedures in all companies, but here we arrive back at the second part of our initial question—how to stimulate and hold managerial ability—which is the crux of the present-day problem. This is one of creating in the selected, competent, trained individual the desire to continue to want to be a production manager even when he realizes that the job has nothing to recommend it except blood, sweat, and tears.

The growing complexities of the job, the rapid expansion of in—
dustry, and the accelerated pace at which new jobs are created and old ones canceled have brought about a curious state of affairs.

*The Production Job*

Our development program was good; but, while development was proceeding, something happened to the production job itself. A diagnosis was made and a remedy prescribed, but the patient suffered from an overdose. Now we were faced with the need to restore the job to its normal healthy state.

Paradoxically, the way the production job came to be so undesirable was through the efforts of well-intentioned people. We were trying to assist the overburdened individuals who were struggling with a vast array of problems. In *7½ Cents*, the book from which the successful musical *Pajama Game* was adapted, Richard Bissell recalls:

> In addition to the atmosphere of more or less constant tension, the supervisor, God love him, is responsible for everything connected with production: output, costs, quality, personnel, window shades, floor wax, heat, light, power, busted toilets, busted machines, busted steam lines, ice on the front steps—everything, the poor so-and-so. And, meanwhile, he is caught out in the middle between the lines of good old Labor and good old Top Management, with both sides pouring hot lead at him three times a day; he spends a lot of time dodging the minie balls and grape shot and when five o’clock comes it is quite a relief for the old boy to lie down in his tracks until tomorrow’s shooting starts. And if it doesn’t start up tomorrow it will later in the week. Or next week.*

Terminology has changed since Mr. Bissell was a boy—the thought is the same. The production man now copes with automation, statistical quality control, overhead budgets, standard costs, and, of course, the ice on the front steps.

*Multiplicity of New Problems*

Something has been added, however, to create new problems for the production manager. He has been given “help”!

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The help consists of innumerable staff men who specialize (purely on a functional and advisory basis, of course) in such subjects as standard costs, industrial engineering, process engineering, and statistical and quality control. The production manager now must attend meetings and conferences, read surveys, answer letters of criticism, or "refuse to cooperate." This does not imply a lack of results. The results are certain. They are more conferences, more reports, more surveys, and more staff men.

The result that concerns us, however, is this: Soon the trainee, as well as the man whom we expect next year to succeed the trainee, learns that it is more fun to throw baseballs than to put his head through the canvas. So he wiggles into the ever-expanding field of investigating, recommending, and reporting but not doing. This leaves in the field of production management development those who are kept because of "obligations of conscience" and a few who, knowing the risks involved, still want to be gladiators or at least matadors because, by this time, they realize they're fighting both man and bull.

The production man needed help. He still needs help—in many fields and at the plant level. But he resents staff people who report to their functional head, who in turn contacts the production man's superiors. He resents the demands made on his time not only for putting out fires but for answering many false alarms.

What Management Can Do

What, in the last analysis, can we do to attract and hold good production men?
We don't want to glamorize the production job—if we do, we'll have another staff of publicity men. Nor do we want to mislead people into thinking that production is an easy job. We need the "damn the torpedoes" type of man who is not afraid to make decisions, who will gain momentum, ability, and judgment because he knows he will not always be right—but is not afraid of being wrong.

The answer? First, management must enable the production man to take full responsibility for all decisions relating to his department and so report to his superiors. Second, the production man must accept his responsibility and exercise his authority. Should a weak
supervisor be willing to divide responsibility and pass the buck, it is better to get rid of the man rather than let this malignancy take hold.

_Credit for Worth-While Accomplishment_

The production man should ask for and welcome _the help he needs_ from the staff men. He should give his opinion firmly and be neither a "yes" nor a "no" man merely for the sake of agreement or disagreement. He should insist on being a party to decisions and recommendations affecting his department and sign his name to them.

The staff man should attempt to gain the confidence of the production supervisors by sincerely trying to work with them and through them. When he originates worth-while plans, he will be given credit. He cannot long hide his light under a bushel. When and if he becomes a production man, let us hope that he finds it an important and dignified job.

All of us can help attain this goal by using the same yardstick for all manufacturing personnel. Each man can be fairly measured by what he contributes to furthering his company's success, whether it be through line or staff, or whether it be in the fields of engineering, production, quality, or cost.
A WORD BY SMALL BUSINESS

Companies That Refused to Believe Mere "Smallness" Ruled Out
Management Development
Albany Felt Company

Nothing succeeds like unprecedented expansion in spotlighting the need for a stronger development effort. Here is how one small but growing company kept pace with increasing demands for management personnel—without a formal program and without a single full-time executive or staff man in charge.

A. History of the Program *

The Albany Felt Company was founded in 1895 as a producer of papermakers' felts. Papermakers' felts are woolen, woven blankets which perform on the paper machine like an endless conveyor belt, carrying the paper stock through the press rolls to the dryer section and at the same time acting as a blotter to remove some of the water. Gradually, over the years, other products have been developed in the industrial fabrics field, so that the company stands today as the largest manufacturer of paper-machine felts and industrial fabrics in the world, with approximately 60 per cent of our total product being used in the paper industry and the balance in other basic industries such as the textile, chemical, mining, and smelting.

* By Mr. Reed.
Like most companies, Albany Felt at first was managed by one or two men—although it was of such a size and the men were of such a caliber that the business was very successful. Under this type of control, in fact, the company grew to a plant with a working force of approximately 500; and, during World War II, production demands pushed the total workforce to 800.

Moreover, growth has continued. The company's main plant, at Albany, has approximately 1,025 employees. In 1947, a branch plant was established at North Monmouth, Maine, which today employs 200 people; and, in 1951, an additional branch plant was established at Hoosick Falls, New York, where we now employ 75 people. In 1953, a wholly owned subsidiary plant was built in Cowansville, Quebec. This plant now employs 130 people. Finally, in 1956, a branch plant was started in St. Stephen, South Carolina, which currently has a workforce of 120 people. Today, therefore, ours is a five-plant operation with a total employment of approximately 1,550.

As we are essentially a service industry on a job-order basis and do our selling from our Albany office, the ratio of executive and technical personnel is high as compared to the number of employees. At present we list on our salaried payroll 80 executives, supervisors, and department heads and, in selling, 8 sales executives and 28 sales engineers. And more than half of this staff has been added within the past four years. The resulting need for executive, supervisory, and technical personnel has made for major problems; hence the evolution of a program to fill that need.

Four-Point Foundation

It was at the close of the war, in 1945, that the demand for additional managers began to be felt acutely. At this time our basic development program was established on a simple four-point foundation:

1. Management discussion and decision on the number and type of personnel necessary for the size of the plant and operations forecast.
2. A policy of developing and upgrading as many of our present personnel as possible.
3. Recruitment of young college graduates for training and upgrading whenever possible in line with their growth and qualifications.

4. Hiring of trained people available in the field when the first two mentioned sources do not provide suitable candidates.

Forecast of needs. We are frank to admit that we underestimated our manpower requirements. Because of this experience, we cannot too strongly recommend that a forecast of needs be a first point for consideration in any program, either formal or informal, of management development.

A major need for management personnel faced the organization with the establishment of the North Monmouth Division in 1947. Our development program up to that point had been able only to fill our needs for the Albany plant; but, inasmuch as we were taking over a fully manned textile concern, it was felt that meeting its requirements would not be difficult. However, we found that the men staffing this operation—because they were neither used to our methods nor trained to our standards—did not work out satisfactorily. The first year of operation at this plant involved a constant management problem which ended by an executive's being assigned to it for a period of months and actually neglecting the Albany plant. Then, gradually, the management development program which had been started in 1945 began to produce men whom we could move to the new location, and there was a visible straightening out and settling down. Today the plant at North Monmouth is a smooth operation, with a record of being one of the steadiest operating mills in the state of Maine.

Upgrading of present personnel. The Albany Felt Company has always prided itself on its policy of promotion from within, making every attempt to evaluate the potentialities within its own walls. Today our executive group averages 25 years and our salaried payroll 15 years of service with the company.

Our program for the development of our present group consists of training courses given in such fields as labor relations, work simplification, public speaking, and time study. Also, we follow the practice of letting employees take over whenever their supervisor is out sick or on vacation and rotating personnel whenever possible.
Committee management is utilized when consistent with the speed necessary for decision, so that the men will participate in decision and policy making at higher levels. Finally, outside training courses are available at colleges and management centers.

**College recruitment.** A careful technique has been established for recruiting college graduates. Since our management development policy was established in 1945, approximately five such recruits have been added to our force each year, put through our training course, and rapidly absorbed into the organization. The program set up for these men has been quite complete, so that we have been able to assign them to increasingly important positions. In each case, they are given all the training and help possible; but, when handed a job, they are awarded its full responsibility and authority.

In Albany, we now have a plant management group of operating personnel numbering 15. Of these men, two are college graduates hired since 1951. However, in some instances, it has been necessary to implement them with consultant help, as in our Industrial Engineering Department. Here we were not successful in getting the kind of direction and supervision we desired until, finally, a trainee who had been with us only a few years impressed us as having the necessary managerial ability and knowledge of our operations, aims, and policies to handle the job. He was, therefore, sent out with a firm of consulting industrial engineers for a period of eight weeks to give him a basic industrial engineering training sufficient to supervise the department. Then, for two years, he was free to call on this consultant, and the consultant checked with him about once a month. Today we have the best-functioning Industrial Engineering Department we have had in our history.

**Hiring from outside.** It has been necessary from time to time to hire a number of men from outside. Indeed, we have some very fine executives in our organization who have entered the company in this way. We feel, too, that occasionally it is desirable to have a fresh point of view brought in. However, it has been our observation that the percentage of success, after assignment to our management group, has been much higher among people of our own who have been upgraded and among the college recruits trained in the plant. Changing from plant to plant is a tradition in the textile industry, where there has been a tendency to feel that to get a better job one must move to another company. But we are a highly specialized
part of that industry, and our experience in promoting from within
and training our own men convinces us that for Albany Felt the
present policy is the best.

In 1953, we decided that we wanted a Canadian operation. It was
necessary to put up a building, provide management down to the
foreman level, and build a sales force to go into a market where
we were not known, against competitors who had been established
for many years. By this time, management development had been
expanded to such an extent that we were able to man this plant down
to the required level entirely from our Albany personnel—with the
exception of the sales force, where we felt native Canadians would
provide better contacts than outsiders.

As compared with the start in Maine, this operation has been
smooth right from the beginning and has gained steadily in volume
of business. It is indeed a tribute to the training these men were
given that they were able to take on a new responsibility and still
let the parent company move ahead in its field without serious
dislocation.

Again in 1956, when our operations were expanded by the addi­
tion of the plant in St. Stephen, South Carolina, we were able to
provide the necessary managerial talent from our other plants.

Proof of Success

Today our Albany plant is literally bulging at the seams. Our
Development Department (a division established with our own per­
sonnel) is coming up with new products; and in the event further
expansion should be necessary, we do not feel that we would have
any problem in manning a plant with thoroughly trained personnel.
We have, since 1945, hired sufficient recruits to staff the operation
adequately, and we have added to these recruits by selecting man­
gagement trainees from among the many capable within the organi­
zation.

Most important, we have been able to hold the recruits we have
hired. We have a progressive and growing organization that is pro­
viding increased opportunities. With a growth in management per­
soneIl from 45 to 116, the lower-echelon management group can
look forward confidently to advancement—knowing that company
policy will give them a chance to prove their ability.
B. Plan of Operation

It is relatively easy for a large corporation to set up a staff and to blueprint a program. The staff people can spell out objectives, detail procedures, and issue reports. The cost of these efforts can be high, but costs may be absorbed or buried. Yet development of men for management need not mean a complex and costly program beyond the reach of the small company. If management development, as a formal program, is necessary for survival, the small company's days must be numbered—but, of course, this is not true. A small company that designates certain men as understudies to key executives and divides the responsibility for preparing men for future executive assignments can give training and seasoning as readily as the large company with a formal management development program. Perhaps the small company may give better training; since, owing to its very size, more complete and integrated work assignments are possible and a single one of these may give experience in related areas because operations are not so completely departmentalized.

What Albany Felt is doing today in management development is not the result of any studies or master plans. There was no preparatory staff work, and there is no single executive or staff responsible for management development. We cannot afford a staff for this service any more than we can depend on larger companies in other industries to select and train management men for us.

Ratio of College Recruits to Experienced Hirees

In filling openings from 1952 through 1956, one man with experience was employed for each man recruited on a college campus. The experienced men were primarily recruited for selling, while several were brought into supervisory and executive positions. Each spent two to three months in dungarees working through each operat-
ing department on a planned schedule. This plant experience is the first phase of the training of management men. All our executives share it and thus become familiar with our operations and manufacturing sequence before they take over their jobs. They know many of our production people on a first-name basis, and they see evidence of the cooperative effort that is so necessary to the continued success of our business.

For the past several years we have reviewed our executive manpower requirements sometime during December. Officers of the company estimate the number of people that will be required on the basis of business forecasts, progress in research and development, normal replacement through retirements, and anticipated expansion. For management and technical sales openings, in 1952 we required twelve men; in 1953, fifteen; in 1954, sixteen; in 1955, ten; and, in 1956, fifteen. Campus recruiting obtained four trainees in 1952, five in 1953, thirteen in 1954, and four each in 1955 and 1956. The balance of the positions were filled by hiring experienced men.

Factors in College Contacts

In selecting schools we are guided by several factors. We prefer them nearby to reduce time away from the plant and the travel cost. We prefer a small liberal arts college when we do not need technical training. We believe that a boy who chose a small college so that he would not be lost in the shuffle is likely to be more interested in a small company and will be accustomed to the close personal relationships that exist in our work situation. To get acquainted with college placement officers, we joined the Eastern College Personnel Officers Association. We visit campuses on alternate years so that more college placement officers will know about the Albany Felt Company.

The Industrial Relations Department makes the contacts with the colleges and coordinates the campus interviews, but the interviewing is divided among members of the executive group. Where we have an executive who is an alumnus of the school, regardless of his specialty, he returns to interview seniors at his Alma Mater. The Industrial Relations Department visits schools where we have no graduates.

In 1952, we visited five colleges; in 1953, six; and, in 1954, eighteen. In 1955 we visited sixteen colleges in our search for seven people
to fill unrelated jobs which included felt sales, industrial fabric sales, industrial engineering, mechanical engineering, control chemistry, consumer relations and credit, and textile engineering. In 1956 we visited twenty colleges to fill thirteen openings on our research and development, industrial engineering, sales, and manufacturing staffs.

**Interviews on Campus and in Plant**

We send each college a brief statement of the jobs open and the scope of the company's operation. We prepare an envelope for each interviewer that includes additional descriptions of the position to be filled, applications, and an instruction sheet for interviewing. The interviewer completes a simple form, giving his opinion of each applicant, immediately after the interview and before he talks to the next candidate. (Interviewers have talked with 5 to 22 men in a single day.) He usually attempts to have the candidates that interest him complete a temperament test and our regular application form.

When the interviewer returns to Albany, he submits his individual reports, and the temperament tests are scored. The two or three top men who, in the interviewer's opinion, should be considered are discussed with the industrial relations director; college grades, extracurricular activities, and interests are considered along with the interviewer's comments and the test reports.

The candidates who seem most promising are invited to Albany either singly or in groups of two, three, or four. They may come from one or more schools at the same time. They are asked to spend a full day with us at the company's expense to see our operations and meet individually with members of the executive group. Each is given an interview schedule, which usually includes 30-minute interviews with seven to nine key executives. Within a few days after the candidates have been interviewed, the executives meet and determine which should be offered employment.

This interviewing by our executive group is the second distinctive feature of our management development program. We are not trained interviewers, but we believe that the subjective opinion of several executives individually rendered will help us as a group to determine the acceptability of an individual. When we are in general agreement and a man is offered a job, he knows he has the backing
of the executive group; and, once he has been hired, each member of the group will be anxious to help him succeed.

In 1954, 51 college seniors were invited to Albany for final interviews, and 15 were selected for employment. This was an unusually large number for us to consider; we did not invite more than 25 men to Albany in 1955 for the seven jobs we planned to fill. It is interesting to note that, after the campus screening and the interview in Albany in 1952, no one refused the final offer, while in 1953 there was one refusal and in 1954 there were three students who accepted other jobs after receiving the Albany offer.

In 1956, a total of 28 seniors were interviewed in Albany after our representatives screened 278 students on campus. Thirteen of the group were offered jobs, which, however, were accepted in only four cases. Of the nine men who refused employment, seven already had accepted positions prior to our offer; one had decided to attend graduate school; and one was not interested in Albany Felt. He contacted us a year later, asking for a sales position.

Training for a Specific Area

Our training is not a continuation of school, and we don't plan on losing a percentage of the trainees each year. We cannot afford to select and train a group of men and then cut the number down at the end of the training period to the number we require. Except for the initial experience of two to three months, training is productive work. The trainee working on a project is doing a job we want done and is being evaluated at the same time. Each man is hired for a specific area and not as a general trainee. Training schedules are prepared for each individual to provide the experience that will be most helpful to him in the area of his final assignment.

As stated, all training begins in the plant; trainees work in each of the operating departments. The trainee is expected to do any unskilled work in the department and to learn as much about an operational job as time permits. He supplements the regular workers in the departments and displaces on one.

Each trainee is assigned an adviser who meets with him once each week. Here, again, we divide the load among executives; advisers are senior executives in any area. No adviser will have more than two
trainees reporting to him at any one time. When a trainee completes his training in a single department, the foreman or department head records his impressions on a simple form and sends it to the Personnel Office, which in turn sends it to the adviser after noting any points the adviser should consider during his next meeting with the trainee. These reports are kept as part of a permanent personnel file. Trainees who are rated as poor by any department may be given extra time in the department at the end of the training program, or they may be given special assignments to compensate for any weakness indicated.

The second phase of training before final assignment includes investigation projects, usually with the department where the trainee will be permanently assigned. These projects may be in the fields of quality control, production, or customer relations or cover any problems that at the time warrant a study and a report. No projects are "made" for trainees. Projects are designed to solve problems in day-to-day operations where we want an answer, so that no two trainees get exactly the same experience.

Of the four college seniors who began in 1952, one is now superintendent of our Southern plant, and two are sales engineers. The fourth resigned. Of the five 1953 trainees, one resigned during his training period, one is director of quality control, another is assistant chief designer, the fourth is chief development engineer, and the fifth is a chemist. Of the nine seniors who started in 1954, one resigned; one is chief chemist in Canada; two are technical service engineers; two are sales engineers; another is credit correspondent; the eighth is a felt designer; and the ninth is a sales correspondent.

Equal Opportunity for Production Workers

As we placed more emphasis on training college graduates for management, some of our rank-and-file people said, "Give us a chance to learn all the operations, too. We are here and doing a good job, but we can't move up outside our own department unless you give us some more experience." While we have been proud of the percentage of our people upgraded, we had not offered broad training opportunities to plant workers.

Now the selection and development of key supervisors and management men are not limited to the college trainees. We provide
equal and identical opportunities for competent production people already working for the company who could not go to college.

At regular intervals, supervisors are asked to review the people in their departments and to suggest the names of any people who they feel have the capacity to handle greater responsibilities. The names submitted by the supervisors are discussed by the department heads. From time to time, workers so recommended are selected to be interviewed by the executive group on the same basis as college seniors. Even when a man is not selected for special training following these interviews, he knows that the executives are interested in him and that he has a good future with the company.

When the executive group recommends that a plant employee be made a trainee, the candidate is given the same training as the college senior. His training schedule is set up to give him experience in the area that will be most helpful to him; but he, too, first works through every department in the mill. He has an adviser, and his progress is reported. He also completes investigation projects before his final assignment.

Courses Concurrent with Regular Duties Included

In addition to the production people included in the training program, other key workers—such as fixers, the textile-industry equivalent of setup men—and skilled production workers who are doing an outstanding job are given training concurrent with their regular jobs. This training includes courses which are conducted by Albany Felt executives and which cover the operation of the company, as well as special courses in time study, work simplification, public speaking, and employee relations.

The course in the operation of the Albany Felt Company, first given in 1951, covers an explanation of the function of each staff department and a study of company policies. This course has been taken by a variety of supervisors, foremen, assistant foremen, and trainees, meeting for two hours once each week for eight weeks. Courses are given in the spring and fall each year for groups of 20 men. A dinner is given at the conclusion of the course and certificates are awarded.

When we needed time-study men and were not satisfied with the experience of applicants, a course in time study was developed by
the Industrial Engineering Department for several time-study trainees selected from within the company. Because we thought several foremen could profit by training in time study, we gave them the same course, and the selected foremen found it such a helpful tool that we plan to offer it regularly until all our foremen have completed it. The course consists of 20 sessions of three hours each, given daily for four weeks.

The course in work simplification was prepared by one of our industrial engineers after he attended a work simplification seminar at New York University. We are currently offering it to all supervisors, department heads, foremen, assistant foremen, and trainees. Twelve or thirteen men meet as a discussion group for two hours each week under the leadership of an industrial engineer temporarily assigned on a full-time basis to lead the nine groups presently taking the course.

Like many other companies, we believe our internal communications should be better. We feel that supervisors should improve their ability to give verbal direction and learn to present their ideas more effectively. Therefore, we offered a course in public speaking conducted by a local man who was anxious to start his own business—a poor man’s Dale Carnegie. The course was slanted to cover speech situations found in supervisors’ regular work rather than formal platform speaking. As a result of the interest shown, a second, advanced course has been introduced. Attendance at these public-speaking courses is optional.

All the course instructors write their opinion of the progress made by each individual during training and grade him on his performance at the end of the training. Certificates are awarded, and the instructors’ reports are made a permanent part of the individual’s personnel record. Each course is given by the department charged with the function covered; no training staff is involved, although some coordination of training is provided by the Industrial Relations Department. Men are recommended for training by their respective department heads.

Supplementary Experience Away from the Plant

In addition to these courses, we have arranged for many of our plant and office supervisors at all levels to visit a number of our
customers. We particularly wanted our people to have first-hand knowledge of how the papermakers used our felts, to observe the factors that influence felt life, and to realize the importance of quality. They also saw competitors' products in use and recognized that, if they did not do a superior job, the customer would find other sources of supply.

We also have sent a number of our people to AMA orientation and workshop seminars. These and similar activities tend to broaden the perspective of our people as they become acquainted with the methods which other companies use in solving problems similar to ours.

Finally, several of our fixers have been sent to Lowell Technological Institute for intensive six-week summer courses covering special phases of our manufacturing operations. These are men we are grooming for supervisory jobs. They received valuable theoretical training and were rated on their performance by the school. While they were away, their jobs were filled by trainees whom we rated on their ability to handle the job they filled, so that two men benefited from additional training.

In fact, it is now our practice to cover the extended absence of any supervisor by his understudy or by a trainee so that managerial experience can be gained by as many people as possible. The performance of the stand-in is rated, and the rating is made a part of his permanent record.

* * *

While we do not consider that we have a formal management development program, we hold frequent staff consultations to review corporate and individual needs and progress. Decisions regarding the training to be offered to different groups and plans for development of individuals are made by department heads and officers of the company in group consultation. In addition, we conduct a continuous performance appraisal of most of our people through regular meetings of our department heads and officers. We can develop our people in this way—without a formal plan, a special staff, and reams of reports—because we are relatively a small organization and because we concentrate on maintaining strong personal relationships among employees at all levels.
The small business man who has come up the hard way, in traditional American style, may scorn management development. And it may be that, for his purposes, it is a pointless—and expensive—frill. But for the small company that wants to become a big company management development may pay real dividends.

Most small companies, it may be fair to say, have assumed that management development is some sort of disease which afflicts big businesses. Old-timers in small businesses snort with disgust before launching into attacks on "namby-pamby" treatment of executives in big companies. After all, they came up the hard way. They know what competition really is. Management development programs may be fine for big businesses, but small businesses just can't afford such expensive luxuries.

The small business man who takes that viewpoint may be right—because, if that is his viewpoint, he probably is running his business in such a way that a management development program would be a waste of time and money. But in other small businesses it may be the crucial factor that spells growth and success instead of stagnation and failure.

Small businesses are different in many ways from the corporate giants. It can be assumed that most big companies are developing their organizations toward long-term futures with probable continued growth and a constant need for good managerial talent which can be developed at a reasonable speed to meet fairly predictable organizational needs. Small companies, however, are not necessarily run that way, and it would be wrong to assume that they will all want or need management development. Many consist of one chief
and a number of subordinates. Perhaps the firm can’t afford more than one real manager, supplemented by clerks and production workers, or maybe it’s in a business which cannot anticipate growth. Another small company may need skilled technicians, but not managers, and still another may have reached a point of size and stability such that the owner may not want to run a bigger business or train anyone else to run it until he’s ready to retire 30 years from now.

In small businesses, we must ask, “What is this organization trying to accomplish?” before we can talk sensibly about management development programs. For example: Is the company devoted to making a comfortable living for the owner and his relatives? Is it devoted to building a lasting corporate edifice to someone? Is it trying to become a big company? Does it exist as a means of prestige for its owners? Do its policies indicate some social purpose? Is it a company committed to a turnover and replacement policy as a means of trying to maintain low salary rates? Is it a “quickie” business formed to fulfill some contract at maximum profits and then dissolve?

For the purposes of this discussion, let’s concentrate on the small businesses which can effectively profit by development of their people, particularly their managerial talent. These are—for the most part—the small companies, with two or more people in management, which want to grow and have a continuing future.

A Simplified Approach

What are some of the problems of establishing management development programs in small companies? The first big question, we have learned at Pacific Mercury, probably is the budget. Most large companies use staffs of people to develop their programs; they have expensive manuals; they have expensive educational refund and training systems tied in with management development—and sometimes even high-priced psychological consulting services.

The second big question in the small company, we have found, is: “Who knows how, and who will do it?” That’s where the heaviest expense comes for the large company—in salaries for staff experts to explain, stimulate interest, and follow up on hundreds of executives to see that the program is working and working right.

Actually the know-how of management development is very simple. It’s hard to go very far wrong as long as you have a genuine
interest. There are as many "right" ways as there are people who are genuinely interested in helping the people they supervise to get ahead. And, if you're in doubt and want to learn some of the fine points, there are excellent sources of information.

We believe that it is easier to establish and carry out management development programs in small businesses than in big businesses. The programs of big companies are complicated because they have to try to cover all the needs of the variety of people and situations they will encounter and the complexity of the organization for which they are trying to plan. You don't have to do that in small business; in fact, you, Mr. Small Business Man, can get the major benefits from management development with no more than a blank sheet of paper and your personal interest.

Here's all you really need:

1. A periodic review of how each individual is doing on his job and how he can improve.
2. A follow-up to use the review information to improve the individual and to plan the organization.

Carrying out those two principles isn't really difficult and is stimulating and challenging to those who go through the process. No particular training is needed.

The Performance Review

Now let's take a look at Principle No. 1, a periodic review of how each individual is doing on his job and how he can improve. To take the simplest method—it is perfectly possible, and can be completely effective, to sit down with a blank piece of paper and ask yourself, "What about Bill? How is he doing on his job and how can he improve?" Write down the important things about Bill and decide where he fits into the management picture and what you need or want to do about him.

If you want to be more formal, you can use a form and some standardized questions as we do in our semi-annual review at Pacific Mercury. We tie the semi-annual job performance review to the salary merit review. The job performance review form is a one-page form (Exhibit 1) which contains the following questions about the man being evaluated:
JOE PERFORMANCE REVIEW SHEET

The purpose of this report is to evaluate the job performance of the employee in terms of his or her contribution toward the success of the company.

1. What are his major strengths on the job?
2. What are his major weaknesses on the job?
3. In what way or ways has this employee performed above the normal requirements of his job?
4. In what way or ways has this employee fallen below the normal performance expected on his job?
5. What training or development should be undertaken with this employee?

Signed ...........................................

This performance review was discussed with the person concerned

By: ...........................................

Date: ...........................................

Comments, reactions or questions raised by the person reviewed:

EXHIBIT 1
1. What are his major strengths on the job?
2. What are his major weaknesses on the job?
3. In what way or ways has this employee performed above the normal requirements of the job?
4. In what way or ways has this employee fallen below the normal performance expected on the job?
5. What training or development should be undertaken with this employee?

These questions alone go a long way toward evaluating performance and providing the basis for individual development. As those who have tried management development programs know, it's powerful medicine to sit down with an employee and discuss frankly how he is doing.

We have not established any elaborate training or "safeguards" on how to conduct job performance reviews. We rely upon the good sense of our management talent and try to avoid building up anything mysterious, "psychological," or difficult about the process in the minds of our management people. We take the approach that this is a perfectly normal and ordinary function of the supervisor in developing his people. We try to place the emphasis on this method as a part of the supervisor's job to train his people and help them to get ahead.

"Manualized" approaches to these problems are possible on occasion; but, in all honesty, it should be said that the simple explanation and the simple form seem to work as well as more complicated devices.

"Forced Choice" Appraisal Form

Still another step toward evaluating your management talent and deciding what to do about your organization can be taken without getting into budget problems and difficult technical areas.

Many large companies use psychological consultants to find out about the growth potential of their executives. Those programs can be excellent, but they usually are expensive. Admittedly, therefore, most small companies will not be able to afford psychological appraisals of individual capacities on any very elaborate basis. But anybody can ask the question, "Could this man be promoted? If so, when and how far?" A good discussion of the pros and cons of that
question will yield most of the information you need about a man's basic capacities. The chances are that you won't be very far wrong in terms of his capacity to handle the next promotion.

Exhibit I shows the one-page job performance review form which we use for all salaried personnel. At the same time, we have said you can find out about a man's basic capacities by asking yourself a simple question. For our executive level we have combined these two into a "forced choice" questionnaire (Exhibit 2) to make it easy to go through the appraisal process quickly and systematically. Here's how it works.

The first section is a job performance review which starts out with the statement that the man to be rated is either "unsatisfactory" or "satisfactory" on his present job. You must choose one or the other. If the man is "unsatisfactory," then the condition is either "not correctable" or "correctable." Again you must make a decision. If the condition is judged to be "not correctable," then action must be taken by some designated person to transfer, demote, terminate, retire, or otherwise dispose of the man, and a date is set for the action to be completed.

If the man's performance was judged "unsatisfactory" but "correctable," some designated person must take such corrective steps as providing more technical training, greater experience, and greater skill in handling people. Once more, expected completion dates are set. If, however, the man was appraised as "satisfactory" instead of "unsatisfactory," then we may expect (1) more from him, (2) no more from him, or (3) less from him. These conditions, too, are spelled out with subheadings which designate action to be taken and expected completion dates.

The second section of the form is concerned with a description of (1) individual qualifications by which estimates are made of the man's basic abilities and (2) his growth potential. In this section we are asking, "Could he be promoted? If so, when?" We first decide whether the man is to be considered "non-promotable" or "potentially promotable." If he is "potentially promotable," we want to know whether he is promotable (1) now, (2) within one year, or (3) within three years. The subheadings break down into questions of what positions he would be promotable to and what must happen to consider him promotable at some future date.

(text continued on page 389)
MANAGEMENT DEVELOPMENT APPRAISAL FORM

Name: .......................................................... Date .............................
Department: ..........................................................
Job Title: ..........................................................
Job Function or Duties: ..........................................................

1. JOB PERFORMANCE REVIEW
On his present job he is:

11. Unsatisfactory, for the following reasons:

This condition is believed to be essentially:

111. Not correctable, and the following action is recommended to
be taken by ..........................................................

Expected Completion Date

1111. Transfer to: ..........................................................
1112. Demotion to: ..........................................................
1113. Termination: ..........................................................
1114. Retirement: ..........................................................
1115. Other: ..........................................................

112. Correctable by the following actions, which will be taken by:

Expected Completion Date

1121. Technical training in ..........................................................

Expected Completion Date
12. **Satisfactory**, and we should expect

121. **More** from him by the following improvement, which is recommended to be undertaken by:

<table>
<thead>
<tr>
<th>Experience in:</th>
<th>Expected Completion Date</th>
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1211. Technical training in:

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<th>Expected Completion Date</th>
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1212. Experience in:

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<th>Expected Completion Date</th>
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1213. Greater skill in handling people:

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<th>Expected Completion Date</th>
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1214. Change in attitude:

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<th>Expected Completion Date</th>
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1215. Other:

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<th>Expected Completion Date</th>
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</tbody>
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EXHIBIT 2 (continued)
PACIFIC MERCURY TELEVISION MFG. CORP.

122. No More from him because
1221. He is working at his capacity now
1222. The nature of the job does not permit him to deliver more results
1223. Other: .................................................................

123. Less from him because
1231. He cannot be expected to maintain his present pace
1232. Other assignments will interfere
1233. The nature of the job is changing and will require (or permit) less
1234. Personal problems: ...................................................
1235. Other: ................................................................

2. EVALUATION OF MANAGEMENT POTENTIAL

21. Individual Qualifications
The following characteristics and qualities most closely describe this individual:

211. Apparent General Intelligence Level
2111. Estimated level
21111. Very high (equivalent to B+ or better school grades)
21112. High (equivalent to B- to B+ school grades)
21113. Average (equivalent to C+ to C- school grades)
21114. Below average (equivalent to C- to D school grades)
21115. Low (equivalent to D or lower school grades)
2112. Area of particular apparent mental ability
21121. General level-plateau of mental ability
21122. General science, mathematics
21123. Spatial relations, geometry, trigonometry mechanics, art
21124. Languages, English, journalism
21125. Philosophy, psychology, sociology, history
21126. Other areas ..............................................................

EXHIBIT 2 (continued)
PACIFIC MERCURY TELEVISION MFG. CORP.

212. Apparent Energy Output

2121. Short-term energy output at work and outside activities
  21211. Rises to great bursts of energy
  21212. Highly active from time to time
  21213. Maintains steady, even average pace

2122. Long-term energy output at work and outside activities
  21221. Shows great activity and energy virtually all the time
  21222. Maintains fast pace most of the time
  21223. Shows average activity
  21224. Listless

2123. Shows particularly great activity in the following areas:

2124. Shows particularly great listlessness in the following areas:

213. Goals, Philosophy, Motivation

2131. Goals. He apparently is applying his intelligence and energy in seeking to accomplish the following:

21311. His goals are consistent with the probable opportunities afforded by our business
21312. His goals are not consistent with the probable opportunities afforded by our business

2132. Philosophy. He has expressed himself as believing in, standing for, or accepting the following ideas:

21321. His philosophies are in harmony with good business philosophy and organizational practice
21322. His philosophies seem to be at odds with good business philosophy and organizational practice

EXHIBIT 2 (continued)
PACIFIC MERCURY TELEVISION MFG. CORP.

2135. *Motivation.* The following seem to be the primary things which cause him to work:

21351. Money and what it will buy
21352. Desire for prestige, status and power
21353. Praise for his successes
21354. Unwillingness to fail or fear of failure
21355. Other:

21356. The primary things which will motivate this person to work are normally present in the business
21357. The primary things which will motivate this person to work are not normally present in the business

214. *Ability to Get Along with People*

2141. General popularity

21411. Everybody likes him virtually all the time
21412. He's generally acceptable to most people
21413. He's disliked by most people most of the time

2142. Ability to get people to want to work

21421. Creates a high degree of enthusiasm and activity around him in general. People work hard for him
21422. People will follow his leadership in most things most of the time
21423. People resist his leadership or have little confidence in his ability to get things done

2145. What evidence is there out of his past history to indicate that his fellow men or his superiors had confidence in his ability to get things done through people:
PACIFIC MERCURY TELEVISION MFG. CORP.

215. Willingness to Initiate Things and Complete Them

2151. Willingness to initiate things

21511. Extremely active in starting things. Willing to take a chance on an action in the face of odds

21512. Starts things when directed and occasionally takes a chance in initiating a doubtful activity

21513. Must be checked on even when directed to start an activity. Resists taking chances

21514. Unreliable in the following: out of orders. Never goes beyond specific instructions

2152. Persistence in completing activities

21521. Follows virtually all activities to the "bitter end." Rarely forgets or loses track of activities. Will "push hard" if necessary to get a job done

21522. Can be depended upon to follow most activities through to completion. Will not "push" to complete a job if his personal popularity is endangered

21523. Must be checked on because of forgetfulness or unwillingness to "push" a job to completion if it is an unpopular idea with others

21524. Rarely finishes what he starts

2153. In the various places, activities and jobs where this person has been, what evidence is there of things he has started or caused to happen which wouldn't have happened if he hadn't started them or made them happen:

216. Ability to Create New Ideas—Creative Imagination

2161. Imagination

21611. Constantly observing the "what if" in everything about him. Extremely active curiosity about most things about him

EXHIBIT 2 (continued)
PACIFIC MERCURY TELEVISION MFG. CORP.

21612. Frequently raises "what if" questions concerning things about him. Curious about things which seem to affect him directly

21613. Sometimes shows interest in and carries forward imaginative thoughts of others

21614. Rejects as silly, non-factual, impractical or unrealistic the imaginative ideas of others

2162. Creative ability

21621. Has continuing record of new inventions, methods, systems, creative writing. Has strong urge to do everything in a new and better way

21622. Some record of occasional new inventions, methods, systems, creative writing. Enjoys change and readily applies new ideas from other sources

21623. Has never been known to create a new idea of his own. Slow to copy innovations of others

21624. In the various places this person has been and the various things he has done, what has he done or thought of which was new or different and which, so far as is known, had not been done or thought of before:

217. Technical Skills

This person has technical skills or training in the following areas:

2171. Sales and Marketing:

2172. Accounting, Finance, Credit:

EXHIBIT 2 (continued)
PACIFIC MERCURY TELEVISION MFG. CORP.

2174. Law:

2175. Industrial Relations:

2176. Purchasing:

2177. Other:

218. Personal Characteristics

2181. He has the following personal characteristics, other than those previously described, which detract seriously from his effectiveness:

2182. He has the following personal characteristics, other than those mentioned above, which particularly enhance his effectiveness:

22. Growth Potential

Assuming a satisfactory replacement is available for his present job and that promotional openings are available he is at the present time:

221. Non-promotable, for the following reasons:
2211. Not able to satisfactorily handle his present job
PACIFIC MERCURY TELEVISION MFG. CORP.

2212. Satisfactory in his present job but not likely to be developable beyond because:

2213. Too new on the job to be able to tell yet

2214. In the wrong type of work. Would recommend:

2215. Other:

---

222. Potentially Promotable

2221. Promotable now to the following positions:

2222. Promotable probably within one year to the following positions:

Through the following actions which will be undertaken by:

22221. Continued effort and experience on his present job without additional stimulus or assistance

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<tr>
<th>Expected</th>
<th>Completion Date</th>
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22222. Additional technical training in:

22223. Additional experience in:

22224. Greater skill in handling people:

EXHIBIT 2 (continued)
PACIFIC MERCURY TELEVISION MFG. CORP.

22225. Change in attitude:

22226. Other:

2223. Promotable probably within three years; recommended career direction:

22231. General Management
22232. Sales
22233. Finance, Credit
22234. Manufacturing, Traffic
22235. Purchasing
22236. Industrial Relations
22237. Other:

PROGRESS REPORT INTERVIEW AND DISCUSSION

Name: ____________________________ Date: __________________________
Department: __________________________
Job Title: __________________________

The purpose of this interview is to let you know how you are doing on your present job and to help you to get ahead by offering counsel and assistance. The Appraisal Committee who reviewed your progress wants to see you get ahead and offers these comments with a view toward helping you.

1. How is he doing on his present job: ___________________________________________

2. What is his greatest strength: __________________________________________

EXHIBIT 2 (continued)
3. What is his greatest weakness:

4. What will be done to help him progress:

5. What will he be expected to do to help himself progress:

This progress review was discussed with the person concerned

<table>
<thead>
<tr>
<th>Appraisal Committee:</th>
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<tr>
<td>1. Supervisor:</td>
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<tr>
<td>Title:</td>
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Comments, reactions, or questions raised by the person appraised:

EXHIBIT 2 (concluded)
The final sheet in the form is detached and used to report back to the man on these points:

1. His greatest strength.
2. His greatest weakness.
3. What will be done to help him progress.
4. What he will be expected to do to help himself progress.

Basically, there's nothing involved in this form which is difficult or which requires special training. It has been our experience at Pacific Mercury that most executives prefer some sort of guide sheet to follow in their thinking and to simplify writing. That's the only improvement such forms offer over a blank sheet of paper. Of course, not everyone embraces their help at once and with complete acceptance. We have let manpower evaluation and training develop in our organization as a gradual process in which we provide ideas and forms as tools to help supervisory people solve their problems. Different departments will need these techniques and seek assistance at different speeds. We have approached management development on a basis of providing tools to help solve problems rather than forcing a uniform program into existence.

The Follow-up Phase

As stated, there are two basic principles involved in management development. The first is "a periodic review of how each individual is doing on his job and how he can improve." The second is "a follow-up to use the review information to improve the individual and to plan the organization."

We've already mentioned the interview with the individual to discuss how he's doing on the job. It's a powerful stimulus to individual development; and, if nothing else came of the program except the results of these job performance review interviews, the effort would still be well worth while. We carry out these reviews with all salaried employees down to the office boy.

Most small companies aren't in a position to finance extensive educational programs for employees whose development depends upon additional technical training. In most instances, however, it's easier for the man in a small company to see the relationship between needed technical training and his personal progress. No
matter what the company's size may be, the man who feels convinced he needs more technical training is going to get it whether the company provides financial assistance or not.

Organization Planning

Using the review information to help plan the organization, we have found, is easy and interesting. Certainly, the basis for such planning is an organization chart, and here the small company has a distinct advantage over the large company.

An organization chart need not be elaborate to be effective. There are many approaches to drawing organization charts: moreover, much has been written about the theory of organization and the best ways to "structure" a company. Most smaller organizations, however, end up by being a reflection of the interests and abilities of the individuals represented. To be realistic, just draw the organization chart to describe the way the company actually functions, not how it should function.

You may want to set up a flexible organization chart board so that you can have one central point where the latest correct information is available at all times. We would recommend pegboard masonite with pressure-sensitive tape for lines and convention-badge pockets for individual jobs. The pressure-sensitive tape is available in different narrow widths, and the convention-badge pockets can be fastened on with "stick-tack" discs which give a two-way adhesive action.

Organization planning can be done by use of a color code indicating promotability and degree of satisfaction with respect to each man in his present job. This color code might be somewhat as follows:

- Blue—promotable now.
- Green—probably promotable within one year.
- Yellow—satisfactory but not promotable.
- Red—not satisfactory on present job.
- White—too new on the job to judge.

It doesn't matter, of course, what code or method you use in summarizing your review information. The important thing is to try to plan ahead on how to avoid problems and use your strength.
It is good practice for the president each year to sit down with his department heads individually and ask:

1. Where is your unit strong?
2. How is its strength being used to best advantage?
3. Where is your unit weak?
4. What measures to correct your unit's weakness are in progress and what corrective measures do you propose to take?
5. Who will take these corrective measures, and how will it be done?

* * *

There you have it—a complete management development program without expensive manuals, without forms or red tape. All it takes is the two basic principles cited in the beginning:

1. A periodic review of how each individual is doing on his job and how he can improve.
2. A follow-up to use the review information to improve the individual and to plan the organization.

The details of how you carry out these two principles are unimportant. Our advice, at Pacific Mercury, would be to do it any way which seems easiest and most logical in your organization.

Give management development your unqualified interest; the results are guaranteed to be profitable both to your management people and to your company.
It may be true that the small company's problems are paralleled by those of the more or less autonomous unit in a large, decentralized firm. But, lacking the large competitor's resources of manpower and funds, the small company must adapt development procedures to fit its special needs, and must rely to a greater extent on outside assistance.

The number of failures among small businesses which are attributed to inadequate management points up very clearly the importance of developing effective managers. This development is necessarily a combination of improving the performance of each manager on his present job and continuously developing a supply of promotable management personnel at every level of the organization.

The small company usually does not have a large supply of potential management personnel, nor can it usually afford any extensive turnover of people hired for training programs and weeded out by competition. Thus it can seldom depend heavily on formalized management development programs which require the individual to spend substantial portions of his time in situations and activities intended largely (or exclusively) for training. The problem, then, becomes one of improving the performance of the individual who occupies each management position, and concurrently developing within these same people the necessary broader and higher management abilities which are prerequisites for greater responsibilities.

**IMPROVING PRESENT PERFORMANCE**

The performance of the individual manager certainly depends on at least two major factors: the circumstances under which he works, and the skills which he can apply to the job.
The Circumstances

The fundamental circumstances on which all others depend are the objectives of the organization and the over-all objectives of management. These objectives may be stated in many different terms, but most statements in enlightened organizations will include the basic ideas of service, satisfactions to those involved, and the positive aspect of leadership or direction. Such statements will certainly be broad. They represent an ideal, and perhaps in detail that ideal is unattainable. But only by knowing what our ultimate objectives are can we be sure that every step is taken in the right direction.

Certainly, these over-all objectives of an organization are not enough for a manager to use in improving his performance; it is necessary to set intermediate goals. We all work best when we are working for definite goals which we have a reasonable chance of attaining or approaching closely. These goals constitute a standard of performance; and, in order to make it effective, we provide measures of performance. The performance measures need to be as objective as possible, and they must be available to the individual whose performance they measure. It is both right and effective that each manager be able to measure his own performance, using the same results and records which are available to his superiors in measuring that performance.

The next factor of circumstances on which managerial performance depends has to do with clarity of organization. Most people in any organized activity want to cooperate. A lack of cooperation results more frequently from circumstances that prevent cooperation than from a lack of desire on the part of people to cooperate. For example, we sometimes find near-disastrous failures of cooperation occurring when two individuals in an organization agree fairly well on the ultimate objective but disagree, sometimes violently, on who is responsible for establishing the methods which will be used in working toward that objective. A clear statement of each manager’s responsibility and a clear definition of the scope of his authority can go far toward eliminating this kind of misunderstanding.

The point at which decisions are made is likewise important. In any organization there are many problems to be solved and many decisions to be made. In most cases, the quality of a decision will be materially affected by the facts which are brought to bear upon
the problem in question, and the greatest number of facts with a bearing on that problem will usually be available and best understood at or near the problem level. Similarly, speed of decision is achieved when the decision can be made as close as possible to the point where the problem arises. We therefore want every supervisory manager to solve every problem which arises in his department, because he is closest to it and presumably can make the quickest and best decision.

This continuous emphasis on, and practice in, carrying full responsibility and making one's own decisions is one of the most important factors in management development. It requires, however, that we have clearly written statements of policy so that decisions which are made, and which are governed by (or which affect) policy, will tend to be the same kind of decisions which would be made if the problems were carried higher in the organization for solution.

When we started, some years ago, to write a policy manual for the Tool Steel Gear & Pinion Company, we involved our entire management group in the process. First, we assigned a staff man the job of listing alphabetically every subject on which we seemed to have some policy—written or not, complete or not. We submitted this list to all supervisors and executives, requesting them to add every additional subject which should be covered. Tentative written statements were developed for each subject, some by individuals who seemed best informed in the area, some by special-assignment committees, and some through discussion among all foremen, all office department heads, or similar large groups. The next step was to discuss each written statement, amend it if necessary, and have it approved by the office and factory supervisors. This is a very effective means of broadening thinking. By the time each supervisor has thought through, for example, the intent of a vacation policy, the philosophy of whether vacation is added compensation for past work or is preparation for work ahead, the cost factors involved, the merits of a plant shutdown period versus the needs of customers for emergency help, and so on, he is a much better exponent of the policy than if he had merely been handed the policy to administer—and he has learned much about the interrelation of various factors and objectives of the management job. Our policy manual is now used periodically as a study and discussion outline
to bring new supervisors along, to refresh the understanding of the older men, and to find spots where policy needs revision or administration needs improving.

A second thing which we must do to get problems solved at the proper level is to create the same decision-making pattern throughout the management. It is all well and good to talk about teaching individual managers to make their own decisions, but there is no real way to train people to do this except by the example of the next higher level of supervision. Here is an area of management which is easy to talk about but in which it is difficult to perform well. It requires that each individual manager refrain from giving answers to his subordinates when they bring problems to him. Rather, it requires that he take the time to help the subordinates think their problems through and arrive at their own decisions and the steps necessary to carry them out. It further requires that the superior be willing sometimes to let his subordinates make the mistakes which grow out of their decisions and to learn from those mistakes. And it implies that the superior will be prepared to assume responsibility for the actions of his subordinates when results are bad as well as when results are good.

Still another important circumstance has to do with the effectiveness with which current information is communicated to each manager. If we want people to be alert, to anticipate problems before they arise, and to make regular contributions to progress, it is surely essential that we have regular and effective means of keeping them apprised of what is new in the organization in the way of problems, programs, and possibilities. It is one of the advantages of a small company such as Tool Steel Gear & Pinion that we can more easily reach our entire management group with person-to-person communication on company matters of every kind.

The Skills

There are both technical and managerial skills. The technical skills required at different management levels and in different types of organization activities are as wide as the total range of human endeavor. Suffice it to say that one of the standard problems in the small organization is having management people devote the necessary time and effort to keeping abreast of what is new. A strong,
definite policy of encouraging regular reading and participation in professional association activities is indicated in this connection. It is our own experience that the small company can derive tremendous benefits from these outside associations; therefore, the company pays all the bills.

As mentioned, objective performance standards provide perhaps the best single means of pinpointing the need for training managers in technical skills. These standards, and the feedback to the individual of his performance against these standards, also provide the incentive for the individual to want to acquire the necessary training.

One of the foremost managerial skills might be termed organizational skill. This can be equated practically to a clear-cut understanding of one's own authority, where it applies, and what type of authority it is. To repeat—clear-cut definitions of responsibility and authority are one of the circumstances affecting performance. Having clear-cut definitions available, and having each individual manager understand them clearly, however, are two different things. An interesting and useful device for occasionally testing the over-all organizational skill of every manager is to have him outline in writing the kinds of problems or decisions which he is expected to handle with each of three kinds of authority: (1) the authority to decide and take action without consultation or reporting to anybody else; (2) the authority to act, but with responsibility for reporting the action, after he has taken it, to his superior; (3) authority with responsibility for seeing that a decision is made and action is taken, but only after consultation with his superior. A cross check of a manager's understanding of these matters with his superior's understanding quite frequently brings out some disagreements and points up a certain lack of organizational skill which needs to be rectified.

A year ago, our company tried another approach to this problem involving the consulting psychologist whom we use one day per week on problems of testing, selection, communications, safety, and the like. We assigned him to interview a representative, and sizable, cross section of the management group. This was an interview in depth, relatively unstructured, and aimed essentially at the question, "What obstacles are there which prevent or hinder your doing your job the way you want to do it?" The man has the confidence of our personnel, and he is a skilled interviewer. The answers he received,
Too St ••' Gar & Pinlon Company

when classified and summarized in a report to top management, pointed clearly to some needed clarification of policy, changes in organization structure, and closer follow-up of certain procedures. Top management was not exempt, and got a clear look at itself from below. For example, the fact that too many top executives were away from their jobs on outside activities for community, government, and other groups for undue periods of time had caused unnecessary and undesirable delays in getting decisions that could only be made at the top level.

DEVELOPING BROADER ABILITIES

At this point we still have to discuss the development in managers of various specific managerial skills, such as the selection of people, the establishment and use of controls, and the review and appraisal of performance. We have to discuss the human relations skills of management and the whole area of motivation of managers. It is at this point, and in the discussion of these questions, that we tend to begin thinking of improving present performance and preparing for larger future performance in the same terms. We want to look at particular methods of developing managers, what's good and what's bad about those methods and why.

Management Skills

In regard, first, to the development of some of these additional management skills, we have found as a small company that it is impossible for us to be self-sufficient; that is, we have found it essential to utilize to the fullest such available resources for information and training as schools, trade and professional associations, and visits to other companies. Fortunately, we are located in a metropolitan industrial area where there are very helpful programs of study available at the public night schools and in the university evening programs. Our management people also have access to membership and participation in the activities of a multitude of associations: the National Office Management Association, the Society for the Advancement of Management, the National Association of Foremen, the National Association of Accountants, the Controllers Institute of
America, engineering and technical societies, and many others. But even for those companies not similarly located, there are many effective sources of help: to cite a few, the concentrated, short-term, full-time management training programs presented by universities in many parts of the country; the conferences and clinics on both specific and general areas of management conducted by numerous organizations; and the workshops in management subjects that are widely offered.

Some small companies (and large ones, too) say, “Our people are too busy to spare right now.” However, our own attitude is that any man worth such training will always be busy and will always be missed when he is off the job, but that nothing he could be doing now is more important than broadening his viewpoint and developing his managerial skills in preparation for the future. Moreover, in addition to training off the job, there are a number of excellent management information services and publications which can provide the necessary flow of fresh new ideas and repetition of necessary old ideas and which can be used to form the material content of in-company discussion programs and conferences. One Saturday each month, our entire management group, from all shifts and both plants, meets at dinner to hear an outside speaker on a subject of practical value and common management interest—for example, “Developing Creative Imagination” or “Industry and Mental Health.” We find that most other companies, both large and small, welcome a request from us to exchange inspection and discussion visits between supervisors and managers—individually and in small groups—and are happy to cooperate in such efforts.

Perhaps it should be pointed out that the management attitude within the company toward these training programs has a very important bearing on their success. For maximum results, the attitude should not be one which could be expressed by the question, “How are you enjoying this activity?” or, “What do you think of this activity?” but rather should be exemplified in the question, “What are you getting from this program or activity?” That is, the attitude should be commonly held and commonly expressed that training activities are intended to furnish the individual with practical and useful knowledge, or to affect his viewpoint or his actions.

It has been our experience as a small company that attempting to develop management people by creating positions and programs
solely for that purpose has not been very successful. For example, we tried selecting a group of potentially promotable people, detaching them from their regular jobs, and putting them on a rotating circuit of observing and understudying supervisors or managers of various departments. This was unpopular, expensive, and relatively unsatisfactory—possibly because the trainees filled supernumerary positions in the various sections throughout the organization and, therefore, were marked as trainees and could not be subjected to the actual measurement by results which is so essential to any appraisal of management progress.

By contrast, we have found it a very effective procedure to transfer individuals from one department or division to another, putting them into regular and essential jobs in the organization, letting them learn to carry the full authority and responsibility of those positions and be measured by the results achieved, and then transferring them laterally to different activities for the broadening experience which results. Naturally, they fully understand what is going on; they welcome the opportunity to grow and appreciate the effort to fit each man to the kind of job in which he is likely to be most successful.

We start developing flexibility at the lowest level of management by selecting foremen from the ranks of our utility operators who have had training and experience on literally every kind of factory job. We welcome opportunities to transfer assistant foremen and department heads from line to staff and vice versa, from engineering to production control, from production control to sales administration, and so on. We have also tried letting two men in different jobs spend half their time learning each other's work. This has not proved successful, but we believe that there are occasions when two supervisors can trade jobs completely, calling on each other for assistance only as it is needed. Incidentally, it should be pointed out that this rotation or lateral transfer of management personnel in lower-level management jobs has an additional desirable effect: Not only does it broaden and develop the individual involved, but we find that it materially aids smooth operation and effective cooperation between the departments or divisions of the business concerned. Periodically bringing into each department a fresh personal knowledge and understanding of the other department's viewpoint has a revitalizing influence on cooperation and tends to check the
Another device which we have found successful for both improving present performance and preparing for future advancement is the committee. We use committees extensively: to facilitate product screening and recommendation; to analyze and improve the flow of orders through our office and technical departments; to study and improve office and plant layouts; to pay awards made for suggestions; to streamline wage and salary administration; to carry forward applied research projects; and to deal with a variety of special problem situations. A common complaint about committees in many organizations is that they are time-consuming. I have heard it said that a committee is a number of people meeting to agree jointly that they cannot do anything collectively which cannot be done individually, and that a committee is a body which keeps minutes and wastes hours. There are undoubtedly many sound reasons for these derogatory comments about committees, and to try and eliminate these reasons we have devoted much time and effort to study and practice in the effective operation of the small group in the work situation. Many of our committees do not have a formal leader or chairman; yet they operate effectively and speedily because members have learned the leadership functions of objectives, methods, participation, and summary and individually exercised these functions.

Let's look briefly at one of these committees as an example. We are a job shop manufacturing hardened steel machinery parts. One of the regular problem areas is deciding what we can make; how to make it; how good we can make it and at what price; what the market potential is; and, finally, whether we shall quote (or accept an order) or not. All doubtful inquiries and orders are screened by the Order Department head and submitted twice weekly to the Product Advisory Committee, of which he is a member. Other members are the assistants of the chief mechanical engineer, chief metallurgical engineer, chief industrial engineer, factory superintendent, and chief inspector. They pool their knowledge and experience, weigh the arguments, and reach a decision in each case. Rigid restrictions exist to limit any reversal of their decisions, although this may occasionally occur for top-level reasons of customer-relations policy. It can readily be seen that this group not only performs a vital func-
tion effectively, but serves as a continuous training program for its members.

Committees, then, serve to broaden the individual’s understanding of problems in other parts of the business. They sharpen his judgment through practice in many phases of management which frequently are not a matter of direct responsibility to him in his normal job. They help to meet the problem that real training in management can take place only when the individual has some true responsibility for the exercise of his judgment and authority and when the results will measure the value of his efforts. They also provide a means of developing the communication skills of listening, understanding, explaining, and persuading.

**Human Relations and Communication**

Any mention of communication skills leads to a discussion of the human relations skills of management in our company. We consider human relations and communications to be so closely related as to be almost synonymous. Human relations is probably the most important skill of management, and it is almost certainly the most difficult. And the philosophy and techniques of communication are an essential part of it.

We hear a great deal about morale and its effect on performance. Morale may be many things, but we believe that basically it is confidence—confidence on the part of the individual that he has the maximum possible amount of freedom and self-sufficiency; confidence in his leadership and in the ability of that leadership; but, even more important, a confidence that under all circumstances he, the individual, will get the best possible break from his leadership and his organization consistent with the circumstances. Because we believe this, we believe that a philosophy of full and free two-way communication is essential, and that methods and channels of communication must be effectively established and utilized. We all mistrust what we do not understand, and we fear the unknown. How can we feel free to exercise our own personal good judgment, and how can we feel self-sufficient, unless we are fully informed about what’s going on around us and what is likely to happen in the future insofar as it can be projected from what we know today? As a philosophy of communication, then, we believe that with the exception of
personal pay rates and information which might adversely affect our competitive position, all matters of organizational knowledge are fit subjects for communication throughout the company.

We believe that written communications are essential. We also know that, to be effective, they must be understood; therefore, we have utilized the services of consultants hired from the outside to train management personnel in reading skills. In 20 hours of training and practice, the reading speed of all those who participated was just about doubled, and the comprehension rate was improved by about 15 per cent. This is a decided pattern of results, almost without regard to the starting level of reading speed and comprehension. We consider it an important basic tool in keeping abreast of the new in management and in the effective utilization of time on the daily job. At the same time, we have used outside help in cooperation with our own personnel to develop some principles of effective written communications and have published these in a simple booklet form.

We believe, however, that face-to-face communications are the best, the most widely useful, and the most effective. We have found in our small organization that regularly scheduled meetings of supervisors and managers for dissemination, explanation, and discussion of company information of a current nature are vital. We have used and are using the in-plant services of a consultant to train first-line supervisors and other managers in more effective face-to-face communications with groups of people through departmental meetings aimed at such common objectives as safety, quality improvement, and cost reduction. As an example of the use of this skill, consider our safety story. Every foreman has a 15-minute meeting on safety with members of his department every two weeks. Hazards are pointed out for correction, procedures are restudied, and basic principles of safety are re-emphasized. Any injuries or accidents are analyzed for cause and for ways to prevent recurrence. This kind of joint attack on a common problem within a two-year period reduced our accident frequency by 67 per cent.

Motivational Needs

A third major factor both in improving management performance and in preparing for larger performance in the future is motivation.
People, including managers, do not do what they ought to do because they ought to do it. We all do what we want to do, and what we want to do is whatever we see as being necessary to satisfy our needs as we view those needs. Human needs are many and varied, but some are common to all of us. In the work situation, certainly, these few are basic: First, the need for self-approval. This requires treatment which preserves one's essential human dignity, as well as a feeling that the work one is doing is worth while. Second, the approval of other people. In the work situation, this means essentially being recognized by others for the contribution one is making. Third, a need for security, both present and future. And, fourth, a wish and a need to feel and to be a part of something important which is larger than one's self.

What does all this have to do with improving the performance of the individual manager? A great deal, because on this basic interpretation of human nature rests our whole theory of motivation. It is possible to integrate individual goals and organizational objectives, but only if the individual can see quite clearly that by working toward organizational objectives he most effectively works toward his own individual goals. The individual goals will always be the satisfaction of his own needs, and he will always work toward these goals. So the question becomes, "How do we enable the individual to achieve his own goals by working toward organizational objectives?"

There are many aspects of this problem and perhaps many methods which contribute to its solution, but we have found that one aspect is more important than any other—and perhaps more important than all others. This aspect, which is really a philosophical one, can be summed up in one word—participation, of which four degrees or grades may be listed. The most important and most desirable is the opportunity to participate in establishing the goals toward which the individual shall work. The second, if the first is impossible, is to participate in establishing methods which shall be used in working toward the goals established. If both of these are impossible, there is the third degree of participation, which is to establish and control the conditions under which the methods shall be used in working toward the goals. And finally, as the fourth and least desirable possibility, the individual can participate by discussing any changes that are to take place in goals, methods, or conditions before the changes take place.
Does this mean we are recommending that management retire to the status of conference leaders? Not at all. This is the most difficult kind of management performance. In addition to the possession and use of what are normally considered management skills and abilities, it requires a constant and keen awareness that the progress of the organization is the sum of the individual drives of members of that organization, and that in the learning process by which every individual develops his capabilities, there is no substitute for the experience of personal participation.

This is not a new or revolutionary theory. It is merely the essence of what has been called democratic leadership. But to us it has an especially significant connotation in any discussion of management development. We believe that it is literally impossible to teach anybody anything. All we can hope to do is give people an opportunity to learn—and the participative approach provides a maximum of opportunity to learn. Development and habitual use of this management skill make it automatic for each manager continuously to provide his subordinates with a better orientation to the higher job. They enable each individual to learn through experience and, with skilled coaching, to analyze problems, determine policies, and establish practices having to do with his own job and responsibilities; and, at the same time, they challenge him with problems which are larger than his own and enable him to observe the methods of approach to these broader problems and to develop the insights necessary for dealing with them. In the development of managers, day-by-day counseling and coaching by superior of subordinate are an absolute “must.” But we have found no way to provide this coaching regularly unless it is an automatic part of a method of management based on maximum participation.

In summary, then, the problem of developing effective managers in the small company hinges on these major points: Have a sound organization structure and have it clearly understood. Use every available outside trade, professional, and academic organization to furnish learning opportunities. Use job rotation in the lower-level management jobs as early as possible in each man’s management career and as extensively as possible, but only in regular and essential positions where results can be measured, not in observer posi-
tions created for training only. Utilize memberships on standing and special-assignment committees to broaden the individual’s viewpoint and provide tests of leadership, imagination, and cooperative effectiveness. Have a policy of, and maintain, effective practice of free and comprehensive communication on all matters of organizational interest, not just those directly affecting the individual or individuals involved. Continuously develop more effective democratic leadership in management to provide a maximum of desirable motivation and fully utilize this opportunity for management development by placing full emphasis on the day-by-day superior-subordinate counseling which is a natural part of it. Finally, make one of the most important test questions of management performance, “How rapidly and effectively is he developing his own replacement?”
Conclusion: Developing Tomorrow’s Leaders

Apparently there is almost no limit to the offers that many companies are prepared to make to assure themselves of adequate reserves of executive talent. They seriously believe, it would seem, that higher starting salaries, with guaranteed increases, will buy the best in potential leadership; that every man has his price—if you are willing to go high enough. Yet, even while they vie for today’s graduates (sometimes forgetting about yesterday’s, to whom they made the same bright promises), thoughtful company executives are questioning whether this policy of increasing salary incentives—including even such indirect incentives as fringe benefits and stock-purchase plans—is helping to develop tomorrow’s leaders. They suggest that, instead, it may be creating a great deal of dissatisfaction and frustration, that tomorrow’s leaders can no more be bought with so-called “security” than they can with mere cash. A highly successful company that is getting its share of potential leaders asks these six questions about each campus recruit it considers hiring:

1. To what extent does he appreciate the fundamental soundness and rightness of operating a business successfully and profitably, so that it provides a livelihood for its employees, a fair return to its stockholders, business for its suppliers, and a needed service to customers—at the same time affording continuity in business?

2. To what extent does he understand the particular obligation which management assumes for paying attention from the earliest moment to being right and accepting responsibility?
Does he understand what it does to his reputation, and that of his management, to pass along instructions for which he disclaims responsibility or sympathy?

3. To what extent does he understand the strength there is in reasoning out decisions on the basis of the greatest good for the greatest number, rather than doing the popular thing?

4. To what extent does he understand the pitfalls which exist in making decisions on the basis of expediency, with only today's problems in mind, rather than looking ahead to problems which will surely arise in the future?

5. Does he understand that merit is the only true guide to progress, and that in the mind of a man who has the good of the organization at heart there is no room for favoritism?

6. Does he understand that the soundest progress which an individual can make in business comes as a result of the things which he does to help the company as a whole get ahead, thus taking him with it?

These are the kinds of questions that more managements should be asking as they hire potential presidents or vice presidents for 20 or 30 years hence.

Are We Cheating Ourselves?

Do the qualities indicated by such questions sound as though they might be secured by paying more or promising more than your competitors? Hardly. Indeed, overemphasis on cash rewards can make all too many graduates lose the sense of service that is inherent here—and, as a result, decrease their leadership potential.

Nor does this criticism apply only to the recruiting process: In many other ways, managements are discouraging the development of tomorrow's leaders by their shortsighted emphasis on current needs. For one example, too many companies retain management trainees who are clearly not developing satisfactorily in their present jobs; there is too much emphasis on maintaining a low rate of personnel turnover. People seem to think that they are doing an employee a favor by holding on to him regardless of his performance, although, in many cases, the greatest service a company can
do for those who are obviously not doing well in their current positions is to encourage them to try something else. A man who is doing badly at one job may, after all, reveal potentialities in another. What is more, he is probably keeping someone else from the opportunity to develop in the job he is simply filling.

The Challenge to Management

In spite of the amazing vitality of American business as a whole, it is true that some 90 per cent of companies started do not survive 10 years. Obviously, then, not only the success but the very survival of a company today depends upon the increasing competence of its management at all levels, and upon the maintenance of an adequate reserve of qualified managerial replacements.

The development of tomorrow's leaders to provide continuity is the responsibility of operating line management. In fact, it is just as important as operating results. Recruiting, selection, coaching, and appraisal should not be regarded as activities that are separate from or contribute only indirectly to the over-all objectives of serving customers and making profits. Rather, they are the very means by which these objectives are most effectively accomplished.

In progressive companies today, as preceding chapters will have shown, the same degree of attention, effort, and imagination is being applied to the discovery and development of managerial talent as to production, sales, and finance. In these companies, each executive manager and supervisor is being held responsible for management improvement—both in himself and in those reporting to him—as a definite part of his daily operations. Increasing attention is being paid to fostering a management climate which will give each individual the maximum opportunity to develop on the job through planned, accountable work assignments that will challenge and stretch his imagination and capacities.

Lessons from Current Experience

In every sphere of activity, those who are wise and willing to learn look to those who have had successful experience. In summary, then, what lessons are to be drawn from present-day practice in those companies that have been most successful?
1. More attention should be devoted to executive manpower inventory, with an eye to both current and future resources and needs. We are all aware of the limited validity of such determinations, yet we must use them more than we do if we are to maintain a satisfactory supply of the kind of people we need.

2. More attention should be paid to improving relationships between supervisors and subordinates at every management level, beginning at the top. Surveys indicate that management at all levels feels the urgent need for frank, authoritative, and frequent answers to three basic questions:
   a. What is expected of me?
   b. How am I doing?
   c. How can I improve?

3. Every member of the management team should know what each of his subordinates wants to do, can do, and is doing—thus providing recognition and motivation, indicating that he is capable of representing these people “upstairs,” and establishing a sound basis for promotion and recruiting.

4. Compensation plans should be established which will reward each person in management according to the results and value of his performance.

5. Every development program should be tailored to the needs of the individual as they compare with the requirements of his job, and there should be more reliance on coaching and accountable work assignments. Despite the importance of seminars, courses, extension activities, and conferences, the real development of a man takes place on the job.

6. In all our development efforts, more consideration should be given to distinguishing clearly between performance and potential. Since most supervisory people are likely to remain at the same level for a number of years, more can be gained by helping them improve their performance in their present positions than by continually talking about advancement.

7. Better standards of performance should be developed, so that the individual can judge his own accomplishments. An effective system should meet the following criteria:
   a. For every management position in the organization, there
Developing Tomorrow’s Leaders

should be a statement of the conditions which will exist when a high level of performance has been attained.

b. These standards should be in writing, and should fix accountability and responsibility.

c. There should be attainable objectives in terms of quantity, quality, service, expense, and time.

d. All standards should make possible the measurement, by both the supervisor and the incumbent, of the significant results which really matter.

e. They should pertain to factors which are within the control of the incumbent.

f. They should establish priorities.

g. Ideally, there should be participation between the supervisor and the incumbent in developing standards.

h. These standards should be kept current and used continuously as a basis for communicating what is expected, what is being done, and how improvement can be achieved.

8. Opportunity should be developed for every person in the organization to express freely his suggestions for the improvement of the company and of his supervision. If we pay no attention to what people are thinking, we will not get satisfactory performance. We need to encourage wider and more active participation in group discussions of every sort—from organized problem solving to informal bull sessions.

9. In all our development efforts, greater emphasis should be placed upon the results a man achieves and less upon his personality traits. We spend too much time today in trying to measure and change people’s personalities and not enough in determining how these people actually perform.

10. It should be recognized that, although a company cannot develop leaders (only the individuals themselves can do that), management, through its policies, practices, and general attitude, can either provide opportunities for development or ignore and stifle leadership potential.

A Glance at the Years Ahead

What about tomorrow? What new directions in management development will the companies of the future be taking? It is impos-
sible, of course, to predict new approaches in such a field as manage­
ment development except in terms of increasing or decreasing
emphasis upon current techniques and trends. Undoubtedly there
will be continued progress in this area; and, just as surely, some
of the directions this progress will take will be truly new and,
therefore, unforeseeable. At this vantage point in time, we can
identify only those probabilities indicated by the practice and think­
ing of farsighted managements today:

1. There will be increasing emphasis upon the development
of the whole man in all his relationships—with the company,
his profession, the community, and the world—rather than
merely upon the development of management skills.
2. Companies will more actively encourage programs of con­
tinuing education throughout their managers' careers, utilizing
the many outside resources that are available.
3. Increasing attention will be paid to problems of executive
health, to insure that managers are effectively maintaining
their physical and mental facilities.
4. There will be wider and more active cooperation between
businesses and universities, including participation in per­
sonnel exchange programs and research projects.
5. More and more managements will recognize the importance
of facing up early to the temporary failure of executives
and taking corrective action. We are thinking here, of
course, not of executives who have been with a company,
for 20 or 30 years, but of the first four or five years of a
manager's career with a given firm.
6. There will be increasing emphasis upon the responsibility
of line executives for developing themselves and those re­
porting directly to them.
7. Companies will give more recognition and credit for de­
veloping people.

At the same time, development efforts in the years ahead should
be less and less concerned with—

1. Blindly copying XYZ Company or "what everybody else is
doing."
2. Starting programs on short notice without considering long­
rage problems and effects.
3. Encouraging the "crown prince" system whereby individuals are considered to have priority on certain jobs long before vacancies exist.

4. Making hasty decisions on replacements.

5. Considering seniority unduly in promoting executives.

6. Overemphasizing the importance of gadgets.

Our Most Important Asset—Men

J. C. Penney, summarizing his feelings about the development of tomorrow's leaders, once said:

The asset which towers above all others in business is not money, not buildings, not land, but men—men inspired by confidence in one another; men who see their own success in the success of their business associates; men who are not working for one another but with one another. Money is not and never can be the one principal object of our business. We place the greatest stress and give the foremost place to the training of men and the giving of service. This is the business insurance of producing producers.

The essential duty of the manager is clear. He becomes a manager not alone because he gives evidence that we can trust him to conduct the affairs of the store, but, beyond that, because he has proved to us that he can build another man to take his place. Once a business is wise enough to [recognize] this, the financial income of that business is assured.

For all their very real importance, replacement charts, standards of performance, job rotation, conferences, appraisal interviews, and the rest are not the essential ingredients of a successful development effort. The essential ingredient is a sincere desire on the part of the individual manager to develop a worthy and able successor to replace him when he retires or is promoted. Tomorrow, when today's leaders have moved on, will it be asked of them, "How many TV sets or automobiles or machine tools did they make?" They will be judged, instead, by the quality of the people they developed to succeed them.
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