

## ■ MANAGEMENT BY OBJECTIVES

### Thomas M. Thomson

Managers always have been challenged to produce results, but the modern manager must produce them in a time of rapid technological and social change. Managers must be able to use this rapid change to produce their results; they must use the change and not be used or swallowed up by it. Both they and the organizations they manage need to anticipate change and set aggressive, forward-looking goals in order that they may ultimately begin to make change occur when and where they want it to and, in that way, gain greater control of their environments and their own destinies.

The most important tool the manager has in setting and achieving forward-looking goals is people, and to achieve results with this tool the manager must: first, be able to instill in the workers a sense of vital commitment and desire to contribute to organizational goals; second, control and coordinate the efforts of the workers toward goal accomplishment; and, last, help his or her subordinates to grow in ability so that they can make greater contributions.

In hopes of increasing individual production and contribution, managers have resorted to many different approaches: they have tried to get commitment and hard work through economic pressure and rewards; they have sought greater production by teaching the workers the best or most efficient ways to do a job; and they have tried to cajole their employees into a sense of well-being, hoping that their comfort would produce a desire to contribute. All these approaches had some success, but none succeeded totally in injecting enough of that element of vitality and adaptability into organizational life to allow it to thrive and remain viable in this age of change and sociotechnological turmoil.

### **DEFINITION**

The “Management by Objective” (MBO) approach, in the sense that it requires all managers to set specific objectives to be achieved in the future and encourages them to continually ask what more can be done, is offered as a partial answer to this question of organizational vitality and creativity. As a term, “Management by Objectives” was first used by Peter Drucker in 1954. As a management approach, it has been further developed by many management theoreticians, among them Douglas McGregor, George Odiorne, and John Humble. Essentially, MBO is a process or system designed for supervisory managers in which a manager and his or her subordinate sit down and

---

Originally published in *The 1972 Annual Handbook for Group Facilitators* by J. William Pfeiffer & John E. Jones (Eds.), San Diego, CA: Pfeiffer & Company.

jointly set specific objectives to be accomplished within a set time frame and for which the subordinate is then held directly responsible.

All organizations exist for a purpose, and, to achieve that purpose, top management sets goals and objectives that are common to the whole organization. In organizations that are not using the MBO approach, most planning and objective setting to achieve these common organizational goals is directed downward. Plans and objectives are passed down from one managerial level to another, and subordinates are told what to do and what they will be held responsible for. The MBO approach injects an element of dialogue into the process of passing plans and objectives from one organizational level to another. The superior brings specific goals and measures for the subordinate to a meeting with this subordinate, who also brings specific objectives and measures that he or she sees as appropriate or contributing to better accomplishment of the job. Together they develop a group of specific goals, measures of achievement, and time frames in which the subordinate commits himself or herself to the accomplishment of those goals. The subordinate is then held responsible for the accomplishment of the goals. The manager and the subordinate may have occasional progress reviews and reevaluation meetings, but at the end of the set period of time, the subordinate is judged on the results the he or she has achieved. He or she may be rewarded for success by promotion or salary increases or he or she may be fired or transferred to a job that will provide needed training or supervision. Whatever the outcome, it will be based on the accomplishment of the goals the subordinate had some part in setting and committed himself or herself to achieving.

## **VARIATIONS IN PRACTICE**

In practice, this MBO approach, of necessity, varies widely, especially in regard to how formalized and structured it is in a given organization and to what degree subordinates are allowed to set their own goals. In some organizations, MBO is a very formal management system with precise review scheduling, set evaluation techniques, and specific formats in which objectives and measures must be presented for review and discussion. In other organizations, it may be so informal as to be described simply as “we get together and decide what we’ve done and what we’re going to do.” However, in most organizations, MBO takes the form of formal objective setting and appraisal meetings held on a regular basis—often quarterly, semi-annually, or annually.

Even more situational than the degree of formality and structure is the degree to which a subordinate is allowed to set his or her own goals. In this regard, the kind of work that an organization does plays a large part in determining how much and on what level a subordinate will be allowed to participate in formulating his or her own goals. In some organizations a subordinate is almost told what he or she needs to do and is simply asked if he or she will commit to achieve that goal, while in others the subordinate is given great latitude and room for innovation. For example, there is a contrast between a production situation in which a supervisor informs a subordinate that so many widgets

must be made over the next six months and simply asks which part of that production burden the subordinate is willing to shoulder and a university situation in which a department head informs a subordinate of the need to develop more community-oriented programs and asks how the subordinate thinks he or she can contribute to this goal. In the latter circumstance, the subordinate has much more room for innovation and personal contribution as well as a greater part in designing the specifics of the program than does the production worker who is simply asked which part of a very specific activity he or she cares to commit to.

## **POTENTIAL ADVANTAGES**

No matter what form the MBO approach takes in a given organization, it is essentially a process that helps to (a) direct managers' attention toward results, (b) force members of the organization to commit themselves to specific achievement, and (c) facilitate their thinking in terms of their organization's future needs and the setting of objectives to meet those needs. In addition, the MBO approach can supply the manager with greater measures of three of the tools he or she needs to make the best use of the organization's greatest resource: people. The manager can:

1. Gain greater commitment and desire to contribute from subordinates by (a) allowing them to feel that the objectives they are working toward were not just handed to them but are really theirs because they played a part in formulating them, (b) giving subordinates a better sense of where they fit in the organization by making clear how the subordinates' objectives fit into the overall picture, and (c) injecting a vitality into organizational life that comes with the energy produced as a worker strives to achieve a goal to which he or she has taken the psychological and (sometimes economic) risk to commit.
2. Gain better control and coordination toward goal accomplishment by (a) having a clearer picture of who is doing what and how the parts all fit together, (b) having subordinates who are more likely to control and coordinate their own activities because they know what will help and what will hinder their goal achievement, and (c) being able to see which subordinates consistently produce and which do not.
3. Gain an increased ability to help subordinates develop by (a) being better able to see their strengths and weakness in operation on a specific objective and (b) using a management approach that teaches the subordinates (and the manager, for that matter) to think in terms of results in the future—an approach that teaches them to try to anticipate change, to define clear and specific objectives, and to delineate concrete measurements that will tell them when they have achieved their goals.

## **POTENTIAL FOR MISUSE**

MBO easily can be misused and often is. What is supposed to be a system that allows for dialogue and growth between boss and subordinate with a view to achieving results often degenerates into a system in which the boss puts constant pressure on the subordinate to produce results and forgets about using MBO for commitment, desire to contribute, and management development. Sometimes even well intentioned managers misuse MBO because they do not have the interpersonal skills or knowledge of human needs to keep their appraisal sessions from becoming critical, chewing-out periods. Finally, many managers have a tendency to see MBO as a total system that, once installed, can handle all management problems. This has led to forcing issues on the MBO system that it is not equipped to handle and that frustrate whatever good effects it might have on the issues with which it is designed to deal.

## **REFERENCES**

- Drucker, P. (1954). *The practice of management*. New York: Harper & Row.
- Humble, J. (1968). *Improving business results*. New York: McGraw-Hill.
- Humble, J. (1970). *Management by objectives in action*. New York: McGraw-Hill.
- McGregor, D. (1966). *Leadership and motivation*. Cambridge, MA: M.I.T. Press.
- Odiorne, G. (1970). *Management by objectives*. New York: Pitman.
- Reddin, W.J. (1971). *Managerial effectiveness*. New York: McGraw-Hill.

## ■ MCGREGOR'S THEORY X-THEORY Y MODEL

### Albert J. Robinson

The first acquaintance with “X” and “Y” for many of us was as unknowns in Algebra I. During the decade of the sixties, “X” and “Y” took on some additional meanings for readers in the behavioral sciences and contemporary management thinking.

In 1961, Douglas McGregor published *The Human Side of Enterprise*. This book was a major force in the application of behavioral science to management's attempts to improve productivity in organizations. McGregor was trying to stimulate people to examine the reasons that underlie the way they try to influence human activity, particularly at work. He saw management thinking and activity as based on two very different sets of assumptions about people. These sets of assumptions, called X and Y, have come to be applied to management styles; e.g., an individual is a theory X manager or a theory Y manager.

McGregor looked at the various approaches to managing people in organizations—not only industrial organizations but others as well—and in services, schools, and public agencies and concluded that the styles or approaches to management used by people in positions of authority could be examined and understood in light of those manager's assumptions about people. He suggested that a manager's effectiveness or ineffectiveness lay in the very subtle, frequently unconscious effects of the manager's assumptions on his or her attempts to manage or influence others.

As he looked at the behaviors, structures, systems, and policies set up in some organizations, McGregor found them contrary to information coming out of research at that time, information about human behavior and the behavior of people at work. It appeared that management was based on ways of looking at people that did not agree with what behavioral scientists knew and were learning about people as they went about their work in some, or perhaps most, organizations.

### THEORY X

The traditional view of people, widely held, was labeled “X” and seemed to be based on the following set of assumptions:

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

---

Originally published in *The 1972 Annual Handbook for Group Facilitators* by J. William Pfeiffer & John E. Jones (Eds.), San Diego, CA: Pfeiffer & Company. Reprinted from *The Human Side of Enterprise* by D. McGregor, copyright © 1960 by McGraw-Hill, Inc. Reprinted with permission of McGraw-Hill, Inc.

2. Because of this human characteristic of dislike for work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.

Of course, these assumptions are not set out or stated, but if we examine how organizations are structured and how policies, procedures, and work rules established, we can see them operating. Job responsibilities are closely spelled out, goals are imposed without individual employee involvement or consideration, reward is contingent on working within the system, and punishment falls on those who deviate from the established rules. These factors all influence how people respond, but the underlying assumptions or reasons for them are seldom tested or even recognized as assumptions. The fact is that most people act as if their beliefs about human nature are correct and require no study or checking.

This set of assumptions about people may result in very contrasting styles of management. We may see a “hard” or a “soft” approach to managing, but both approaches will be based on the ideas described above. One theory X manager may drive his employees at their work because he thinks that they are lazy and that this is the only way to get things done. Another may look at her employees in the same way, but she may think the way to get lazy people to work is to be nice to them, to coax productive activity out of them.

This view of people was characteristic of the first half of the twentieth century, which had seen the effects of Frederick Taylor’s scientific-management school of thought. His focus had been on people as an aspect of the productive cycle—much like that of a piece of machinery—and it had allowed for advances in productivity. Yet it was out of this managerial climate—which tended to view people as an interchangeable part of a machine, as a machine element that was set in motion by the application of external forces—that the “human relations” view grew and the behavioral science school developed.

I must hasten to add that the application of understandings of human behavior from the behavioral sciences is not an extension of the human relations focus of the 1940s and 1950s. These two grew up separately. One might construe that the human-relations view of handling people prevalent at that time was manipulative and merely a “soft” theory X approach.

## **THEORY Y**

Another view of people that is not necessarily the opposite extreme of “X” was called “Y” or theory Y. This set of assumptions about the nature of people, which influenced managerial behaviors, is described below.

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. External control and threat of punishment are not the only means for bringing about effort toward organizational objectives. A person will exercise self-control in the service of objectives to which he or she is committed.
3. Commitment to objectives is dependent on rewards associated with their achievement. The most important rewards are those that satisfy needs for self-respect and personal improvement.
4. The average human being learns, under proper conditions, not only to accept, but to seek responsibility.
5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.
6. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

It is important to realize that this is not a soft approach to managing human endeavor. Examined closely, it can be seen as a very demanding style: it sets high standards for all and expects people to reach for them. It is not only hard on the employee who may not have had any prior experience with the managerial behaviors resulting from these assumptions, but it also demands a very different way of acting from the supervisor or manager who has grown up under at least some of the theory X influences in our culture. Although we can intellectually understand and agree with some of these ideas, it is far more difficult to put them into practice. Risk taking is necessary on the part of the manager, for he or she must allow employees or subordinates to experiment with activities for which he or she may believe they do not presently have the capability. The learning and growth resulting from this opportunity may handsomely reward the risk.

The focus of a theory Y manager is on the person as a growing, developing, learning being, while a theory X manager views the person as static, fully developed, and capable of little change. A theory X manager sets the parameters of his or her employees' achievements by determining their potential in light of negative assumptions. A theory Y manager allows his or her people to test the limits of their capabilities and uses errors for learning better ways of operating rather than as clubs for forcing submission to the system. He or she structures work so that an employee can have a sense of accomplishment and personal growth. The motivation comes from the work itself and provides a much more powerful incentive than the "externals" of theory X.

A suggestion for your consideration is to make the same assumptions about others that you make about yourself and then act in the appropriate manner. You might be pleasantly surprised.

## **REFERENCES**

McGregor, D. (1961). *The human side of enterprise*. New York: McGraw-Hill.

McGregor, D. (1967). *The professional manager* (W.G. Bennis and C. McGregor, Eds.). New York: McGraw-Hill.



## ■ PARTICIPATORY MANAGEMENT: A NEW MORALITY

**Joan A. Stepsis**

A common frustration experienced by OD consultants and managers trained in new participatory-management strategies is the difficulty of introducing and institutionalizing these strategies in existing organizations. Whether dealing with business or industry, the military, government, or education, they find that attempts to substitute participatory management for the current management system frequently meet with resistance on every front within the organization—from top management to line workers.

Although much has been written concerning such resistances to change, one relevant factor is often overlooked: the relationship between the management style and the level of current moral development within an organization. It is the level of moral development operating in a system that determines the basis on which its human interactions will be regulated—whether, for example, material gain, the maintenance and enhancement of the organization, or respect for individual needs and rights will receive priority in the decision-making process. The level of moral development determines how individuals relate to one another and to the organization around issues such as loyalty, competition versus cooperation, success, and productivity.

Participatory management requires that individuals relate to one another at the highest levels of personal interaction of which human beings are presently known to be capable. Yet most managerial systems do not function at this level, and most individuals do not function at this level on a consistent basis either within the organization or in their daily lives. Therefore, participatory management asks all individuals in an organization to move to a higher level of human interaction. The change agent who introduces participatory management therefore is also introducing *a new morality* to the organization as a necessary concomitant to a new system of management.

### **LEVELS OF MORAL DEVELOPMENT**

A growing body of research looks not only at what people *do* but at the moral imperatives, values, and perspectives on human interrelatedness that underlie their moral judgments. For example, a poor man might choose to steal medicine for his sick child because he values his child's right to life. Another man may choose not to steal the medicine his child needs because he fears the personal consequences of being caught. In

---

Originally published in *The 1975 Annual Handbook for Group Facilitators* by John E. Jones & J. William Pfeiffer (Eds.), San Diego, CA: Pfeiffer & Company.

such a case, the criminal, the man who stole, can be said to be functioning on a higher moral level than the man who did not steal. It is not only our behavior but the underlying rationale for it that reflects the level of moral development we have attained.

Like Maslow's hierarchy of needs or Piaget's stages of intellectual development, moral development proceeds from the concrete to the abstract and from egocentrism to relativism. The following sequence is adapted from Kohlberg (1964, 1968).

*Level I: Preconventional Morality—Consequence Orientation*

Type 1. Physical consequences determine “good” and “bad” or “right” and “wrong.”

Type 2. Motivation is the same as in Type 1, but reciprocity becomes important—  
“fairness,” “an eye for an eye.”

*Level II: Conventional Morality—Conformity Orientation*

Type 3. Good behavior is that which pleases or is approved of by the reference group.

Type 4. Right behavior means upholding the social order by doing one's duty.

*Level III: Postconventional Morality—Contract Orientation*

Type 5. “Right” and “wrong” are relative. Therefore, consensus agreements—  
contracts—are essential and reasonable.

Type 6. Action is based on deep respect and regard for individual rights and equality of  
individuals— “Do unto others . . . .”

***Level I: Preconventional Morality—Consequence Orientation***

At the first level of moral development, the rationale underlying moral judgments emphasizes the direct consequences—rewards or punishments—to oneself of one's actions (Type 1). Thus, the individual chooses his or her actions on this basis. In the latter part of this stage, the individual comes to understand the notion of reciprocity (Type 2). The “eye-for-an-eye” philosophy says that if you do something to me, it is only “fair” that you should suffer the same consequence. Direct, physical consequences, “fairness,” and revenge are the marks of the preconventional, consequence-morality orientation.

This level reflects the morality of early and middle childhood, the Old Testament morality absorbed into our Western tradition, and the morality of many preliterate and semiliterate cultures of the past and the present. Yet this level is still apparent in some of our “modern” institutions—penal institutions and the criminal control system, for example.

***Level II: Conventional Morality—Conformity Orientation***

At the next level of moral development, conformity rather than consequences achieves prominence. Individuals are concerned with fitting into the social order, by acting in ways that either please a particular person or reference group (Type 3) or support and

maintain the current reference group and its way of life (Type 4). That which is “right” and “good” is that which pleases relevant others—the boss, God, members of the gang—or that which tends to uphold the mores, customs, and lifestyle of the group, the country, the organization. “Law and order,” “my country, right or wrong,” doing one’s “duty”—all have powerful appeal at this level. Ends justify means, and the end is to uphold the relevant social order.

Obviously this is the level at which many organizations and institutions in our society—especially in government and the military but also in business, industry, religion, and education—wish their members to function. It is also the morality of adolescence, crusades, inquisitions, and of Watergate, when moral judgments were made on the assumption that the continuance of the existing administration and the prevailing system of government were more important than the rights of individuals.

### ***Level III: Postconventional Morality—Contract Orientation***

The highest level of moral development emphasizes the idea of negotiated contracts between and among individuals. People at this level recognize individual rights, the equality of individuals, and the relativity of “right” and “wrong” or “good” and “bad” (Type 5). Therefore, they believe that interactions among people need to be regulated by social contracts that represent win-win solutions to mutual problems and that protect the representation of minorities in the decision-making process. At this stage, action is based on respect and regard for the dignity of each human life (Type 6).

## ***IMPLICATIONS FOR PLANNED CHANGE***

In our current world, ideologies (e.g., democracy) reflecting a Level III morality are commonly fated to be institutionalized at Level II. In the process of saving the world for democracy, battling imperialism, or serving human needs, the rights of individuals often are subverted. The self-maintenance of organizations becomes more important than service. Even organizations established for Level I motivations—reward and profit—commonly evolve a structure in which loyalty to the company and maintenance of the corporate image may take precedence over productive work.

### ***Perpetuation of Level II***

That the majority of our institutions function at Level II (or below) should not be surprising. If the institutions that have the most influence during childhood—the family and the school—fail to provide either exposure to Level III-models or the opportunity needed to practice skills essential to Level III-performance, the majority of individuals cannot be expected to develop beyond Level II. Even if children are fortunate enough to grow up in a Level-III household, the institutions that they must enter outside the family are apt to require behavior that conforms to Level II. Thus, Level II tends to perpetuate itself in our organizations and institutions.

Having achieved an adequate level of intellectual development, most individuals in our society should be capable of Level-III interactions by early to mid-adolescence. However, in reality, as a study by Kohlberg (1968) shows, by age sixteen only about a third of the adolescents questioned gave Level-III responses on issues of moral judgment.

## **CONCLUSION**

Participatory management, which reflects and requires a Level III morality, provides an opportunity for individuals to develop a new style of interaction with others. It also offers the organization the chance to move from a Level-II conformity orientation to a Level-III contract orientation.

Resistance is an understandable response to change of this magnitude. It becomes apparent, then, that surfacing this resistance and resolving it are integral parts of the process of introducing participatory management into an organization.

## **REFERENCES**

- Bruner, J.S., Olver, R., & Greenfield, P. (1966). *Studies in cognitive growth*. New York: John Wiley.
- Kohlberg, L. (1964). Development of moral character & ideology. In M.L. Hoffman (Ed.), *Review of child development research*. New York: Russell Sage.
- Kohlberg, L. (1968). The child as a moral philosopher. *Psychology Today*, 2(4), 24-30.
- Smith, M. (1973). Some implications of value clarification for organization development. In J.E. Jones & J.W. Pfeiffer (Eds.), *The 1973 annual handbook for group facilitators*. San Diego, CA: Pfeiffer & Company.

## ■ THE WHITE PAPER: A TOOL FOR OD

**Thomas H. Patten, Jr.**

The organizational concept of the “presidential office,” which has become popular in American management in the past decade, recognizes the need for subdividing the chief executive’s responsibilities among a skilled group of key managers who can, presumably, function as a team (Vance, 1972). Often, however, this presumption is faulty, and organization development (OD) assistance is needed to forge competent and divergent individuals into a team.

Many organizations with OD programs have moved from initial interventions using T-groups into system-wide team building, beginning with teams at the top of the organizational structure (Daniel, 1965). In this approach, the OD white paper has occasionally been used to articulate a conscious and deliberate strategy of objectives and time perspectives for goal attainment within an organization (Bennis, 1969; Davis, 1967). However, the white paper deserves greater attention than it has been given to date as a strategic intervention.

### **ORIGINS OF THE “WHITE PAPER”**

The term “white paper” as used in OD practice derives its name from governmental and political spheres, in which the white paper, or white book, originated. A white book—an official published report of governmental affairs, bound in white—was commonly found in past centuries in Germany, Portugal, Japan, Czechoslovakia, and the Vatican State. Great Britain, instead, had blue books (blue-covered Parliamentary publications) and white papers (less extensive reports covering governmental affairs and policy).

### **USES OF THE WHITE PAPER**

Governmental white papers have been used at times to “whitewash” people who allegedly erred or were corrupt or to sever relations with a past policy, regime, or program. For example, former President Richard M. Nixon’s attempt on May 22, 1973, to disprove through a lengthy white paper the allegations of unlawful actions in the Watergate affair was an effort to separate himself from past policy and action, although the document satisfied almost no one who critically examined it. The point is that white papers often are looked on with suspicion because they seem to rationalize situations that preferably should be confronted.

---

Originally published in *The 1975 Annual Handbook for Group Facilitators* by John E. Jones & J. William Pfeiffer (Eds.), San Diego, CA: Pfeiffer & Company.

## **THE OD WHITE PAPER**

In contrast, the OD white paper reflects a consensus on organizational policies and goals. Short and undetailed, the OD white paper often is developed by a top-management team acting as an ad hoc task force. Usually it is a tentative statement of intentions or a brief charter; occasionally it is a mandate, extended policy statement, or perhaps a full constitution. Few business firms have such constitutions (Brown, 1960), but many have charters (Zollitsch & Langsner, 1970) and statements of intent or beliefs about people, the work setting, compensation, and just or humane treatment of employees.

Intended as a beginning rather than an end in an OD program, the OD white paper sets directions for an organization. It encourages top management to begin the task of building unity where previously there was vagueness, dissension, or even bitter conflict.

The most salient characteristics of an OD white paper are that it serves as a focal point for the direction of energy and that it can provide those who develop the white paper with a product about which they can have ownership feelings. The effort invested in the production of a white paper also can enable the developers to learn about one another, to learn how to learn, and to lay the necessary groundwork for eventual managerial-team formation. In this sense, the process of developing a white paper turns possibly destructive energy and effort into positive feelings. A white paper can thus build morale as well as be a technical tool for organization development.

### ***Components of a White Paper***

There is no one form that a white paper must take. However, to distinguish it from personnel policy statements, contracts or agreements, letters of understanding, and items that find their way into the numerous manuals maintained in work organizations, the white paper contains a minimum of several components:

- A title indicating it is a unique document, such as “New Directions in Human Resource Management in the Wesmar Company” (with perhaps the subtitle “A White Paper”).
- A statement of the purpose(s) of the white paper and the person(s) who authorized its development.
- Identification of the person(s) who prepared the white paper, where and when it was prepared, and how long the task took.
- Articulation of the values and beliefs of the people who prepared the paper.
- The substance of the white paper itself, which can be wide-ranging in content but is always frank, open, constructive, and clear in intent. Diagrams, organizational charts, and flow charts may be used to clarify content, but statistical data would rarely be used unless they were incontrovertible.

A white paper is not likely to be a polished or meticulous statement of rules, regulations, procedures, and practices because it is intended to be a prelude to action rather than a detailed blueprint.

## **LIFE CYCLE OF WHITE PAPERS**

There is no reason that an OD white paper should be inflexible and indelible. Its essence is its energizing effect coupled with its emotional affect. If successful, its influence in an organization is likely to spread, stimulating managers with divergent views, feelings, and expectations to join together in its support. Therefore, to protect individuals' enthusiasm and willingness, it is vital that their energy be channeled in directions endorsed by top management.

### ***Token OD White Papers***

It is important that the white paper not be illegitimately used as an energy drain by top management. One example would be to assign change seekers to produce a white paper, when top management's hidden agenda is to gain time and dissipate troublesome energy. Even though such behavior may be functional for top management, it is dysfunctional for the task force and other affected managers and employees.

A token white paper is inconsistent with OD values of openness, trust, and a genuine problem-solving orientation and may be potentially destructive of interpersonal relationships among people who must work together.

The efficacy of a white paper depends on its acceptance by top management and on managers' commitment and openness when using the white paper as an OD tool. In other words, the white paper should not be used as a short-range safety valve to gain time but, rather, should be used as an energizing device useful in choosing a direction and subject to modification consistent with changing conditions. Although a successful OD intervention using a white paper will have a relatively short life cycle, the white paper must also be malleable if it is to last any appreciable amount of time.

A wag once remarked that the last act of a dying organization is to rewrite the rule book. The same desperation can be seen in organizations that try to reset organizational directions by refurbishing a defunct white paper. Moreover, if an organization has debased the white paper as an OD tool, it will not only be unable to renovate a defunct white paper but also will find severe difficulties in reestablishing an authentic use for the white paper.

## **RECOMMENDATIONS FOR UTILIZATION**

Until additional empirical reports are obtained on the use of OD white papers, it is suggested that the following recommendations, based on current behavioral science thinking, be considered by OD practitioners in utilizing the white paper as an intervention.



1. The use of a white paper as a tool for organizational change should be publicly and staunchly supported by the top management (power-holders) in an organization. Managers should be committed to a serious consideration of the white paper to be produced, although not necessarily to its uncritical implementation.
2. A white paper should be developed by a task force of managers and employees who possess the knowledge and experiences relevant to appropriate goal setting and task accomplishment and who are motivated to seek improvement in an organization. A white paper can thus be used initially for fostering greater cooperation.
3. A white paper should reflect a consensus to which the task force is committed and which it is prepared to advocate. Top management should understand and support this organizational implication of a white paper.
4. A white paper need not be complete in detail but it should be clear in intent. Developing its details of implementation may provide the opportunity for in-depth team building at various organizational levels.
5. A white paper should be regarded as short-lived, a beginning rather than an end in an OD effort.
6. The white paper should be regarded as a living document subject to change, not as a dead report produced for the files or as a defensive justification.
7. The white paper as an OD intervention must be introduced, developed, and utilized in ways that are consistent with values such as trust, openness, authenticity, cooperation, a problem-solving orientation, and malleability, which are implicit in contemporary humanistic work environments.

## **CONCLUSION**

The OD white paper is intended not as a whitewash (as it has sometimes been used in government) but, rather, as a forthright, fresh statement of consensus that can energize a team to marshal the resources of an organization and move toward old or new organizational goals. It can aid in organizational renewal, clear the air for the advent of needed change, and help to prevent an untimely demise for incumbent management.

Bureaucracies are resistant to pressures for change. If they cannot be changed solely by either top management, insiders, or outsiders, it should be possible to link all three forces to produce change by appointing a task force to develop a white paper. Such was the case in an important OD intervention for the U.S. Department of State in the mid 1960s, involving such prominent OD practitioners as Chris Argyris, William Crockett, Alfred J. Marrow, and Harry Levinson (Levinson, 1973).

More data on the use of the white paper as an intervention strategy would be a welcome contribution to OD literature. The white paper requires involvement and commitment from its developers. More effective white papers are likely to come from



people competent in interpersonal relations who are open with one another and who are committed to a problem-solving and creative approach. The value assumptions of Theory Y behavior apply to the development of white papers. However, few OD practitioners have reported in depth the longitudinal data needed about effective and ineffective uses of white papers in OD. It is hoped that more such information will emerge in the years ahead.

## **REFERENCES**

- Bennis, W.G. (1969). *Organization development: Its nature, origins, & prospects*. Reading, MA: Addison-Wesley.
- Brown, W. (1960). *Exploration in management*. Hammondsouth, England: Penguin.
- Daniel, R.D. (1965). Team at the top. *Harvard Business Review*, 43(2), 74-82.
- Davis, S.A. (1967). An organic problem-solving method of organizational change. *Journal of Applied Behavioral Science*, 3(1), 9-10.
- Levinson, H. (1973). *The great jackass fallacy*. Boston: Graduate School of Business Administration, Harvard University.
- Vance, S.C. (1972). Toward a collegial office of the president. *California Management Review*, 15(1), 106-116.
- Zollitsch, H.G., & Langsner, A. (1970). *Wage and salary administration* (2nd ed.). Cincinnati, OH: Southwestern.

## ■ LEADERSHIP AS PERSUASION AND ADAPTATION

**Julia T. Wood**

Group leadership has been of interest to scholars and practitioners in the social sciences since people first began studying their own behaviors. A great deal of attention has been directed toward questions such as “What are the characteristics of task leaders?,” “What are the variables that affect the emergence and maintenance of leadership in problem-solving groups?,” and “What is the best method of training leaders?” As a result of the many different orientations, however, there is a lack of consistency in research findings about leadership. No one really seems to know what “good leadership” is (Lumsden, 1974). Nevertheless, it is essential to understand the nature of leadership and the ways in which we can improve it.

### **PREVIOUS APPROACHES TO LEADERSHIP**

There are several approaches that have been prominent in research concerned with the determinants of leadership. The “trait approach,” the “situational approach,” the “follower approach,” and the “contingency model” have been proposed as explanations of the factors that determine leadership in small groups.

#### ***The Trait Approach***

The first concentrated attempt to define the factors that result in leadership was the “trait approach.” Enormous amounts of time and effort were devoted to constructing lists of the physical and psychological attributes believed to differentiate leaders from nonleaders. Unfortunately, there was minimal agreement among researchers as to what those distinguishing traits were. The lists of “definitive qualities of leaders” were almost as numerous as the researchers who constructed them. Of several hundred traits studied, only a very few were consistently correlated with leadership (Shaw, 1971). Gouldner (1950) reviewed the empirical investigations related to leadership traits and concluded that “there is no reliable evidence concerning the existence of universal leadership traits” (p. 34). The trait approach is unsatisfactory because it implies that leaders are born, not made.

---

Originally published in *The 1976 Annual Handbook for Group Facilitators* by J. William Pfeiffer & John E. Jones (Eds.), San Diego, CA: Pfeiffer & Company.

### ***The Situational Approach***

A second perspective on leadership, the “situational approach,” holds that it is the social circumstances that command the degree to which any person’s leadership potential is exercised. According to this approach, the crucial determinant of leadership is the social environment in which leadership is needed. The major claim of the situational approach is that different leadership skills are required in different situations. The deficiency of this approach, however, is that it implies that leaders are born of situations, not of their own abilities.

### ***The Follower Approach***

Although the situational approach is currently endorsed by many researchers, a third orientation to leadership has received some acceptance. The “follower approach” maintains that the most effective leaders are those most able to satisfy the needs or desires of a group of followers (Sanford, 1950; Tannenbaum, Weschler, & Massarik, 1974). The follower approach is inadequate because it implies that the emergence and maintenance of leadership is dependent on followers, not on a leader’s own skills.

### ***The Contingency Model***

By combining ideas from the situational approach and the study of leadership styles, a fourth approach to leadership was developed (Fiedler, 1964). This model maintains that effective leadership depends not only on a leader’s personal style but also on the characteristics of a situation. The contingency model is an exciting step in our understanding of leadership, because it refutes the simplistic and one dimensional explanations of the earlier approaches. Nevertheless, this model, too, is unsatisfying because it ignores the leader’s personal ability to control himself or herself and the situation.

### ***Assumptions of Four Approaches***

In order to understand more fully these four approaches to small-group leadership, it is helpful to identify the assumptions on which they are based.

1. The trait approach maintains that a person either does or does not possess the particular traits that are considered to be the determinants of leadership.
2. The situational approach assumes that certain situations call for certain types of leadership and that the leaders will be those who best fit the requirements of a situation. The situational characteristics are viewed as the determinants of leadership.
3. The follower approach holds that the needs of group members determine who will lead. Leadership, then, is a coincidence between the needs of a membership and the abilities that a person happens to possess. The members’ needs are assumed to be the key determinants of leadership.

4. The contingency model maintains that personal styles and situational characteristics combine to determine leadership. A “proper match” between styles and situations determines who will lead a group.

These assumptions show that each of the four major approaches to leadership shares a basic orientation: each approach maintains, at least implicitly, that there is a static quality to leadership, a quality that can be isolated and described apart from leaders who operate in particular group situations. A leader’s active involvement in the small-group process has been overlooked, ruling out the possibility that a leader can, like any other human being, adapt his or her behavior in order to enhance his or her effectiveness.

A static conception of leadership, therefore, is inaccurate. Small groups are characterized by contingencies—by a lack of certainty regarding events that may occur. Once we acknowledge this dynamic nature of small groups, it becomes clear that a useful theory of leadership must be similarly dynamic. By considering a rhetorical perspective on the process of leading, we can focus on the dynamic nature of leadership and the possibilities for human control over contingent situations.

## ***A RHETORICAL PERSPECTIVE ON LEADERSHIP***

As a philosophy of human action, beginning with the writings of ancient thinkers such as Aristotle and Cicero, rhetoric is based on the belief that humans can control their effectiveness through the discovery and management of behaviors that take place in relation to other people. Humans are seen as purposeful agents who can consciously control their own actions and, therefore, the ways in which others respond to them.

A rhetorical perspective on small-group leadership rejects claims that there are static determinants of leadership. Leading is a process, a persuasive process in which a leader achieves effectiveness by the careful selection and management of his or her actions within a particular group situation. The leader has the potential to control himself or herself, the situation, and the membership through the use of symbolic behavior. A rhetorical perspective on leadership, then, is characterized by two features: (1) the persuasive nature of the leading process and (2) the recognition that humans can control their environments by adapting to social circumstances.

### ***The Persuasive Process***

Leading is an active process that involves making choices regarding behaviors. Presumably, a leader has goals for himself or herself, for the individuals in the group, and for the group as a whole. By selecting and implementing behavioral strategies that are designed to lead to these goals, a leader exerts influence and, therefore, engages in persuasion. The leader of a small group inevitably effects persuasions by the ways in which he or she chooses to present himself or herself, by the methods he or she employs in directing the group’s tasks, and by the manner in which he or she relates to the group members. A leader’s choices influence the members’ evaluation of him or her and they, in turn, influence the group’s success in reaching collective goals.

The persuasive nature of the leading process has not always been recognized. Some people, for example, persist in claiming that democratic behaviors are not really influences because they imply a “sharing of control.” Yet, in choosing to act democratically and not to dominate actively, a leader is exercising influence: he or she engenders in the group members a certain perception of the leader as a leader and of themselves as members of the leader’s group. Even the most democratic behaviors are persuasions that reflect a leader’s choice of effective behaviors to guide the group. A leader cannot avoid influencing the group. Therefore, identifying and studying the choices of persuasion that must be made by a leader become important: What types of influence does the leader wish to exert? Whom does he or she need to persuade? How do his or her particular choices affect members’ perceptions of him or her and of themselves? How are various persuasive effects achieved by a leader? Leaders should be trained to be *aware* of these choices and to estimate the probable effects of various choices on collective goals.

### ***Control Through Adaptation***

A rhetorical perspective on leading also emphasizes the possibility that humans can control their environments through sensitive *adaptation*. People are capable of adjusting themselves in order to be more effective in relation to others. In this orientation, it is assumed that a leader can persuade the group members to need what he or she has to offer, to value the skills that he or she possesses, to perceive their situation as one in which his or her guidance is desirable or necessary, to commit themselves to collective goals, and to work together in a satisfactory manner.

Perhaps an example or two will help to clarify the view that leaders can adjust themselves, their memberships, and their situations in order to lead more effectively. When Gerald Ford first became President, he chose to present himself as a simple, honest man. After the criminal and demoralizing events of Watergate, Ford’s apparent honesty and openness were welcomed by a nation weary of deceit and secrecy. However, when Ford’s “down-home” presentation became the target of criticism and even ridicule, he began to shift his image. He made more definitive statements and took stronger positions on issues of national policy, altering his self-presentation in ways that he presumably believed to be acceptable or desirable to the voting public.

A newly promoted company president, in taking over a firm that had degenerated into chaos, was at first appreciated and praised for his firmness and positive decision making. When the company was on the road to recovery, however, his tightly controlled, authoritative approach was no longer popular with employees. He had to adjust his leadership so that it was more relaxed and person centered.

These are only two examples of figures whose leadership behaviors are best understood from a rhetorical perspective. We must recognize that leaders, members, and group situations are all flexible and that a rhetorical sensitivity to the methods of persuasion can enhance most people’s abilities to lead well. Leaders’ capacities for adapting themselves and their situations through the deliberate management of their

behaviors toward others should be emphasized. Such adaptation is desirable as long as it neither jeopardizes one's personal integrity nor results in unethical behavior toward others.

## **VALUE OF A RHETORICAL PERSPECTIVE**

A rhetorical perspective on leadership offers a realistic and useful means for understanding how leaders emerge, how they maintain their power, and how they build effective, cohesive groups.

A second value of a rhetorical perspective is its potential as a strategy for training leaders. Unlike previous methods of training, a rhetorical approach does not provide any "recipes" for success. Instead, it offers potential leaders a useful way of thinking about themselves in relation to a group and its task. By viewing themselves from a rhetorical perspective, leaders could analyze their own behaviors and the situations in which they are to lead. Potential leaders would be able to assess the interplay among the forces of themselves, their goals, their group members, and their group situations. Given a rhetorical orientation to their work, leaders would be able to plan actions that would probably be effective in their particular circumstances.

Every group situation is different; the rules must vary according to the situations and the people involved. A rhetorical perspective on leadership, viewed as a process of persuasion and adaptation, offers a useful method of analysis for leaders of problem-solving groups.

## **REFERENCES**

- Fiedler, F.E. (1954). A contingency model of leadership effectiveness. In L. Berkowitz (Ed.), *Advances in experimental social psychology*. New York: Academic Press.
- Gouldner, A. (Ed.). (1950). *Studies in leadership*. New York: Harper & Row.
- Lumsden, G. (1974, Winter). An experimental study of the effect of verbal agreement on leadership maintenance in problem-solving discussion. *Central States Speech Journal*, 25, 270.
- Sanford, F.H. (1950). *Authoritarianism and leadership*. Philadelphia, PA: Institute for Research in Human Relations.
- Shaw, M.E. (1971). *Group dynamics: The psychology of small group behavior*. New York: McGraw-Hill.
- Tannenbaum, R., Weschler, I.R., & Massarik, F. (1974). Leadership: A frame of reference. In R.S. Cathcart & L.A. Samovar (Eds.), *Small group communication: A reader* (2nd ed.). Dubuque, IA: William C. Brown.

## ■ A PRACTICAL LEADERSHIP PARADIGM

**Timothy A. Boone**

A conceptual framework can help to explain leadership as a concept, as well as be useful for leadership development programs and for application by leaders in formal organizations.

### ***Context***

Leadership, as it is discussed here, is a special application of management. Management can be described as the planning, organizing, staffing, directing, integrating, and controlling of resources. The resources available to management are time, money, material, and people; each of these can be planned, organized, staffed, directed, integrated, and controlled. But only one of these resources, people, can be led. Leadership is the “extra something” that managers must be able to do if they are to be successful in achieving organizational goals. Leadership is a unique control behavior that is directed to the management of human resources.

### ***AUTHORITARIAN STRUCTURE OF ORGANIZATIONS***

Formal organizations typically are structured in such a manner as to be controlled by authority invested either in a role or in a person. Authority in its most ideal sense is an investment of power in a structure that allows superordinates and subordinates consensually to agree on the need for control and that permits both groups to achieve their own and the organization’s goals through that control. Simply, they agree that the boss has the right to the amount and type of control being exerted. The subordinate *willingly* complies. This assumes that all relevant factors, such as motivation, rewards, and meaningfulness of work to the individual, are either explicitly or implicitly a part of the consensual agreement. This consensual agreement may be assumed to be in the initial employment contract but usually it is not. When this ideal authority structure exists, the subordinate will experience “excitement” toward the work to be done. The reality of organizations, however, is that this authority often does not exist or else breaks down to some degree.

---

Originally published in *The 1977 Annual Handbook for Group Facilitators* by John E. Jones & J. William Pfeiffer (Eds.), San Diego, CA: Pfeiffer & Company.

## **Power**

History and our common experience have shown that nearly all formal organizations use an important adjunct to authority—commonly referred to as *power*—to control subordinates' behavior when authority breaks down. Power, regardless of its basis, is the sanctions or threat of sanctions that a subordinate perceives a boss as having in a situation. If the boss is perceived as able to control rewards and punishments, then he or she has power. This power can be a useful way of controlling subordinates in the short run, but because power really depends on the subordinates' perception of power more than it does on the boss's, control will not be reliable from situation to situation. To some people in some situations, the sanctions controlled by the boss may be inconsequential; in such cases the boss has no power. The use of power may also have negative long-term effects because it increases dependence on the part of subordinates, which may, at the least, inhibit creativity and develop negative feelings of “excitement” between the subordinate and the boss. Excitement directed at the boss is excitement that could perhaps be more productive for the organization and the individual if directed positively toward work.

## **Goals**

Another way of creating “excitement” between workers and work is through goals. When goals are set and internalized, a gap is created between the present state of affairs and some desired end or goal. These goals can be viewed as targets toward which people in the organization can aim. If individuals can see that their goals will be met through work that also achieves organizational goals, few other control mechanisms are necessary. Goal clarification for organizations and individuals and management-by-objectives programs are designed to capitalize on this principle.

## **LEADERSHIP**

Some form of management behavior is necessary to set effective goals and to establish and maintain authority with subordinates. Although power may be used, it is often ineffective in either the short term or long term because it *coerces* people to do what is wanted. Leadership is an alternative form of managerial behavior that can be used in the absence of clear authority and that will get the job done. Leadership behavior focuses on enhancing the relationships of the people involved in the directed task so that these relationships can be used to negotiate a creative, consensual agreement about the goals, roles, and norms required. Owing to continual environmental and individual change, the need for this negotiation and renegotiation is constant.

Through no fault of either party, these consensual agreements typically do not last for long periods of time. When the agreement breaks down and authority is challenged, subordinates behave in ways that are often misunderstood by management and are used as justification for the use of power—as when the tardy employee is suspended from work for three days. Although this power appears to create order from the chaos of



reduced authority, this order is only temporary. Leadership practices— such as active listening, paraphrasing, and other participative decisionmaking techniques that allow subordinates to experience their ability to influence management—are necessary if a new “win-win” contract is to be negotiated. A win-win agreement is necessary for maximum organizational effectiveness because “losers” will predictably attempt to balance their losses by means of behavior that is detrimental to the organization. This behavior may be passive-aggressive, such as “accidents” or “sickness,” or may be overtly rebellious, such as absenteeism, quitting, or strikes. These reactions may be either individual or collective and conscious or unconscious. The norms of the work group will be a major factor in determining the exact behaviors expressed.

### ***Shared Power***

Leadership behavior that is nondirective and participatory allows subordinates to experience a balance of power with the boss. However, such a balance can be very threatening to a boss who is insecure about his or her own power because he or she has not learned to share it constructively. For this reason, it is essential that managers who want to use leadership behavior to enhance their organizations be willing to take the “risk” of sharing their power with subordinates. The apparent paradox of this “giving up” of power is that, if done honestly, it invariably will result in increased authority, which makes it easier for the manager to influence subordinates and trust their intentions to do well for the organization. However, sharing power is not a panacea or an effortless way of managing. Subordinates have varying degrees of skill and knowledge, and like all humans, they will make mistakes that require honest renegotiations and development.

The effective leader is one who can use a combination of power and leadership with the exact percentage mix to meet the needs of the infinitely varying situations that will arise on the job. For this reason, there is no fixed “style” or way of managing people that will always be effective. The factors that determine any given situation, such as environment, skill, psychological maturity, knowledge, and organizational climate, are so complex (as are the basic social group dynamics) that analysis is impractical except for academic purposes.

### ***SITUATIONAL FACTORS FOR CONSIDERATION***

An alternative that, although perhaps not as rigorous as a detailed analysis of complex situations, has proven useful to me is the assessment of the boss/subordinate relationship in terms of Will Schutz’s FIRO theory of group development. This theory can be used to understand both pair and group relationships. Schutz’s stages of group development are useful predictors of the type of managerial-control behavior that has the highest probability of being successful in maintaining or creating win-win authority situations that lead to organizational effectiveness when combined with the basic principle of “meet them where they are.” It is possible that the factors described by other researchers are somehow incorporated into Schutz’s three stages of group development. These

stages, which are expressions of three basic human needs, are *inclusion*, *control*, and *affection* (later changed to “openness”). The three stages occur in a predictable cycle in the order listed and tend to recycle frequently.

The first stage, inclusion, occurs when an individual or the group behaves in ways that indicate concern about belonging or not belonging in the relationship. Examples of this concern are quitting, boasting about credentials, anxiety about others’ (or one’s own) skills and knowledge, and consideration of the costs and benefits of being in the group or relationship. During this stage, conversation in the relationship can be characterized as superficial “cocktail party” talk. This talk is, however, extremely serious beneath its apparent superficiality. To help an individual successfully resolve this issue, the leader must accept the issue as real for the individual and help him or her to face it squarely. Generally, this can best be done efficiently by using some form of power to structure a situation in which the individual must openly risk belonging or not belonging. Once the clear choice is made, the individual or group is then free to move on to the second major issue of group development.

This issue, control, centers around the question “How much am I going to let my environment control me?” This can be a very real issue for both boss and subordinate; therefore, the resolution of the issue is exponentially more difficult. Once again, risk taking is the only way to resolve the issue. All parties must confront their fears honestly and share them. This act in itself reduces the apparent imbalance of power between boss and subordinate. When the issue of control is honestly worked through, all parties realize that the initial question is moot. We are always in control as long as we do not try to be in control. Herein lies the apparent paradox that keeps so many people from being able to resolve this issue. Here also is the key to reduced “excitement” between boss and subordinate.

Successful resolution of the control issue allows the relationship to move into the third stage, affection or openness. This issue is expressed in the question “How close/honest can we be?” In this stage, people experience a sense of joy in their relationships. They want to be close and open. This open closeness provides the setting for creativity and increased mutual understanding and growth. A great deal of excitement may still be directed toward the relationships rather than toward work; however, the stage is now set for task-related issues to be focused on in a creative way.

### ***Constancy of Change***

Any change in the situation, such as a change in the environment in which the relationship exists, a change of people in the group, or a change of task, can and will cause a recycling of the stages of development. Suddenly, people may discover that they are experiencing inclusion or control feelings once again. The requirement in this situation is once again to take the risk to deal openly with the issues at hand. There is no utopian wonderland at which we finally “arrive.” The cycle is the cycle of life and goes on eternally in our culture. However, each time a relationship goes through the cycle, the people involved can learn how to facilitate the process more effectively. This can be a

very special and valuable role for the leader/manager. It is my experience that with each cycle through the stages, more excitement is available to be directed toward the work at hand.

The more willing bosses are to help their subordinates and themselves to work through the issues honestly, the more they will find that the productive purpose of the organization will be achieved. In theory it sounds simple and safe; in practice, however, it can be a seemingly chaotic and frightening experience for all concerned. Some will choose to leave rather than to face the realities of organizational life. This may be to the organization's benefit. All people may not be ready for this type of growth. For those who are not, the use of power may be the only way in which authority can be maintained or supplemented. If this is the case, positive power in the form of rewards may be more effective than punishment in helping the person gain the strength to grow.

## **SUMMARY**

Leadership is a special way of behaving that in certain situations can be of great value, not only in resolving organization conflicts and weaknesses but also in building strengths. Authority exists when conflict is resolved into a consensual agreement between boss and subordinate within the boundaries of their relationship. FIRO theory provides a way of rapidly diagnosing a situation in order for managers to be able to select and apply behavior that has the highest probability of achieving their goals in that situation.

Leadership as a special function in the management of people is not simple or safe; it requires courage and dedication. But its payoffs provide special meaning for those who are willing to take the risk.

## **REFERENCES**

- Fiedler, F.E. (1967). *A theory of leadership effectiveness*. New York: McGraw-Hill.
- Hersey, P., & Blanchard, K.H. (1972). *Management of organizational behavior* (2nd ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Jacobs, T.O. (1970). *Leadership and exchange in formal organizations*. Alexandria, VA: Human Resources Research Organization.
- Lasseby, W.R., & Fernandez, R.R. (1976). *Leadership and social change* (2nd ed.). San Diego, CA: Pfeiffer & Company.
- Schutz, W.C. (1966). *The interpersonal underworld*. Palo Alto, CA: Science & Behavior Books.

## ■ AN OVERVIEW OF TEN MANAGEMENT AND ORGANIZATIONAL THEORISTS

### Marshall Sashkin

What is called for is a complete mental revolution on the part of workers and on the part of managers, such that both take their eyes off the division of profit and together turn toward increasing the size of the profit, until it becomes so large that it is unnecessary to quarrel over how it shall be divided.<sup>1</sup>

The above statement is paraphrased from one of the ten management and organizational theorists who will be discussed in this article. Although the comment may sound idealistic, even humanistic, it is derived from the writing of Frederick Taylor, the father of “scientific management” and a man whom one would never describe as a “humanist” after even a casual inspection of his words and deeds. Most texts cover the details of various management theories reasonably well, explaining the nature of Taylor’s “scientific management” and Fayol’s “basic functions” of management, defining Weber’s elements of bureaucracy, and so on. However, it is possible to really understand what a theory is “all about” only if one has some understanding of the individual who created it. So, although it is not possible to fully describe or explore the creative, complex people who developed the theories and approaches discussed in this brief article, it is possible—and should be interesting—to look at what they said, how they behaved (or are reported to have behaved), and the consistency (or lack of it) between each individual’s thoughts and actions. The latter, according to Argyris (1976), tells much about the person. This comparison will be made in the context of the historical periods in which these various individuals lived and worked and will focus on the periods of their greatest influence. (Table 1 shows the chronological progression of these influences.)

### ***Historical Management Theory (Pre-1900)***

Ancient organizations were considerably more simple than those in which we live and work today. The archetype is the tribe, ruled by a religious leader-authority figure who is obeyed by all. Such a system becomes unwieldy when two conditions occur: (a) the group size increases beyond a dozen or so and (b) the work to be done becomes more complicated than the most primitive of tasks (foraging for food, setting up shelters, etc.). Thus, in a very old text, the Bible, we find a clear description of organizational change.

---

Originally published in *The 1981 Annual Handbook for Group Facilitators* by John E. Jones & J. William Pfeiffer (Eds.), San Diego, CA: Pfeiffer & Company.

<sup>1</sup> See “Hearings Before Special Committee of the House of Representatives . . .” in reference list.

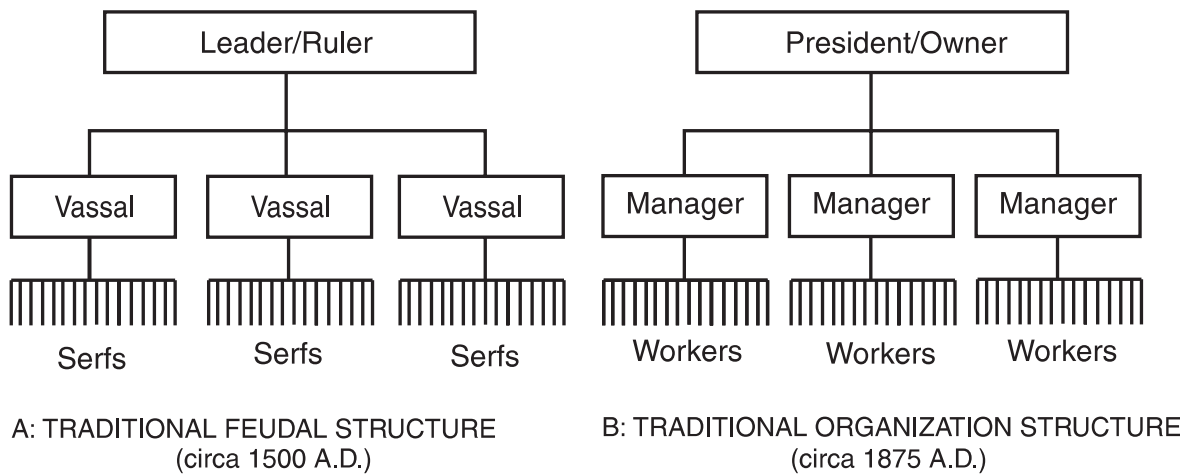
**Table 1. Periods of Greatest Influence of Ten Management and Organizational Theorists**

Theorist(s)	Period of Greatest Influence
Historical Management	pre-1900
Frederick W. Taylor	1890-1915
Henri Fayol	1890-1920
Max Weber	1885-1920
Elton Mayo	1910-1940
Fritz Roethlisberger and W.J. Dickson	1925-1955
Douglas McGregor	1945-1965
Rensis Likert	1955-1975
Fred Emery and Eric Trist	1965-Present

Moses found that he could not cope with being the only leader of the Israelites; the job was too complex, and he simply did not have the time to give instructions to every single person. So he named a group of leaders, each of whom was responsible for ten persons. For every ten “leaders of tens,” there was a leader of tens of tens, or hundreds. Thus, an early hierarchy was developed.

Of course, the hierarchical structure that is characteristic of most organizations is even older than the one developed by Moses, but it is important to note that hierarchies taller than Moses’ were rare in the ancient world. For example, the Roman armies and others usually contained captains who led anywhere from a few dozen to a few hundred men. The captains reported to a general, who was often the head of the army. Sometimes a very large—or very sophisticated—force might include subcaptains (lieutenants) or “junior” generals who reported to the chief general, but even then the hierarchy would be relatively flat, a characteristic of most organizations throughout history. During the past few centuries, and even in the last century, a typical small factory was organized like a feudal estate. Figure 1 depicts this similarity.

As the world changed, the traditional form of organizational hierarchy began to malfunction because of problems that it was not designed to handle. It could not accommodate the complex interdependencies with which organizations were confronted as technology advanced. Well before 1900, it was clear that most organizations could not operate effectively within this framework. It was around the turn of the century that three men developed modifications of the traditional structure in an effort to aid organizational functioning. This article will present these three men in an artificial order, since they were truly contemporaries and the extent to which they influenced one another is not known.



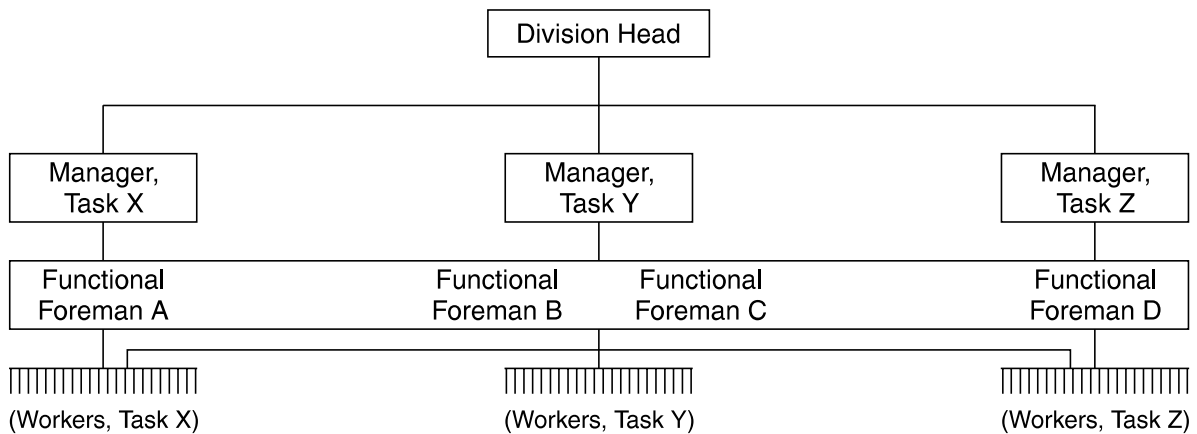
**Figure 1. Traditional Structures**

### ***Frederick W. Taylor: Individually Centered Structure***

The author of the statement that is paraphrased at the beginning of this article was a complex and, frequently, contradictory person. He believed that by applying his precepts for the scientific analysis and design of jobs, labor and management cooperatively could create a profit large enough to provide ample remuneration for both the workers and the manufacturer. In contrast, Taylor’s own description of a worker, in an experiment to increase efficiency, is: “One of the very first requirements for a man who is fit to handle pig-iron . . . is that he shall be so stupid . . . that he more nearly resembles in his mental makeup the ox than any other type” (Hearings, 1912). In instructing this man, Taylor told him, “If you are a high-priced man, you will do exactly as [you are told] . . . from morning till night. When [told] to pick up a pig and walk, you pick it up and you walk . . . . When [told] to sit down and rest, you sit down . . . . And what’s more, no back talk” (Taylor, 1911, p. 46). Finally, returning to the issue of the profit so large that there would be no need to argue over its division between labor and management, Upton Sinclair, a popular “expose” writer of the time, noted that Taylor “gave about 61 percent increase in wages, and got 362 percent increase in work” (Copley, 1923, p. 30).

Aside from this view of how to divide increased profits fairly, it is clear that Taylor and his followers went overboard in fractionating jobs by time-and-motion study. Taylor’s approach, however, was for many years the defining characteristic of modern industrial work, and many industries still use time-and-motion-study methods to design jobs. It was years before people began to realize the tremendous psychological damage that was done to hundreds of thousands of workers by carrying these methods to an extreme. Ultimately, Taylor’s approach led down a dead-end path.

Although Taylor’s success was not in dealing with large-scale organizational structures, he did have some interesting, and quite radical, ideas. He would have done away with the principle of chain of command, or one worker/one boss. In his design, shown in Figure 2, each worker was supervised by a number of “functional foremen” who were expert teacher/trainers rather than the traditional overseers. Taylor’s idea of



**Figure 2. Taylor's Ideal Structure**

the functional foreman failed; it was never fully implemented and was soon forgotten for two reasons: it threatened management supervisory notions of control and it was a far more complex design than was warranted by the nature of jobs at the time (1890-1910).

Years later, a somewhat changed version of Taylor's ideal structure would be known as a "matrix" organization (Davis & Lawrence, 1977). Even so, these organizations differ substantially from Taylor's model because jobs are typically complex and technically demanding rather than fractionated and technically simple

Taylor's statements, then, sounded progressive but were not. He was enough of an influence, however, that Congress investigated him as a possible communist subversive. (This was at the time of the successful Russian revolution, when "red scares" were common in the U.S.) Taylor talked his way out of this, too, and continued to train the next generation of "time-study men."

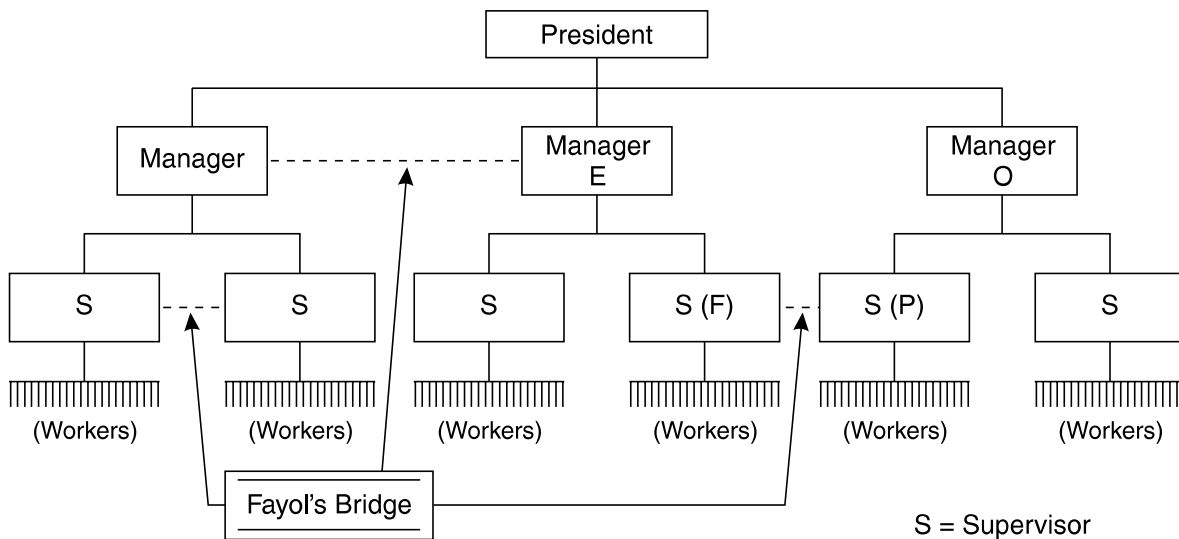
In France, a contemporary of Taylor also was working on codification of management theory and was aware of Taylor's work. We will examine his achievements next.

### ***Henri Fayol: Organizationally Centered Structure***

We describe Fayol as being concerned with the structure of the organization—large-scale structure—as opposed to a focus on task design or small-scale structure. More than this, Fayol was a pragmatist. As head of a French steel-and-coal mining organization for thirty years, he developed a set of fourteen principles that he felt covered most managerial situations. It is not clear just how absolute Fayol meant to be about his principles—whether he intended them to be guidelines or powerful and stable laws. In one essay he wrote, "I became convinced that social phenomena are, like physical phenomena, subject to natural laws independent of our will" (Fayol, 1978). Yet, in his 1916 papers on general and industrial management he wrote, "There is nothing rigid or absolute in management affairs . . . seldom do we . . . apply the same principle twice in identical conditions . . . . Therefore principles are flexible and capable [of] adaptation" (Fayol, 1949, p. 19). As can be seen, later theorists who advocated absolute principles

could appeal to Fayol—just as could those who favored more situationally flexible approaches. It was primarily the former type of theorist, however, who followed Fayol’s lead in defining law-like principles.

Aside from creating the first set of principles of organization, Fayol added one small note to the traditional theory of organization, a note that was actually the first step toward major change in our view of organizational structure. In a traditional structure (Figure 1B), a worker at any level had only one primary interaction: with his or her supervisor. Fayol called this the “scalar” principle; in the military it is commonly referred to as “chain of command.” Fayol, however, modified this principle significantly with still another principle, that of the “gangplank,” which is illustrated in Figure 3 with the more recent label “Fayol’s Bridge.”



**Figure 3. Fayol’s Modification of the Traditional Structure**

Fayol explains it thusly: “Imagine that department F has to be put in contact with department P . . . it is much simpler and quicker to go directly from F to P by making use of a ‘gangplank’ and that is what is most often done. The scalar principle will be safeguarded if managers E and O have authorized their respective subordinates F and P to deal directly” (Fayol, 1949, p. 35). This may seem ridiculously simple but was revolutionary when Fayol was writing at the beginning of the century.

Fayol was, in a pragmatic way, becoming aware of the increasing need for coordination in organizations, a need brought about by continuing technological development and one that could not be satisfied by traditional organizational structure. Fayol was, however, no radical; in fact, he strongly opposed Taylor’s revision of the traditional structure as an unacceptable isolation of the principle of chain of command.

Fayol’s principles had a strong and lasting impact on the development of management thought in Europe and in England. His effect on American management was indirect, because his book did not appear in an easily obtainable English language



edition until 1949. Nevertheless, his work encouraged others to add more principles until, by the 1930s, some authors had developed hundreds of “principles of management.”

Like his gangplank idea, Fayol’s principles were generally sensible if sometimes a bit fuzzy. Unfortunately, later authors did not always have his depth of managerial experience, and their principles often were meaningless lists of trivia. In fact, management theory generally was the product of scholars and academics (such as Max Weber), rather than the result of contributions from managers.

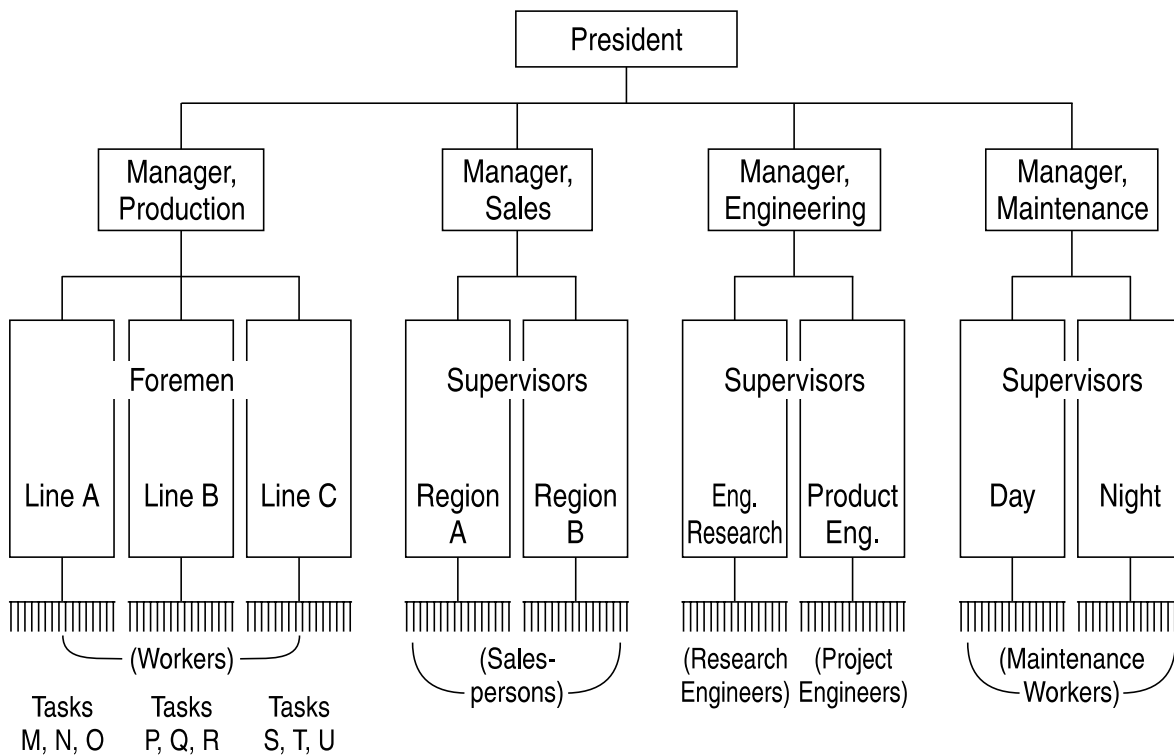
### ***Max Weber: Organizationally and Societally Centered Structure***

Weber was far more successful than Taylor in his approach to the analysis of organizational arrangements. Most social scientists would agree that Weber was a genius in his field. His name is most closely associated with “bureaucracy” (although he was also a great religious scholar), but bureaucracy was not his invention.

What Weber (1947) did was first codify (describe) and then slightly modify a system of organization as old as history. A complex, fairly efficient, and very stable bureaucracy has been the basis of the Chinese civilization for over 3000 years. Weber examined and analyzed in detail it and other bureaucratic systems that seemed to have been effective in terms of organizational survival and goal attainment, including the Catholic church and the Prussian army. Weber’s analysis of the bureaucratic form, shown in Figure 4, was the first clear, detailed statement of organizational structure.

There were two modifications of the traditional structure in Weber’s presentation. The first was the notion of authority based on a rational-legal system, rather than on tradition (e.g., hereditary rule) or force. In Weber’s day, many (if not most) organizations—including business and industrial firms—assumed controls over workers that seem unbelievable today. These included not merely ten-, twelve-, or fourteen-hour working days, but also how the employees’ free time might be spent and the assumption of absolute obedience to superiors, however irrational or nonwork-related their orders. The concept of rational-legal authority prescribes clearly defined limits over what may and may not be required of workers. The second thing Weber defined was organizational arrangement as a hierarchy of *offices* rather than of individuals. That is, each “office” carries specified duties along with the legal authority to carry out those duties—no more and no less. The effect of this was twofold: first, the basis of authority—rational and legal—was emphasized, and control over workers was limited to behavior specifically related to the work; second, the activities of the manager—duties, responsibilities, etc.—were clearly defined, thus making it possible to choose people for specific jobs on the basis of their competence and skills.

Although today people often react negatively to the term “bureaucracy,” when reading Weber, one is aware that bureaucracy was a great invention. Weber (1946) says, for example, “The decisive reason for the advance of bureaucratic organization has always been its purely technical superiority over any other form of organization” (1946, p. 214). He also writes that bureaucracy “is superior to any other form in precision, in



**Figure 4. Basic Bureaucratic Structure (Weber)\***

stability, in the stringency of its discipline, and in its reliability . . . [it] is formally capable of application to all kinds of administrative tasks” (1946, p. 214). If this sounds autocratic, one may be reassured by the fact that Weber also said, “The progress of bureaucratization . . . is a parallel phenomenon of democracy” (1946, p. 225). “This results from the characteristic principle of bureaucracy: the abstract regularity of the execution of authority, which is a result of the demand for ‘equality before the law’ in the personal and functional sense [1946, p. 224] . . . . Bureaucracy . . . strives . . . for a ‘right to the office’ by the establishment of a regular disciplinary procedure and by removal of the completely arbitrary disposition of the ‘chief’ over the subordinate [1946, p. 242] . . . . The march of bureaucracy has destroyed structures of domination [such as patriarchalism, feudalism, and charismatic authority] which had no rational character” (1946, p. 244). Thus bureaucracy had two great advantages in Weber’s view. First, it was the most efficient and effective form of organization and, second, it was the most humane form of organization.

Weber was more overtly unhappy as a person than Taylor. Plagued with a variety of physical ailments, he was also neurotic and suffered from a number of psychological symptoms. His fascination with rigidly disciplined bureaucratic organizations (e.g., the army and the church) was probably not unrelated to his various psychological problems.

\* Note that each position is defined as to specific tasks, duties, authority, and responsibility of the position (or “office”). Characteristics (skills, etc.) of people necessary for each position are specified, and any person with these characteristics may be hired to fill the position.

Even so, his contributions—which were not limited to defining and delineating bureaucracy—were monumental.

In summary, Weber made organizations rational, just as Taylor made specific tasks rational. Although many organizations had endured and functioned in similar ways for centuries, Weber made a large contribution, observing with acute detail and clarity the organizational form that was so functional for survival and identifying modern modifications to that form that took into account the increasing complexity of organizations in an increasingly technologically sophisticated world.

### ***Elton Mayo: Societally Centered Human Interaction***

It is not possible to understand the human-relations movement of the 1930s, 1940s, and 1950s without recognizing that the now-discredited evidence of superiority (in terms of productivity and quality) was never much more than an excuse for what is really a philosophical position. Elton Mayo, a great social philosopher of the 1920s and 1930s, was the major force behind the human relations school. Although Mayo was not one of those who wrote much about the “Hawthorne Studies” (see Carey, 1967; Dickson & Roethlisberger, 1966; Landesberger, 1958; and Shepard, 1971), he was directly involved in that research, and the results seemed to him to offer clear evidence for his philosophy.

Mayo was particularly opposed to the scientific management so forcefully advocated by Taylor. In fact, Mayo’s philosophy was partly shaped as a response to Taylor’s ideas. Mayo wrote, “as a system, Taylorism effects much in the way of economy of labor; its chief defect is that workmen are not asked to collaborate in effecting such economies” (p. 60). “No social system can be considered satisfactory which deprives the great majority of mankind of every vestige of autonomy. No society is civilized in which the many [work] in the interests of the few. When ‘work’ signifies intelligent collaboration in the achievement of a social purpose, ‘industrial unrest’ will cease to be” (1919, p. 63). It is interesting to note that this was written in 1919, before the Hawthorne Studies began and before the term “human relations” was invented. It is also important to recognize that Mayo was not arguing against efficiency or productivity; he is speaking, basically, about how management ought to deal with people in the work environment.

Mayo served as the faculty member, at Harvard, responsible for the industrial psychology experiments at Western Electric’s Hawthorne plant near Chicago. It was these studies that led to the term human relations and the subsequent movement. Mayo himself, however, concentrated on larger social issues, as is indicated by the titles of his last books, e.g., *The Human Problems of an Industrial Civilization* (1933). Mayo’s student, Fritz Roethlisberger, was more directly involved in the Hawthorne Studies and in creating the human relations movement.

## ***Fritz Roethlisberger and W.J. Dickson: Individually Centered Human Interaction***

The Hawthorne Studies (Roethlisberger & Dickson, 1936) have been analyzed and reanalyzed, attacked and defended for over forty years (Carey, 1967; Landesberger, 1958; Shepard, 1971). What was so controversial was not the research findings but their philosophical interpretations. In the guise of scholarly debate and critique, people argued about the worth, importance, and correctness of the human relations approach based on Mayo's values.

A brief review of this historically important research program is worthwhile. In the late 1920s, industrial psychologists were actively applying Taylor's time-study methods as well as analyzing work conditions to determine how human work capacities varied with the physical environment (light, heat, noise, ventilation, etc.). At Western Electric's Hawthorne plant, a special test area was set up. Workers and supervisors were selected to participate in the study, in which work behavior was measured as physical conditions varied. At first everything seemed reasonable, e.g., illumination levels were increased and production increased. However, when the level of light was decreased, production continued to increase, until the workers were producing more than ever under conditions equivalent to bright moonlight. At this point the engineers gave up, and a new research team from Harvard was brought in.

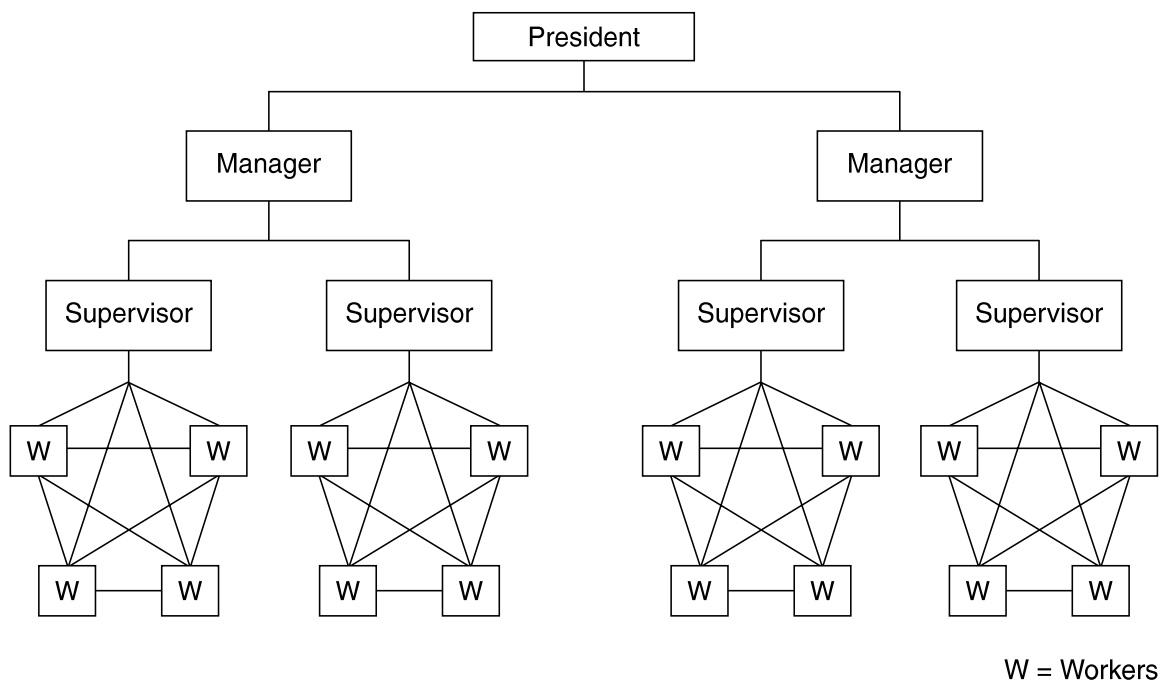
Roethlisberger was on-site head, working with the company's personnel department liaison, W.J. Dickson. What soon became evident was that social relationships in the test area were having a great influence on worker productivity. One view is that the supervisor, who had been chosen because of his excellent reputation, had developed a strongly loyal work group with high morale, and that these workers, who also had been screened, worked hard to satisfy him, even under adverse conditions. Thus, the importance of human relations was demonstrated. A less sanguine view is that the workers responded to the special treatment they were being given by working hard to please the researchers, even when conditions were poor. This explanation, commonly referred to as the Hawthorne effect, was thought to be true during the 1950s and 1960s, when a strong backlash swept toward the human relations movement.

The truth is somewhere in between. Katz and Kahn (1966) observed that the Hawthorne workers had the best supervisor, were given special privileges, and formed a cohesive team. These factors, they argued, go far beyond the effects possible from just special attention, although special attention does have effects.

The importance of the Hawthorne Studies is the demonstration that social factors have strong impacts on work behavior. This is true whether one believes that the social factors were the special attention given the workers or the quality of supervision and group interaction they experienced. Roethlisberger put it this way: "People like to feel important and have their work recognized as important . . . . They like to work in an atmosphere of approval. They like to be praised rather than blamed . . . . They like to feel independent in their relations to their supervisors . . . . They like to be consulted about and participate in actions that will personally affect them. In short, employees,

like most people, want to be treated as belonging to and being an integral part of some group” (1950).

Mayo saw that in society the extended family was becoming the nuclear family, with consequent loss of family-group identification for many. He proposed to substitute a new work group for the old family group. Mayo and Roethlisberger conceived an organization along the lines illustrated in Figure 5. Every work unit became self-regulating. The development of positive work relationships (indicated by the work units in Figure 5) was seen as beneficial to workers in that they regained a sense of group identification lost to them as their families became smaller (parents and children, not including grandparents, aunts, uncles, etc., as had been true in the last century). Management benefitted because, when treated properly (the human-relations approach), the members of these groups would support high production goals, solve problems, and help one another as needed.



**Figure 5. Roethlisberger and Dickson’s Human Relations Model**

The prescription was simply to allow small groups of workers maximum freedom in controlling their own work. Within the groups, workers would establish their own patterns of coordination. By recognizing and supporting this informal organization, management theoretically could gain the support and cooperation of workers, leading to greater productivity and more efficient job performance.

Over time, these human-relations ideas gained a fair degree of acceptance among managers, although there also was considerable resistance. Many managers feared loss of control or power, which was not an unrealistic concern. The rather laissez-faire,

undirected approach prescribed conceivably could generate some anxiety even in a liberal manager.

By the mid-1950s, it was clear that productivity and efficiency were not attainable through the simple solutions generated by the human relations advocates (see Sales, 1966). The Hawthorne Studies actually foretold this, and later parts of the study showed that groups of workers acted to regulate their output, limiting it to no more than a certain average amount per day even though they could have easily produced at far higher levels. This finding was verified in other studies. Still further research showed that very unhappy workers could be highly productive, while very satisfied workers in cohesive work groups could be quite unproductive. The relationships among satisfaction, group morale, and productivity turned out to be much more complicated than Mayo and his colleagues had expected.

Eventually, managers—and not just academic researchers—realized this fact. Perhaps the disillusionment of some accounts for the subsequent backlash, illustrated by articles in the *Harvard Business Review* titled “What Price Human Relations?” (McNair, 1957) and “The Case for Benevolent Autocracy” (McMurray, 1958). In any case, human relations has become a ritual term, a thing that all believe in with no particular action implications (other than generally treating workers with common courtesy).

Although the human-relations approach idealized by Mayo and by Roethlisberger and Dickson ultimately failed, it did provide the basis for the continued development of the behavioral-science theories of organization, which we now will examine.

### ***Douglas McGregor: Individually Centered Behavioral Science***

The influence of the human-relations movement provided support for behavioral scientists in business schools. One of the first and best known was Douglas McGregor, a psychologist who served to link a psychological view of human motivation to a theory of management. In doing this he coined the terms “Theory X” and “Theory Y.” The former represents traditional assumptions about human motivation, some of which are that people are lazy and work only because they have to and that workers must be controlled and led. Theory Y, in contrast, asserts that workers are responsible and want to be involved more in their work (such that their own needs are met as the organization’s are). McGregor said, “The essential task of management is to arrange the organizational conditions and methods of operation so that people can achieve their own goals best by directing their own efforts toward organizational objectives” (1957, p. 26).

McGregor based his approach on the motivation theory of Abraham Maslow (1943). This theory suggests that human needs can be categorized as survival, security, social, esteem, and self-development (or growth). As one type of need is basically fulfilled, the individual progresses toward higher needs (survival is primary, growth is most advanced). This suggests that if management can design work to fulfill the higher needs of workers, the workers’ motives can be directed toward organizational, as well as individual, goals. (This assumes, reasonably enough, that for most workers the survival needs are met, and, for the majority, so are the security needs.)

One implication of this approach is that managers must diagnose individual workers' needs and offer opportunities for those needs to be satisfied. If this is so, effective management would seem to be rather impractical. However, although the range of specific individual needs is great, the basic categories of need are few. Furthermore, when workers are involved in defining their own needs, goals, and potential rewards, the task of creating appropriate organizational conditions seems more feasible.

McGregor's great gift was in taking some fairly complex ideas and expressing them in a clear, yet not oversimplified manner. He was able to explain the failure of human relations—and of autocracy—and offer a possible alternative: Theory Y. In 1954, he said, "There are big differences in the kinds of opportunities that can be provided for people to obtain need satisfaction. It is relatively easy to provide means (chiefly in the form of money) for need satisfaction—at least until the supply is exhausted. You cannot, however, provide people with a sense of achievement, or with knowledge, or with prestige. You can provide *opportunities* for them to obtain these satisfactions through efforts directed toward organization goals. What is even more important, the *supply of such opportunities*—unlike the supply of money—*is unlimited*" (1966, pp. 44-45).

McGregor developed a philosophy of how to manage individual workers, based on the best knowledge available about human motivation. Although he presented this philosophy in sugar-coated capsule form—Theory Y—he recognized that it would not be so simple to implement. People's expectations, which were based on past treatment, would have to be radically changed, and such change comes slowly. In 1957 McGregor wrote, "It is no more possible to create an organization today which will be a fully effective application of this theory than it was to build an atomic power plant in 1945" (1966, p. 24).

A major part of McGregor's implementation problem, however, was that his theory was not an *organizational* theory but a theory of how individual managers might better manage. McGregor neglected to consider the organizational framework needed to support such management behavior. We will look next at a theorist who did develop such a framework.

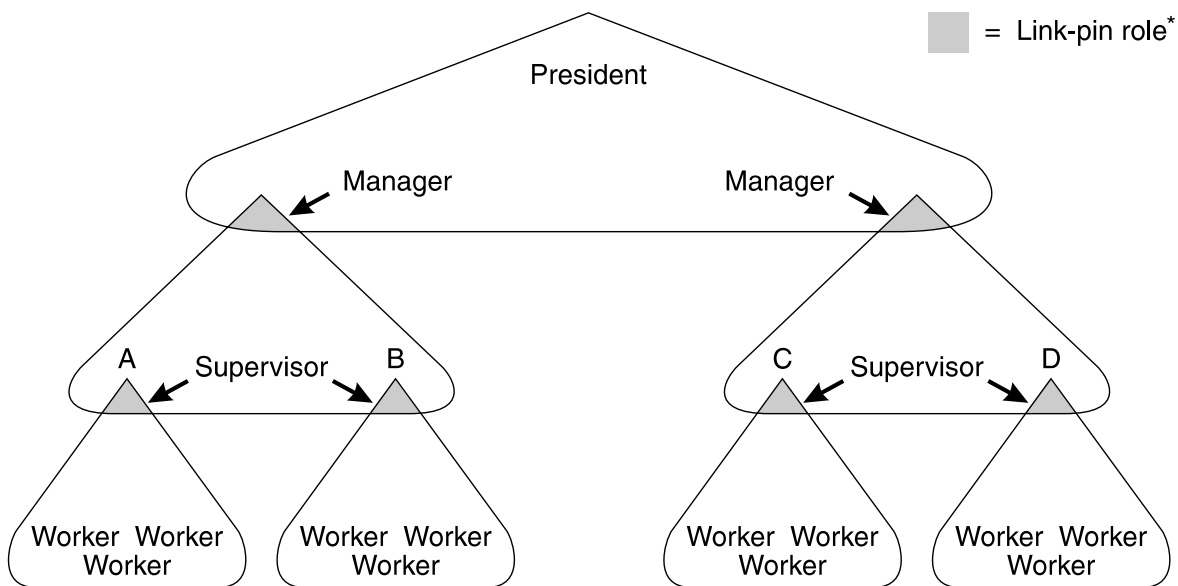
### ***Rensis Likert: Organizationally Centered Behavioral Science***

In the work of Likert (1961, 1967), one finds the most complete and sophisticated theory of organization based on behavioral science. It developed out of research conducted during the twenty-five years that Likert was director of the Institute for Social Research at the University of Michigan. Likert's theory is clearly prescriptive; he argues that his approach describes effective organizations and that if it is implemented, the organization will be effective.

Likert can be seen, in one sense, as expanding McGregor's two alternatives to four systems. System 1 is much like an extreme Theory X-organization: rigid, autocratic, and exploitative of workers. System 2 represents benevolent autocracy or paternalism. System 3 is called "consultative" management. Workers are involved to a degree in

making decisions, but all real power remains with the managers. System 4 is participative management; all workers are involved in decisions that concern them.

In Likert’s words, System 4 has three key elements: “(1) the use by the manager of the principle of supportive relationships, (2) his use of group decision making and group methods of supervision, and (3) his high performance goals for the organization” (1967, p. 47). The principle of supportive relationships states that “the leadership and other processes of the organization must be such as to ensure a maximum probability that in all interactions and in all relationships within the organization, each member, in the light of his background, values, desires, and expectations, will view the experience as supportive and one which builds and maintains his sense of personal worth and importance” (1967, p. 47). These statements mean several things. First, supervision is seen as a group—not a one-to-one, superior-to-subordinate—activity. Second, the group is delegated as much authority as possible; decisions are group decisions, not orders from above. Third, the supervisor or manager is seen as a “link-pin.” That is, he or she is the head of one group but a member of another group (at the next level up), as illustrated in Figure 6. Thus, the manager serves as an important communication link between the two levels.



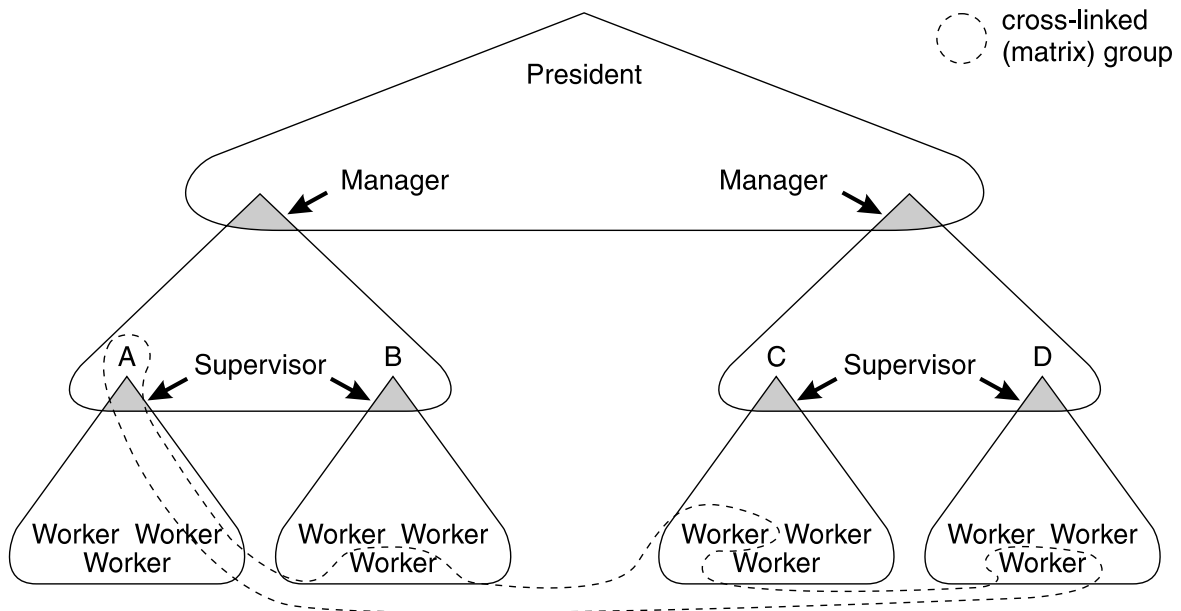
**Figure 6. Likert’s Overlapping Group/Link-Pin Model**

Likert incorporates some of the earlier organizational theories in System 4. He is the only modern behavioral scientist to speak of a “principle” of management. In content, this principle owes much to the human-relations school but also, in a very general way, incorporates Maslow’s needs of esteem and growth. The group methods that Likert mentions also derive from Mayo and reflect Maslow’s social-need category.

\*Managers and supervisors are “link-pins,” that is, members of two groups. Their function is to act as coordinative “linkers” (information transmitters) between the two groups.



Likert's notion of performance goals as well as the basic structure he follows are derived from Weber's theory of bureaucracy. Although the organization shown in Figure 6 may look unusual at first glance, the only modification to the traditional bureaucratic form is that authority is shared at one level below that shown in Figure 4. Instead of the manager making a decision, the decision is made by the manager in collaboration with the manager's subordinates. This is an important change, just as Fayol's Bridge was an important change, but like the bridge, it is a modification, not a radical restructuring. Likert even has his own version of Fayol's Bridge; this is shown in Figure 7. Because coordination has continued to become complex since Fayol's time, Likert uses an ad hoc group for this purpose, selecting relevant individuals from each of the units that need to coordinate activities.



**Figure 7. Likert's Combined Behavioral/Matrix Model**

Likert should not be underestimated. He has developed what appears (after much study and trial) to be a workable organizational form for implementing the basic human relations approach and for putting Theory Y into practice.

Likert believes that most managers can learn to operate under his theory: "Data . . . show that managers who seek to do so can readily learn better systems of management" (1967, p. 190). He also argues for the utility of sound behavioral science research: "Most organizations today base their standard operating procedures and practices on classical organizational theories. These theories rely on key assumptions; . . . until recently, the shifting sands of practitioner judgment were the major if not the only source of knowledge about how to organize and run an enterprise. Now, research on leadership, management, and organization, undertaken by social scientists, provides a more stable body of knowledge . . . The art of management can be based on verifiable information derived from rigorous, quantitative research" (1967, p. 1). Likert's position is well stated

in the opening lines of his book, *The Human Organization* (1967): “All the activities of any enterprise are initiated and determined by the persons who make up that institution. Plants, offices, computers, automated equipment, and all else that a modern firm uses are unproductive except for human effort and direction . . . . Every aspect of a firm’s activities is determined by the competence, motivation, and general effectiveness of its human organization” (p. 1).

This last statement highlights what many consider to be the major flaw in Likert’s approach: the conspicuous absence of anything reminiscent of Taylor or Taylorism. Although Taylor could be rejected for a number of reasons, Likert’s reason is unusual. He believes that Taylor’s basic concept of job technology is irrelevant to organizational effectiveness. At a professional meeting in 1978, Likert was asked why his theory contained no meaningful consideration of the specific characteristics of jobs (design, technology, etc.) or of the motivations of individuals. He replied to the effect that these factors are organizationally irrelevant.

Most current organizational theorists disagree strongly with this view. Some, like Charles Perrow (1972), an organizational sociologist, go so far as to assert the opposite, that technology determines everything and that human variables are essentially irrelevant. Most, however, take a more balanced view, seeing the technical and social aspects of organizations as interdependent.

The best current example of such an approach derives from work at the Tavistock Institute for Human Relations (England), which began in the 1940s and continues today. Many names are associated with this approach; this article will discuss the writings of the two Tavistock members who are most known in the United States.

### ***Fred Emery and Eric Trist: A Comprehensive Behavioral Science Theory***

Emery and Trist (1960) are the two names most familiarly attached to the theory called “sociotechnical systems,” or, simply, STS (see Pasmore & Sherwood, 1978). This approach was developed in the 1950s and 1960s at the Tavistock Institute. The STS approach has actually involved over a dozen behavioral scientists, including (in alphabetical order) Kenneth Bamforth (Trist & Bamforth, 1951), Wilfred Bion (1961), Wilfred Brown (1960), P.G. Herbst (1974), Elliot Jaques (1951), Eric Miller (1967), A.K. Rice (1958), Einer Thorsrud (Emery & Thorsrud, 1976), and A.T. M. Wilson, among others. The most clear statements of STS as an organized theory have, however, been presented by Emery and Trist, both together and independently.

The STS concept started at the bottom of a coal mine. Trist and a former student, Bamforth (Trist & Bamforth, 1951), were studying the use of new work methods in the mining industry. What they found, however, was that under certain conditions that made the new methods impractical, workers had solved the problem by going all the way back to the small-group team mining that had been abandoned at the time of semimechanization in the 1940s (see Trist, Higgin, Morray, & Pollock, 1963). The team approach not only solved the technical problems, but it fit better with the needs of the miners (e.g., for strong social contacts when faced with a very dangerous task). Trist

said, “After going down into the coal mine this time, I came up a different man. I was certain that the things I observed were of major significance” (1980, p. 151). The concept was brilliantly simple: the technological system used in an organization must fit or mesh properly with the social system if the organization is to operate effectively.

In the mid-1950s another British researcher, working independently of the Tavistock group, confirmed this notion. Joan Woodward’s (1965) intent was to test some of the basic principles of management by checking to see whether more profitable firms did, in fact, follow the principles more closely than less profitable firms. Her answer was a strong “no.” There was no relation at all between effectiveness and adherence to management principles. This seemed odd, because some principles were considered common sense, such as the proper “span of control” or average number of workers to be supervised by a first-line supervisor.

Woodward reexamined her data and found a pattern. All the measures seemed to differ by industry—in fact, by type of technology (which was crudely categorized as production of individual units, mass production, and continuous-process production). Examples of the first would be the manufacture of locomotives, of hand-knit sweaters, or of one-of-a-kind, high-technology items. The second type is the traditional assembly-line operation. The third represents high-technology products that are manufactured in a continuous process, such as oil or chemicals. Each basic technological type did differ, on the average, in number of levels of hierarchy, span of control, ratio of managers to nonmanagers, and a number of other variables. This showed that the principles did not seem to be universal but, rather, were modified depending on an organization’s technology.

But what of effectiveness? Woodward then showed that the more effective organizations consistently were characterized at about the average or mean value on each measure. In other words, there seemed to be a best method of organizing to fit each type of technology. Firms that stayed close to this best approach for their technical system were most effective. Firms that had too many or too few levels of hierarchy, too wide or too narrow a span of control, or too small or too large a manager/worker ratio *for their type of technology* were least profitable. The support of Woodward’s findings for the STS approach is striking, especially when one realizes that Woodward worked totally independently and was unaware of the Tavistock STS approach. In fact, that approach was most clearly stated at just about the time that Woodward was publishing her findings in 1958, so Trist and Emery could not have been influenced by her work either.

The STS approach does not prescribe one particular organizational form, so there is no one diagram to illustrate it. It is based on the participative involvement of workers in semiautonomous groups and is like Likert’s System 4 in this respect. How these groups are set up, their sizes, and the formal structural arrangements in the organization—all these things may vary widely from Likert’s modified bureaucratic format.

STS theory does incorporate modern behavioral science as derived from human relations theory and industrial/organizational psychology. Katz and Kahn (1966)

comment that the STS approach assumes three basic human work needs: (a) a need for closure, for finishing a whole task, (b) a need for autonomy or control of one's own behavior as a mature adult; and (c) a need for some level of interpersonal contact at work, not as a diversion or tangential to work activity but as a basic part of task activities. It is easy to see how these concepts relate to the human relations approach, to McGregor's Theory Y, and to Likert's group-based approach.

Where STS goes well beyond any of the earlier theoretical approaches is in incorporating technology as a major determinant of how the system should be socially organized. This, of course, directly contradicts Likert's views of organizations while incorporating the key points of his and many earlier theories—as well as parts of some less well-known sociological theories of organization that we have not mentioned, such as Thompson's (1967) and Perrow's (1970). Finally, STS theory incorporates a concern with organizational environments and the effects of the environment on organizations. Likert's and all of the earlier theories totally ignored this dynamic interaction.

Only Paul Lawrence and Jay Lorsch (1969), professors at Harvard, attempted to examine organizations in terms of the demands of their environments. They suggest that more traditional structures (Figure 4) are appropriate when the environment is quite stable in terms of technological complexity and change, market demand, and low internal organizational specialization of tasks and functions. When environments are very unstable (rapid, uncertain changes in the above factors and high internal specialization), more complex devices are needed to coordinate organizational activities. These devices include temporary cross-link teams (as defined by Likert), liaison roles, and even departments whose task is simply to coordinate among other departments.

STS theory, however, deals with this issue through Emery and Trist's (1965) concept of "causal texture" of the environment. They define four types of environment, the first two being subdivisions of the stable environment defined by Lawrence and Lorsch; the second two being unstable. The "type-four" environment is called "turbulent," uncontrollably reactive, almost unpredictable. Trist notes, "We . . . hit on the word 'turbulence' when I was describing how I [once] became airsick" (1980, p. 162).

Unlike the various older approaches, STS theory does not pretend to offer a cure for all organizational ills. In fact, Trist comments that "environmental turbulence has become such a strong dynamic that I'm a pessimistic optimist. I'm scared as hell about what will happen on a large scale during the next few decades. We may well be faced with wholesale unemployment as technological advances continue to replace workers. The 'management of decline' may become a new approach as resources are exhausted and various aspects of our economy wind down. Our focus has been on micro processes, yet we must try to do something at macro levels, at the large-scale system level" (1980, p. 166). Trist's comments seem about as pessimistic as an organizational theorist's can be.

## **Overview**

At this point, it should be clear why this article has labeled each theorist according to the primary social-system level dealt with and the primary orientation taken. From the narrow, structural, individual-behavior focus of traditional theory (Taylor, 1911), there has been steady development in organizational theory. It has passed through a concern with small groups (Mayo, 1919; Roethlisberger & Dickson, 1936), with organizations (Likert, 1961; McGregor, 1957), and finally with all these factors in the context of a broad, social-system approach.

The aim of this article has been to show how organizational theorists have built on one another's ideas and how, even when one individual or group vehemently disagreed with another, the basic ideas of both were usually incorporated into a new approach. By looking at the theorists as people and not just as inanimate sources of ideas, and by examining the social-historical contexts in which they lived, one can see even more clearly how this "thesis-antithesis-synthesis" process has worked. One sees in Likert not merely his new ideas (such as the organizational link-pin concept) but also the reflection of the times he lived in, the days of principles of management and the Hawthorne Studies. In McGregor's work, we can find new ideas about management philosophy and also old ideas about human motivation that were developed in the 1930s and 1940s (and are not unrelated to Mayo's ideas about human needs). In the sociotechnical systems approach, we see the most recent generation of fully developed organizational theory, incorporating much of what came before, accepting and rejecting or correcting earlier elements, and going beyond the prior theories.

Who will become the dominant theorists of the upcoming generation is not clear; even less clear is the possible nature of the theories yet to come. Management and organizational theory has come a long way, from the turn-of-the-century world of Taylor to the world of supersonic aircraft and potential nuclear holocaust. Still, there is no indication that the earlier forms are totally superseded by later developments. Many organizations remain faithful to Weber's bureaucratic model, and there are even a few that still adhere to the traditional structural model. Good arguments can be made that such organizations will continue to decrease in number, but it is unlikely that all will ever disappear, simply because circumstances do exist that make such structural forms not only possible but desirable. In all probability, the world is diverse enough that such circumstances will continue to exist. Nor would it be correct to conclude that the more recently developed structural forms are best in any absolute sense; there is no way of knowing what will succeed them, although it would be reasonable to assume that whatever theories follow will be hierarchical in nature and—to some degree—bureaucratic in orientation.

## REFERENCES

- Argyris, C. (1976). *Increasing leadership effectiveness*. New York: John Wiley.
- Bion, W.R. (1961). *Experiences in groups*. New York: Basic Books.
- Brown, W. (1960). *Exploration in management*. London: Heinemann.
- Carey, A. (1967). The Hawthorne studies: A radical criticism. *American Sociological Review*, 32, 403-416.
- Copley, F.B. (1923). *Frederick W. Taylor: Father of scientific management*. New York: Harper & Row.
- Davis, S.M., & Lawrence, P.R. (1977). *Matrix*. Reading, MA: Addison-Wesley.
- Dickson, W.J., & Roethlisberger, F.J. (1966). *Counseling in an organization: A sequel to the Hawthorne researches*. Boston, MA: Division of Research, Graduate School of Business Administration, Harvard University.
- Emery, F.E., & Thorsrud, E. (1976). *Democracy at work*. Leiden, The Netherlands: Martinus Nijhoff.
- Emery, F.E., & Trist, E.L. (1960). *Socio-technical systems*. Oxford, England: Pergamon Press.
- Emery, F.E., & Trist, E.L. (1965). The causal texture of organizational environments. *Human Relations*, 18, 21-32.
- Fayol, H. (1921). *L'incapacité industrielle de l'état: Les P.T.T.* Paris: Dunod.
- Fayol, H. (1949). *General and industrial management* (C. Storrs, Trans.). London: Pitman.
- Fayol, H. (1978). L'éveil de esprit publique. Quoted in E. Dale, *Management: Theory and practice* (4th ed.). New York: McGraw-Hill.
- Hearings Before Special Committee of the House of Representatives to Investigate the Taylor and Other Systems of Shop Management Under Authority of House Resolution 90. pp. 1388-1389. (1912). Washington, DC: U.S. Government Printing Office.
- Herbst, P.G. (1974). *Socio-technical design*. London: Tavistock.
- Jaques, E. (1951). *The changing culture of a factory*. London: Tavistock.
- Katz, D., & Kahn, R. (1966). *The social psychology of organizations*. New York: John Wiley.
- Landesberger, H.J. (1958). *Hawthorne revisited*. Ithaca, NY: Cornell University Press.
- Lawrence, P.R., & Lorsch, J.W. (1969). *Organization and environment: Managing differentiation and integration*. Homewood, IL: Richard D. Irwin.
- Likert, R. (1961). *New patterns of management*. New York: McGraw-Hill.
- Likert, R. (1967). *The human organization*. New York: McGraw-Hill.
- Maslow, A.H. (1943). A theory of human motivation. *Psychological Review*, 50, 370-396.
- Mayo, E. (1919). *Democracy and freedom: An essay in social logic*. Melbourne, Australia: Macmillan.
- Mayo, E. (1933). *The human problems of an industrial civilization*. Cambridge, MA: Harvard University Press.
- McGregor, D. (1957, April 9). The human side of enterprise. In *Adventure in thought and action*. Proceedings of the Fifth Anniversary Convocation of the School of Industrial Management. Massachusetts Institute of Technology, Cambridge, MA.
- McGregor, D.M. (1957). The human side of enterprise. *The Management Review*, 46(11), 26.

- McGregor, D.M. (1966). A philosophy of management. In W.G. Bennis & E.H. Schein (Eds.), with the collaboration of C. McGregor, *Leadership and motivation: Essays of Douglas McGregor*. Cambridge, MA: M.I.T. Press.
- McMurray, R.N. (1958). The case for benevolent autocracy. *Harvard Business Review*, 36(1), 82-90.
- McNair, M.P. (1957). What price human relations? *Harvard Business Review*, 35(2), 15-39.
- Miller, E.J., & Rice, A.K. (1967). *Systems of organization*. London: Tavistock.
- Pasmore, W.A., & Sherwood, J.J. (1978). *Sociotechnical systems: A sourcebook*. San Diego, CA: Pfeiffer & Company.
- Perrow, C. (1970). *Organizational analysis: A sociological view*. Monterey, CA: Brooks/Cole.
- Perrow, C. (1972). *Complex organizations: A critical essay*. Glenview, IL: Scott, Foresman.
- Rice, A.K. (1958). *Productivity and social organization: The Ahmedabad experiment*. London: Tavistock.
- Roethlisberger, F.J. (1950). The human equation in employee productivity (Speech before the personnel group of the National Retail Dry Goods Association).
- Roethlisberger, F.J., & Dickson, W.J. (1936). *Management and the worker*. Cambridge, MA: Harvard University Press.
- Sales, S.M. (1966). Supervisory style and productivity: Review and theory. *Personnel Psychology*, 19, 275-286.
- Shepard, J.M. (1971). On Alex Carey's radical criticism of the Hawthorne studies. *Academy of Management Journal*, 14, 23-31.
- Taylor, F.W. (1911). *Scientific management*. New York: Harper.
- Thompson, J.D. (1967). *Organizations in action*. New York: McGraw-Hill.
- Trist, E.L. (1980). Interview: Eric Trist, British interdisciplinarian. *Group & Organization Studies*, 5(2), 144-166.
- Trist, E.L., & Bamforth, K.W. (1951). Some social and psychological consequences of the longwall method of coal-getting. *Human Relations*, 4, 3-38.
- Trist, E.L., Higgin, G.A., Murray, H., & Pollock, A.B. (1963). *Organizational choice: Capabilities of groups at the coal face under changing technologies: The loss, re-discovery and transformation of a work tradition*. London: Tavistock.
- Weber, M. (1946). From Max Weber: *Essays in sociology* (H.H. Gerth & C. Wright Mills, Eds. & Trans.). New York: Oxford University Press.
- Weber, M. (1947). *The theory of social and economic organizations* (A.M. Henderson & T. Parsons, Trans., & T. Parsons, Ed.). New York: The Free Press.
- Woodward, J. (1965). *Industrial organization: Theory and practice*. London: Oxford University Press.

## **SUGGESTED READINGS**

The following are books by the most recent crop of organizational theorists. They provide limits and guidelines for the future development of organizational theory.

Child, J. (Ed.). (1973). *Man and organization: The search for exploration and social relevance*. New York: Halstead-Wiley.

Galbraith, J.R. (1973). *Designing complex organizations*. Reading, MA: Addison-Wesley.

Khandwalla, P.N. (1977). *The design of organizations*. New York: Harcourt Brace Jovanovich.

Mintzberg, H. (1979). *The structuring of organizations*. Englewood Cliffs, NJ: Prentice-Hall.

Pfeffer, J. (1978). *Organization design*. Arlington Heights, IL: AHM Publishing.

Weick, K.E., Jr. (1980). *The social psychology of organizing* (rev. ed.). Reading, MA: Addison-Wesley.



## ■ LINE MANAGERS AND HUMAN RESOURCE DEVELOPMENT

**Udai Pareek and T. Venkateswara Rao**

Many organizations are adopting human resource development (HRD) systems and practices. Human resource development has the following objectives:

1. To provide a comprehensive framework and methods for the development of human resources in an organization
2. To generate systematic information about human resources for purposes of manpower planning, placement, succession planning, and the like;
3. To increase the capabilities of an organization to recruit, retain, and motivate talented employees; and
4. To create a climate that enables every employee to discover, develop, and use his or her capabilities to a fuller extent, in order to further both individual and organizational goals.

The following components of HRD help in achieving its objectives:

1. *Performance Appraisal* includes identification of key performance areas, target setting, assessment of behavioral dimensions, and self-assessment. In an open appraisal system, all information is available to the appraisee. Performance analysis focuses on helping the appraisee to understand job-related issues concerning his or her behavior.
2. *Potential Appraisal* involves identification of critical functions and the qualities required to perform these functions for each role in the organization, measurement of these critical attributes, periodic assessment of employees for potential to perform higher-level roles, and promotion policies.
3. *Career Planning and Development Systems* usually include identification of career opportunities within the organization, plans for organizational growth, promotion policies, feedback and counseling, job rotation, identification of career paths, and managing of problem employees.
4. *Feedback and Counseling Subsystems* are sequels to performance appraisal, potential appraisal, and career development.

---

Originally published in *The 1984 Annual: Developing Human Resources* by J. William Pfeiffer & Leonard D. Goodstein (Eds.), San Diego, CA: Pfeiffer & Company.

5. *Training* is usually concerned with assessment of training needs and policies, dissemination of information about training opportunities, organization of internal training programs, and evaluation and follow up.
6. *Reinforcement* (usually called reward systems) helps in reinforcing desirable values, attitudes, behaviors, and collaboration in an organization.
7. *Organization Development and Research* subsystems aim at maintaining and monitoring organizational health; assisting problem departments; helping interested units and departments in self-renewal, conflict management, and creation of strong teams; and establishing processes that promote enabling capabilities in the organization. Research also helps in analyzing information generated by the HRD subsystems.
8. *Management Information* systems maintain and update information about skills, capabilities, biographical data, performance appraisals, potential appraisals, and training.

These various subsystems are interrelated (Pareek & Rao, 1981). For example, performance appraisal provides inputs for training, research and OD, data storage, and feedback and counseling. When all these subsystems operate simultaneously and in concert, the organization may be said to have integrated HRD.

Three emphases are involved in the concept of HRD. First, people working in organizations are regarded as valuable resources, implying that there is a need to invest time and effort in their development. Secondly, they are human resources, which means that they cannot be treated as one treats material resources. Thirdly, HRD does not merely focus on employees as individuals but also on other human units and processes in the organization. These include the roles or jobs in the organization, dyadic units (each consisting of an employee and his or her boss), the various teams in which people work, interteam groups, and the total organization.

Personal development would imply the following: (a) helping the person's self-management by the development of skills and the setting of realistic goals; (b) monitoring growth and development; and (c) facilitating advancement or promotion. The main emphasis in the job or role area is on producing pride, so that the individual feels worthwhile. For the dyadic group (the employee and the supervisor), the main focus is on the development of trust and mutuality. The emphasis of HRD for the various teams (task groups, committees, departments, etc.) is on developing collaboration and problem-solving capabilities both in the members and in the teams. The main emphasis in interteam development is on cooperation among various groups and teams. For the organization, the main emphasis is on viability and self-renewal.

## **THE HRD MATRIX**

We have briefly mentioned six different units in the organization concerned with HRD. There are five main components of HRD: training, appraisal (both performance

appraisal and potential appraisal, including performance review and counseling), organization development (including research and system development), rewards, and career planning. We thus have a matrix consisting of six foci of HRD and five components of HRD. The six foci of HRD are interrelated. The effectiveness of one contributes to the effectiveness of the others. The following matrices (Tables 1 and 2) illustrate the relationships between these six foci of HRD and the five functions or components of HRD.

**Table 1: HRD Matrix: HRD Responsibility**

Foci of HRD	HRD Components				
	Training	Appraisal	OD	Reinforcement	Career Growth
<b>Person</b>	Establish system for training-needs survey and follow up.	Design systems, implementation, and follow up; provide reinforcement.	Develop person-oriented interventions.	Reward attributes.	Develop potential-appraisal system.
<b>Role</b>	Establish job training and follow up.	Prepare KPAs and CAs.	Provide role interventions, job enrichment, and work redesign.	Reward responsibility.	Provide role growth through motivations; review role content.
<b>Dyad</b>	Provide training in counseling.	Appraise counseling and trust.	Develop team-building interventions.	Reward employee development.	Provide counseling.
<b>Team</b>	Do strategy planning; provide team training	Provide for intergroup work.	Establish collaboration.	Develop system for team rewards.	Emphasize leadership role.
<b>Interteam</b>	Do strategy planning.	Provide for intergroup work.	Establish collaboration.	Develop system for interteam rewards.	Develop system of rotation among departments.
<b>Organization</b>	Provide training on goals, organizational values, philosophy, etc.	Emphasize role of institutional values.	Provide survey feedback; disseminate information on experiments.	Develop intrinsic rewards.	Provide career counseling for people who have achieved maximum growth in organization.

**Table 2. HRD Matrix: Line Management Responsibility**

Foci of HRD	HRD Components				
	Training	Appraisal	OD	Reinforcement	Career Growth
<b>Person</b>	Request training; help in implementation.	Set goals; do performance analyses.	Create conducive climate.	Provide intrinsic rewards.	Set career goals; suggest career growth plans.
<b>Role</b>	Provide role analysis.	Set objectives for KPAs; provide feedback on new KPAs	Provide more responsibility.	Provide intrinsic rewards/	Provide support and help.
<b>Dyad</b>	Counsel; provide feedback to HRD.	Counsel employees; provide feedback to HRD on problems and achievements.	Create conducive climate.	Encourage interaction.	Provide counseling
<b>Team</b>	Identify needs.	Counsel teams.	Reinforce; request interventions.	Reward cooperation.	Encourage interdepartmental experiences.
<b>Organization</b>	Volunteer as a trainer.	Establish linkage between goals and values.	Implement plans; request surveys.	Reward institutional contributions.	Counsel and help.

We shall now use the matrix concept to discuss the respective roles of line management and the HRD specialist.

## **THE ROLE OF LINE MANAGERS**

Line managers have an important role to play in ensuring the realization of HRD objectives. Although the top management should make available the resources required for investment in human resources and the HRD department should provide instruments and systems that can be used by the organization, it is ultimately the line managers who translate these into action. This requires realization on the part of the line managers that they have the responsibility to develop and utilize their employees.

Development can be defined as the acquisition of new capabilities. These capabilities may help in performing existing tasks better or faster or in performing new tasks. They may be cognitive abilities or skills. They may deal with managerial functions or technical functions or behavior.

Development of employees requires certain conditions:

1. The employee should perceive that acquiring new capabilities helps in fulfilling his or her psychological needs.
2. The employee should be aware of the capabilities he or she needs to develop.
3. The employee should perceive opportunities for acquiring such capabilities.
4. The employee should have the means to assess his or her own rate of growth.
5. The employee should enjoy the process of growth itself.

A line manager plays an important role in creating these conditions for subordinates. Quite often, managers have the impression that the HRD department ensures that these conditions are met; however, the HRD department can only provide the instruments or mechanisms for use by the line managers.

The HRD department and line managers play complementary roles. Each supplements (and supports) what the other does in relation to the development of employees. This relationship can be summarized as follows:

### TRAINING RESPONSIBILITIES

<b>Line Manager</b>	<b>HRD Department</b>
1. Analyzes each employee's role and lists detailed functions to be performed, outlining managerial, technical, and behavioral capabilities required.	1. Designs systems to identify training needs.
2. Identifies training needs of each employee in terms of relevant functions and communicates these to HRD department.	2. Collects information about training needs from line managers.
3. Encourages employees; provides opportunities to take responsibility and initiative and to learn on the job.	3. Keeps up to date on trends in training.
4. Provides continuous coaching and helps employees to develop problem-solving skills.	4. Collects information about available training programs.
5. Sponsors subordinates for training with HRD department.	5. Disseminates information about training opportunities to line managers.
6. Obtains feedback from subordinates about capabilities acquired during training; discusses opportunities for trying out what they have learned; provides such opportunities.	6. Analyzes training needs and plans in-house training.
7. Institutes group discussions, etc., to help subordinates learn to work as a team.	7. Manages training production (functions and facilities).

## PERFORMANCE APPRAISAL

### Line Manager

### HRD Department

*As Appraiser:*

1. Identifies and clarifies key performance areas (KPA's) for each subordinate.
2. Helps subordinates set challenging goals.
3. Identifies support needed by subordinates and makes it available.
4. Helps subordinates experience success.
5. Helps subordinates recognize strengths and weaknesses through periodic feedback.
6. Holds regularly scheduled appraisal and performance counseling discussions.
7. Understands difficulties experienced by subordinates in performing their functions and provides necessary support.
8. Generates climate of mutuality, openness, and trust to encourage identification and use of subordinates' capabilities.

1. Designs appraisal systems and modifies them periodically to meet company needs and managers' requirements.
2. Provides orientation training for managers about the performance-appraisal system.
3. Monitors appraisal and review discussions, return of forms, and appraisal trends.
4. Provides feedback on trends to managers.
5. Develops procedures for administration of rewards.
6. Helps managers with appraisals and counseling.
7. Conducts periodic surveys on the quality of appraisals, counseling, etc.
8. Analyzes performance data for different units and provides feedback concerning inhibiting factors and facilitating factors.

*As Appraisee:*

1. Sets challenging goals for self.
2. Reflects on own strengths, weaknesses, and overall performance.
3. Identifies problems hindering performance and communicates these to own supervisor.

## ORGANIZATION DEVELOPMENT

### Line Manager

### HRD Department

1. Identifies subsystems that need OD efforts and notifies HRD department or top management.
2. Responds frankly to organizational-diagnosis surveys.
3. Participates actively in discussion arranged by process specialists.
4. Prepares realistic action plans for OD interventions and implements them.

1. Identifies subsystems that may need OD.
2. Identifies managers who can be trained as process specialists.
3. Conducts periodic organizational-diagnosis surveys.
4. Plans and conducts OD interventions and monitors follow up.

## REINFORCEMENT

### Line Manager

1. Acknowledges the contributions of his or her subordinates.
2. Assigns challenging functions and tasks.
3. Rewards teamwork and collaboration.
4. Encourages interaction between subordinates and boss.

### HRD Department

1. Conduct job-enrichment program.
2. Monitors and recommends new employee-reward systems.
3. Develops systems for providing intrinsic rewards.
4. Assists managers in decisions relating to rewards.

## CAREER DEVELOPMENT

### Line Manager

1. Identifies career opportunities in the organization for each subordinate and assesses capabilities to be acquired.
2. Helps subordinates assess their own capabilities in relation to possible career paths.
3. Gives feedback to subordinates about their potential.
4. Encourages subordinates to develop potential and provides opportunities.

### HRD Department

1. Prepares career paths for different roles in the organization.
2. Prepares a directory of functions and capabilities required to perform them and makes it available to managers.
3. Develops and monitors career-counseling services for employees.
4. Develops potential-appraisal system.
5. Develops policies and mechanisms for job rotation and monitors these.
6. Makes projections about personnel requirements and makes these available to line managers for career counseling.
7. Assists those who have reached a saturation level in the organization with future career planning.
8. Identifies qualities required for higher-level managerial jobs and incorporates into appraisal systems and development work.
9. Arranges training programs for managers.

This discussion makes it clear that human resource development is the joint responsibility of line managers and HRD personnel. Although the HRD department can design and provide instruments for use by line managers, the line managers have the responsibility for using these instruments (and a variety of other mechanisms) to develop their subordinates. If the line managers do not make demands on the HRD department and do not take follow-up action, HRD efforts in an organization are not

likely to succeed. The participation of line managers in HRD efforts also increases the managers' competence to deal with many human problems in other areas of their work.

## **REFERENCE**

Pareek, U., & Rao, T.V. (1981). *Designing and managing human resource systems*. New Delhi, India: Oxford & IBH.



## ■ OD WITH A MANAGEMENT PERSPECTIVE

**John C. Lewis**

In the past few years, concern has been expressed about the future of organization development (OD). Introspective articles (Burke & Goodstein, 1980; Lundberg, 1981) and conferences have criticized OD for being too limited in scope, for using simplistic models, for being conceptually naive, for working with only some areas (too low) in the organization, and for rarely impacting the bottom line. The self-doubt is expressed: Is OD relevant? Does it meet the needs of client systems, or is it focused on what practitioners feel is important? Will it survive as a profession?

Kegan (1981) suggests that OD will not survive as an independent field and that OD consultants should meld their skills with those of traditionally recognized areas such as finance, personnel, law, or manufacturing. This article proposes, however, that combining OD skills with a total-systems view of the client's business/service would provide OD consultants with a more relevant perspective, enabling them to deal with issues of concern to management and to have greater influence in bringing OD values to the attention of management.

Most definitions of OD agree that it involves planned change, is long range, involves the total organization or a coherent part, uses behavioral-science concepts, and is a process aimed at improving the client system. However, articles, presentations, and discussions with consultants indicate that much OD does not fit these definitions. OD consultants have tended to intervene primarily in team building (Spier, Sashkin, Jones, & Goodstein, 1980); in the processes of problem solving, decision making, action planning, goal setting, and communicating; in interpersonal relations; and in the quality of work life. All of this is extremely important, but is it what organizations need most? Consultants must also be able to move beyond intragroup dynamics (Harris, 1980) to all elements of management, into areas such as organizational culture, strategic planning, and organizational design. Organization development consultants must be able to utilize the concepts and theories of OD in the organizational world of the manager.

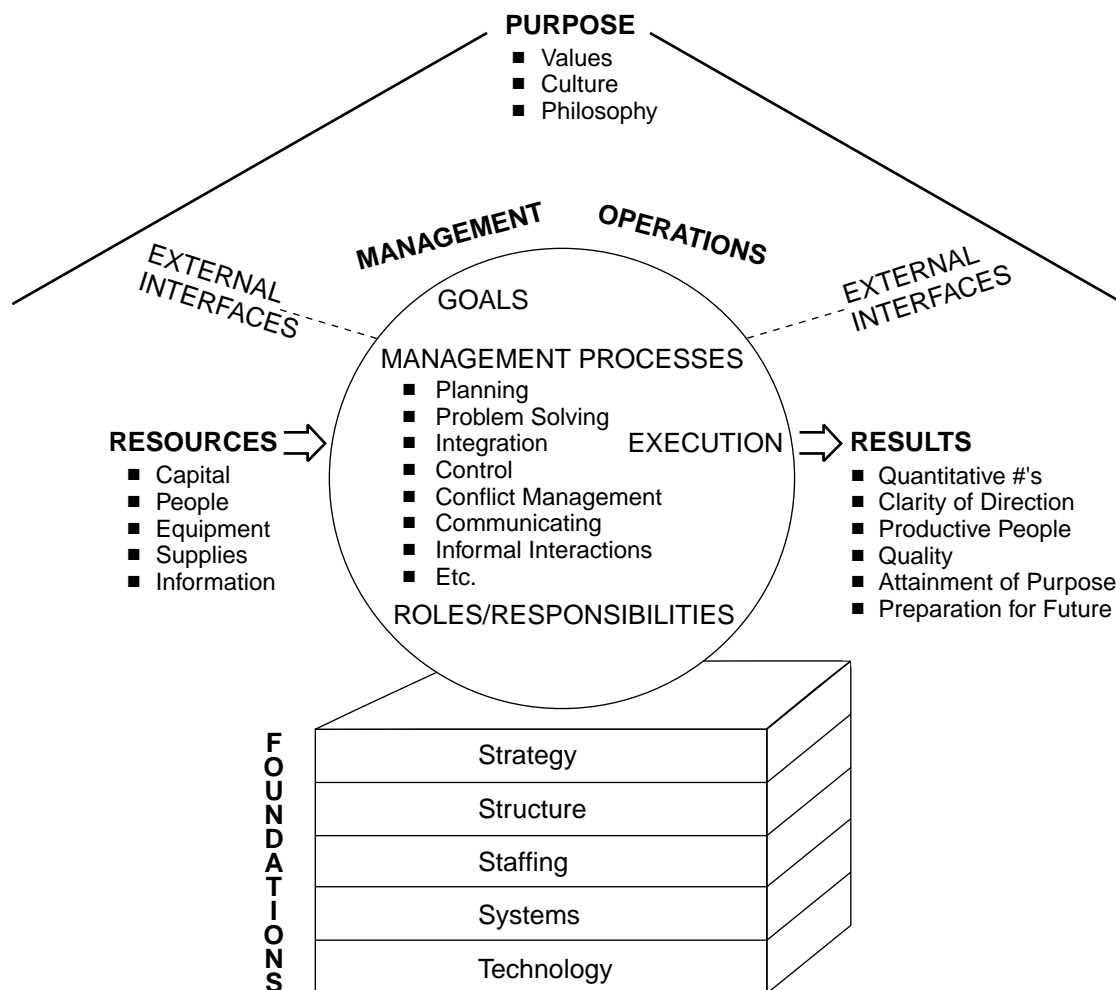
### **MANAGEMENT'S ORGANIZATIONAL WORLD**

Managers engage in all of their management tasks at various times and with varying degrees of consistency, timeliness, understanding, and intensity. They seldom articulate the complexity, interrelationship, and interdependence of the elements of those tasks. Consultants often find it difficult to describe to managers what is going on in the client

---

Originally published in *The 1984 Annual: Developing Human Resources* by J. William Pfeiffer and Leonard Goodstein (Eds.), San Diego, CA: Pfeiffer & Company.

system in a way that is comprehensive yet understandable in their frame of reference. Existing consulting and organizational models differ among themselves; the critical element of results is lacking in most, and they do not present a logical, sequential flow of actions that reflect managerial thinking. Furthermore, the models reflect the perspective of the behavioral scientist; as Tichy and Nisberg (1976) point out, the consultant then approaches the task from this perspective. What is needed is a model that reflects the context of *management* and demonstrates how OD technology can be applied to all aspects of managing an organization. The model presented here enables OD practitioners to perceive the manager's point of view, to communicate in the manager's language, and to explain what OD can do in terms that make sense to managers. The Management's Organizational World model (Figure 1) depicts the management team as guided by the overall purpose of the organization, supported by organizational foundations, fed by critical resources, interacting within its own sphere of operations, interfacing with its environment, and producing specific results.



**Figure 1. Management's Organizational World Model**

## ***Organizational Purpose***

A statement of organizational purpose should be comprehensive, addressing these issues: What business are we in? What customers do we serve? Why does this organization exist? What about this organization is different from others in its field? This statement not only specifies the ultimate aims of the organization, but also directs the formulation of strategy and promotes a sense of shared expectations.

The consultant must examine the organization's stated purpose, its values and culture—both existing and desired—and its *management philosophy*. There is growing evidence that organizations with shared values and a strong culture are more successful. To be effective, the purpose, values, and management philosophy must be clearly stated, communicated, and understood throughout the organization. The OD consultant can assist management with values clarification, with an understanding of organizational culture and how to develop it, and with the formulation of a management philosophy that accurately reflects management's behavioral expectations. Deal and Kennedy (1982) and Peters and Waterman (1982) provide fertile starting points for working in this area.

## ***Organizational Foundations***

In order for the management team to operate effectively, the foundations of strategy, structure, staffing, systems, and technology must be supportive and congruent. If the foundations are not stable and supportive of the organization's purpose and desired results, actions taken to improve conditions within the operating sphere of management will be of short-term benefit, at best. In addition to the need for the foundations to support the overall purpose and desired results, they must also fit with and support one another. Considerable attention must be paid to the process of developing each of the foundation elements.

Ability to contribute in these areas is not based on technical or functional knowledge but rather on the ability to help with the decision-making process; with developing alternatives; with opening up new, creative ways of thinking; and with energizing activity. Consultants can be extremely valuable in sensing and diagnosing and in exploring the impact and the implications of change on the other elements of the model and on various parts of the organization (Harris, 1980). Specific areas for consultant consideration are elaborated in Table 1.

**Table 1. Considerations in Examining Organizational Foundations**

FOUNDATIONS	ISSUES FOR CONSULTANT CONSIDERATION
STRATEGY	<p>Is there long-range direction for the product, technology, and customers?</p> <p>Is the strategy supportive of the organization's purpose?</p> <p>What is the basis of assumptions; how are testing and tracking to be done?</p> <p>Organization development can help with processes, assumptions, creativity, and open-systems planning.</p>
STRUCTURE	<p>Does the structure support management's philosophy and strategy?</p> <p>How well does the structure support centralization vs. decentralization, the span of control, differentiations of functions, and integration of activities?</p> <p>Does the structure take into consideration both present work and future growth?</p> <p>Organization development can help with decisions and planning, readiness for change, transition processes, coordination, and flexibility.</p>
STAFFING	<p>Is the personnel strategy supportive of the business strategy?</p> <p>Does the selection process fit the management philosophy and plans for future growth and change?</p> <p>Is there a balance of skills and sufficiency, for both the present and the future?</p> <p>Is there career planning and development?</p> <p>Are there appropriate procedures for performance appraisal and promotions?</p> <p>Organization development can help in human resource planning, establishing processes, management and career development, and assessment.</p>
SYSTEMS	<p>Do the systems fit with the philosophy, strategy, and structure?</p> <p>Are there adequate financial, personnel, logistic, and management-information systems?</p> <p>Are their regular, formal information flows?</p> <p>Are there established policies, procedures, and meetings?</p> <p>Do the systems facilitate operations and provide helpful mechanisms?</p> <p>Are systems flexible and adaptable to change?</p> <p>Organization development can help in systems establishment, fit, implementation, change processes, communication, and meetings.</p>
TECHNOLOGY	<p>Does the technology fit the philosophy? Is it adequate for the strategy?</p> <p>Does the technology include automation, robotics, computer-aided manufacturing (CAM), or computer-aided design (CAD)?</p> <p>What are the effects of the technology on the work force?</p> <p>Organization development can help in assessment of impact, integration of processes, sociotechnical systems, and transition management.</p>

## **Resources**

The major question about resources is whether they are adequate for the strategy of the organization. Does the organization have the necessary capital, people, equipment, supplies, and information to do what it wants to do? The OD consultant can have an impact in planning for and allocating resources. The process of allocation must reinforce the organization's foundations, must consider its desired results, and should be flexible enough to permit redirection of resources as conditions change. The availability of resources will affect management operations and must not be ignored in consulting efforts.

## **Management Operations**

The sphere of management operations is where OD consultants have traditionally focused their energies in consulting to management. This is where most of the work of management happens, where actions are visible, and where results are seen most readily. For most consultants, it is where the excitement and energy are; therefore, it is more fun and more rewarding to concentrate on these elements. The five elements in the sphere of management operations are goals, roles/responsibilities, external interfaces, management processes, and execution.

*Goals* follow directly from the organization's long-range strategy, the technology, and the resources available. Each subordinate organization translates the overall strategy into shorter-range, measurable objectives. Challenging but achievable goals, collaboratively developed by those responsible for their execution, build commitment and motivation toward their accomplishment. Individual goals must be supportive of organizational goals and, at the same time, satisfy individual needs.

Probably the most common contributor to poor teamwork or difficult intergroup relations in organizations is unclear or conflicting *roles and responsibilities*. Organizations often do not make the necessary effort to determine who should do what and with whom. Consequently, it is often the case that various groups operate with different sets of assumptions and expectations. Failure to delegate the responsibility and authority that are necessary to permit people to adequately perform their jobs is another common problem in this area.

An extremely critical, but frequently neglected, function of management is dealing with the external environment or *external interfaces*. This model emphasizes the necessity for proactive and interactive relationships between the organization and the external agencies on which it depends or that can have major impact on it. Most internal changes are precipitated by shifts in external factors (Burke & Goodstein, 1980). Changes in the environment continually must be factored into an organization's strategy and may even impact its purpose.

At the core of the managerial world are *management processes*—daily planning, organizing, directing, problem solving, decision making, communicating, and conflict management. It is this element of management that the consultant should examine first when results are not achieved as desired.

As much attention should be paid to the flow of work, task configurations, and relationships of management teams as is paid to these areas on the production floor. The best competitive strategies and new product plans can be wasted if management does not execute them effectively. Successful *execution* is enhanced by good project-management techniques, efficient work flows and procedures between functional management groupings, adequate and timely information and feedback, and good leadership. The consultant should be attuned to how the desired organizational values, culture, and management philosophy are manifested in the actual management style of the organization. Table 2 is a sample of some specific considerations for examining management operations.

**Table 2. Considerations in Examining Management Operations**

<b>MANAGEMENT OPERATIONS</b>	<b>ISSUES FOR CONSULTANT CONSIDERATION</b>
GOALS	<p>Do goals support the organization's purpose and strategy?            Are they mutually developed and challenging but achievable?            Are they specific and measurable in time and results?            Are goals understood throughout the organization?            Organization development can help in goal-setting processes, MBO, integration, and review.</p>
ROLES/ RESPONSIBILITIES	<p>Are roles and responsibilities delineated and understood?            Do roles and responsibilities fit with the organization's strategy, structure, resources, and desired management style?            Do people have sufficient responsibility and authority to perform their jobs?            Is there monitoring and correction of overlapping, conflicting, or unassigned responsibilities?            Organization development can help in role clarification, role analyses, responsibility charting, job redesign, and intergroup meetings.</p>
EXTERNAL INTERFACES	<p>Is the organizational environment monitored for opportunities, threats, and changes?            Is there a proactive response to pressures from owners, unions, competitors, consumers, government agencies, etc.?            Are there interactive relations with pertinent external groups?            Are there established procedures and mechanisms for coping with change?            Organization development can help in intergroup activities, responsibility charting, organizational mirroring, open-systems planning, and understanding boundary politics.</p>

**Table 2. (continued). Considerations in Examining Management Operations**

MANAGEMENT OPERATIONS	ISSUES FOR CONSULTANT CONSIDERATION
MANAGEMENT PROCESSES	<p>Is there anticipatory, iterative, and collaborative planning?</p> <p>Is there effective, timely problem solving?</p> <p>Do managers engage in participation and delegation?</p> <p>Is there trust, openness, and synergism in the management team?</p> <p>How does information flow (up, down, laterally)?</p> <p>Is information timely, complete, filtered, etc.?</p> <p>What are the integration procedures and mechanisms?</p> <p>Is there transition management?</p> <p>Organization development can help in management-team development, process consultation, survey feedback, conflict resolution, and communication processes.</p>
EXECUTION	<p>Does management work reflect the desired culture, values, and management philosophy of the organization?</p> <p>What are the management and leadership styles?</p> <p>Are there established systems for project management, tracking, reviews, and correction.</p> <p>Is there cross-functional support?</p> <p>How effective are controls, performance measures, accountability systems, and feedback mechanisms?</p> <p>Are there quality-improvement programs?</p> <p>Are there regular rewards for effective performance toward goals?</p> <p>Organization development can help with sensing and diagnosis, culture and values analysis, improvement of management styles, project management, control systems, reward procedures, and quality-improvement programs.</p>

## Results

The element of results is missing in most OD models, but everything else is of little interest to managers if they are not achieving the results that are important to them. For most managers “results” means “numbers”—sales, profits, per day amount of inventory shipped, and return on investment. Little attention is paid to other important outputs of management.

Because *quantitative* results—movements, yields, new designs, bookings, costs, margins, and so on—will be of greatest concern to most clients, any discussion of results should probably begin at that point. Are the desired results clearly identified and tied directly to the goals that have been set by the organization? Are they being achieved?

In addition to quantitative results, there are five other critical results of the management process. The first is *clarity of direction*. Is it clear what the organization is trying to accomplish and how? Do people know and understand the organization's direction? The next output of effective management is *productive people*. Are people committed and motivated; do they feel satisfaction in the way they are treated and in what they are doing? Next comes the question of *quality*. Does the product or service of the organization meet the specifications of management and the customer? How is quality defined and measured, and what is the attitude of the whole organization toward quality?

Another important result of management is the *attainment of the organization's purpose*. Is the organization doing what it set out to do and in a manner that meets its avowed values and philosophy? Finally, a result that is often ignored is *preparation for the future*. Is what is being done today helping to prepare for the future, or will it undermine future plans? Are today's decisions and changes made with the future in mind? Organization development consultants can help management to develop a more complete picture of what the results of its work should be and can support management in determining how to measure results, in defining "good" results, and in deciding what needs to be improved. An examination of results should be the starting point of almost any OD activity with managers, in order to identify the goals of the change strategy.

## **USES OF THE MODEL**

The Management's Organizational World model puts the content of management work into a perspective that is workable for both the client and the OD consultant. To that content, consultants add processes and interventions. It is essential, therefore, that existing process models be used in a manner that is complementary with the model of Management's Organizational World. The multiplicity of interventions that could be appropriate for each of the model's elements clearly elicits employment of the full range of OD theories, models, tools, and skills.

The model can be used with important subordinate organizations as well as for the total organization, with minor variations. For a subordinate unit such as a divisional profit center, the parent organization will certainly have impact on, and some control over, the foundations (particularly systems) and resources. The division's purpose and management philosophy must be studied within the context of the parent organization. External interfaces for a division include most of those of the larger organization as well as those activities within the company that are external to the division but provide input or support to it or receive output from it.

### **For Briefing Managers**

Most OD consultants have difficulty explaining OD to clients. The Management's Organizational World model is an effective way to describe managerial elements, possible areas of concern, and types of interventions that might be appropriate for



various issues. It is valuable in describing the organization from an OD perspective while focusing on the totality of management activity. The model also can be useful in helping managers to recognize the connections among the various elements of the organization and the need for fit among these elements. In addition to the relationships among organizational groups and activities, among systems, and among processes, there are the management relationships. A change in strategy, for example, may have implications for structure, staffing, systems, technology, resources, goals, and roles/responsibilities, as well as external interfaces. Organizational interventions are inherently complex and require a means to display that complexity without oversimplifying or overgeneralizing.

### ***As a Diagnostic Tool***

The model can be used to assess the health of the management group or to assess a specific problem of unknown cause. It can be entered at any point and tracked in any direction. For many projects, it may not be necessary to examine all elements of the model. For example, a unit manager in an electronics corporation requested OD assistance because his production output was not satisfactory and he wanted to do something “to improve the effectiveness of the production people.” Management’s Organizational World was used as a diagnostic tool, beginning with results in an effort to clarify the problem of unsatisfactory output. This analysis revealed that there was a lack of clarity of direction. Backing up in the model to examine management execution revealed problems with management style, project management procedures, and feedback mechanisms. Had the consultant not been using a comprehensive diagnostic process, the assessment might have been stopped at this point and corrective action taken. However, in continuing through the model, the consultant uncovered problems within management processes in planning, information flow, interface, and integration procedures. These were aggravated by unclear roles and responsibilities among units. An examination of the reasons for the unclear roles revealed that basic structural defects were causing most of the other problems and symptoms. It was clear that until the structural issues were resolved, all other remedies would be short lived. The change strategy, therefore, followed the reverse route of the diagnostic process, beginning with structural changes, then clarification of roles, improvement of managerial processes, and so on.

This overview of one use of the model exemplifies the systemic nature of most organizational problems and the need for OD consultants to apply a broader focus (Spier, Sashkin, Jones, & Goodstein, 1980) to all aspects of organizational relationships. If the practice of OD is to survive, it must be perceived by management as contributing to the effectiveness of the organization. Thus, rather than providing help with “people” problems, it must be perceived as providing solutions to management problems involving people; rather than helping to improve morale and working relationships, it must be perceived as helping to improve organizational effectiveness. By understanding and examining all aspects of the organization that affect management operations, the OD

consultant can contribute to the enhanced perception—and the enhanced effectiveness—of the field of organization development.

## REFERENCES

- Burke, W.W., & Goodstein, L.D. (1980). Organization development today: A retrospective applied to the present and the future. In W.W. Burke & L.D. Goodstein (Eds.), *Trends and issues in OD: Current theory and practice*. San Diego, CA: Pfeiffer & Company.
- Deal, T.E., & Kennedy, A.A. (1982). *Corporate cultures: The rites and rituals of corporate life*. Reading, MA: Addison-Wesley.
- Harris, R.T. (1980). Toward a technology of macrosystem interventions. In W.W. Burke & L.D. Goodstein (Eds.), *Trends and issues in OD: Current theory and practice*. San Diego, CA: Pfeiffer & Company.
- Kegan, D.L. (1981). Organization development: Casual careers in a precarious profession. *OE Communique*, 5(4), 70-71.
- Lundberg, C.C. (1982). What's wrong with OD? In E.J. Pavlock (Ed.), *Organization development: Managing transitions*. Washington, DC: American Society for Training and Development.
- Peters, T.J., & Waterman, R.H. (1982). *In search of excellence: Lessons from America's best-run companies*. New York: Harper & Row.
- Spier, M.S., Sashkin, M., Jones, J.E., & Goodstein, L.D. (1980). Predictions and projections for the decade: Trends and issues in organization development. In W.W. Burke & L.D. Goodstein (Eds.), *Trends and issues in OD: Current theory and practice*. San Diego, CA: Pfeiffer & Company.
- Tichy, N.M., & Nisberg, J.N. (1976). Change agent bias: What they view determines what they do. *Group & Organization Studies*, 1(3), 286-301.

# ■ SOCIOTECHNICAL SYSTEMS THINKING IN MANAGEMENT CONSULTING: A HOLISTIC CONCEPT FOR ORGANIZATION DEVELOPMENT

Arthur Zobrist and Robert E. Enggist

## **BACKGROUND: THE DEVELOPMENT OF SOCIOTECHNICAL SYSTEMS THEORY**

Norbert Wiener (1948), with his classic treatise “Cybernetics: Or Control and Communication in the Animal and the Machine,” gave the first impulse to an emerging science. Systems theory was to become one of the most significant contributions to an array of varied disciplines. In the German literature, the work of Ulrich (1968) and his view of the firm as a “productive social system” greatly contributed to open-systems theory and practice.

In Great Britain, the Tavistock Institute of Human Relations contributed significantly to practical applications. Based on an early recognition of the importance of systems theory, Eric Trist and his colleagues developed a framework for viewing the business organization as an open, sociotechnical system, rather than as a closed, social organization, insulated from its environment. Trist, Higgin, Murray, and Pollock (1963), Rice (1963), Emery (1969), and other scholars quickly realized in their studies of industrial firms that imbalances in the social system are difficult to remove as long as “social structures” hinge on the requirements of technological systems. They contended that every attempt to improve one system (technological) without regard to its counterpart (social), or vice versa, will lead to suboptimal results. Only the simultaneous monitoring and control of their mutual dependencies will bring about optimal and lasting results.

The members of the Tavistock Group also realized the interdependencies between the business enterprise and its environment. They argued against the treatment of a business as a closed system. Likewise, they considered isolated analysis of the social structures to be dysfunctional in introducing change and warned that it could distort the explanation of phenomena.

In the United States, open-systems theory gained acceptance primarily through the work of Ludwig van Bertalanffy (1968). Churchman (1968) and Ackoff (1974)

---

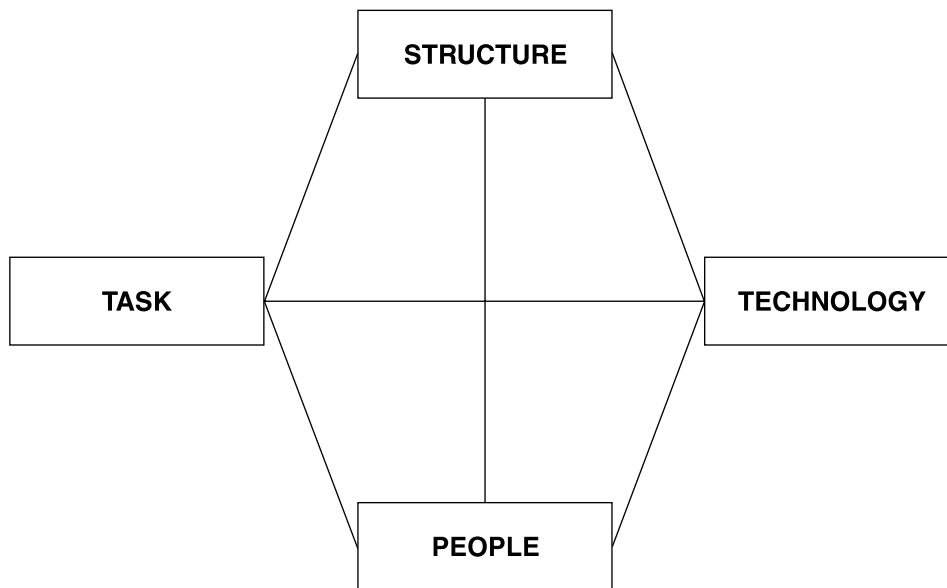
Originally published in *The 1984 Annual: Developing Human Resources* by J. William Pfeiffer and Leonard Goodstein (Eds.), San Diego, CA: Pfeiffer & Company.

introduced holistic and interactive approaches to the planning and management of societal systems.

Criticism of the sociotechnical approach comes predominantly from production oriented studies. It is true that the approach did lead to such innovations as the humanization of the work place, projects of democratization, and the creation of autonomous work groups. Unfortunately, there are few examples of organizations in which change processes were investigated from a “holistic” perspective.

The approach developed at the Tavistock Institute first influenced the European advocates of organization development, then, later, began to impact American social science (Pasmore & Sherwood, 1978).

Harold Leavitt (1964) published the first simple, but very useful, model of a sociotechnical system (Figure 1). Leavitt did not mention the Tavistock Institute in his work and drew few direct conclusions from the general systems-theory framework. In particular, he viewed his model as a closed system.



- TASK: The purpose of the organization in terms of production of goods and services, including all further subtasks necessary for the accomplishment of the primary task
- PEOPLE: Those who participate in the system
- TECHNOLOGY: All the technical instruments and procedures for task fulfillment
- STRUCTURE: All issues of communication, hierarchy, and work process

**Figure 1. Leavitt’s Model of a Sociotechnical System<sup>1</sup>**

In an organization, these four variables (task, people, technology, and structure) form an interdependent system. A change in one variable always has an impact on the others. To effect organizational change, different approaches can be chosen, based on

<sup>1</sup> From H.J. Leavitt (1964), “Applied Organizational Change in Industry: Structural, Technical, and Human Approaches.” In W.W. Cooper (Ed.), *New Perspectives in Organization Research*. New York: John Wiley. Used by permission of William W. Cooper.

(a) the structural determinants, (b) the technological determinants, or (c) the social determinants. The structural and technological determinants of change affect the solution of existing, visible problems, even if new difficulties are created as a result. The social determinant is essentially manipulative and affects resistance to technically, structurally, and economically “necessary” decisions.

Although the human-relations movement tried to make people the focus of OD, twenty years after Leavitt’s article the structural and technological elements still dominate in organizational change. The attempts of the social sciences to make these adaptations bearable for people are minuscule compared to holistically developing and changing organizations as systems.

Harold Bridger (1977), a colleague of Emery, Rice, and Trist, established with his pentagram (Figure 2) a linkage to Leavitt’s model.

R.L. Ackoff (1981) recently described the dynamic and dialectic nature of organizational problem solving: “A technocratic culture runs the risk of getting the right solutions to the wrong problems. A humanistic culture runs the risk of getting the wrong solutions to the right problems” (p. 62).

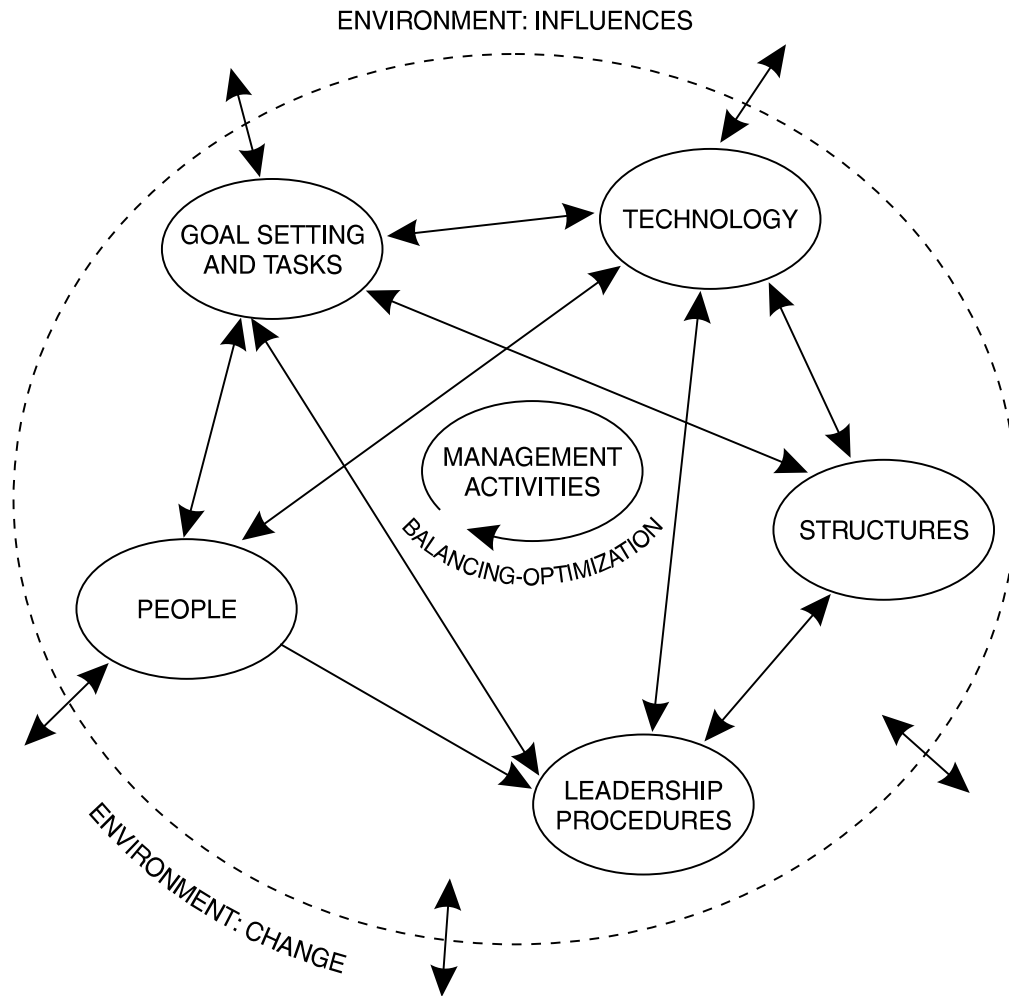
The true challenge and potential of sociotechnical systems thinking is in a continuous, adaptive learning process.

## **SOCIOTECHNICAL SYSTEMS THINKING AS AN OD CONCEPT**

In the development of systems theory, there has been dialectic tension. Taylor’s (1947) techno-economic postulate carried an exclusive emphasis on efficiency and economy of the system. People’s needs did not count. With the human relations movement, the pendulum swung to the other side, which created the danger of an exaggeration of the human element. Modern sociotechnical systems thinking in organization development is a synthesis. On the one hand, the approach attempts to overcome the formal reasoning of the traditional organizational technocrats and the biased posture of Taylor’s management-science approach. On the other hand, rather than focusing only on organizational psychology, the new synthesis is a conceptualization of the interdependencies within the whole system and of its relationship to the environment.

Although specific perspectives and competencies are developed by various branches within the social sciences, no one approach forms the basis for analysis or strategy selection in change theory. Effective consulting activities utilize and build on *interdisciplinary* thinking.

The concept of organizations as purposeful systems that can be understood only in terms of their relationship to the environment has gained wide acceptance among scholars as well as practitioners of management. Most thinkers realize that businesses today face the ever-increasing demands of a hectic and dynamic environment.



- ENVIRONMENT: The organization as a system in a continuous exchange with a turbulently changing environment
- PEOPLE: Values, claims, attitudes, education, group and peer ties, leadership behavior, power relationships, and dependencies
- GOAL SETTING AND TASKS: The primary purpose and task of the organization in terms of delivering goods and services at a profit.
- TECHNOLOGY: Administrative resources and procedures, accounting, information systems, marketing, sales advertising, investment goods, production, etc.
- STRUCTURES: Division of labor, hierarchy, communication and leadership structures, organizational structure, etc.
- MANAGEMENT ACTIVITIES: Selection, evaluation, and promotion systems, wage and salary systems, control and monitoring systems.
- LEADERSHIP PROCEDURES: Balancing and design processes that are required to run the entire system.

**Figure 2. Bridger's Pentagram Describing a Sociotechnical System<sup>2</sup>**

<sup>2</sup> Harold Bridger (1977), "The Value of the Organization's Own Systems in Coping with Stress." *Proceedings of the International Committee on Occupational Mental Health Congress*, New York.

Each organization exists because of and with its past, present, and future. It makes little sense to consider only the present without an understanding of the organization and its history, as well as a projection of scenarios for its future. The sociotechnical systems approach is not a new form of organization development. It is an attempt to provide a framework that can lead to a holistic understanding of organizations, permitting a more effective use of well-known OD techniques.

If we view Bridger's pentagram not only as an internal process between elements and their relation to the environment but also in a longitudinal perspective, the framework becomes multidimensional. The Bridger model has three critical dimensions: its purpose (to diagnose exchanges between and within its systems and its environment); its performance (in terms of breakdowns and disturbances); and its structure (systems and subsystems).

### ***The Diagnosis***

We are accustomed to looking for deviations and their causes within *elements* (e.g., the social structure) of a system or subsystem (e.g., production control), rather than in the *interaction* between elements or subsystems, or in exchanges between systems and the environment. We also often forget that development includes the factor of time—the evolution from the past to the present and to a future state. A diagnosis for an intervention strategy is sound only if all the following aspects are considered.

1. The system itself:
  - a. The parts (elements), with their specific values, human resources, tasks, structures, technology, leadership, and instruments;
  - b. The subsystems (divisions, departments, functions); and
  - c. The dynamic processes between subsystems and elements.
2. The system in its relation to the environment:
  - a. The requirements of the environment imposed on the system, existing conditions, possibilities, and constraints;
  - b. The mode by which the system recognizes and takes advantage of these possibilities (opportunities); and
  - c. The system production that flows back to the environment as output or performance.
3. The time component (longitudinal):
  - a. Past, present, and future developments in the environment; and
  - b. Necessary past, present, and future reactions of the system to environmental influences.

## ***Breakdowns and Disturbances***

Insufficient performance of a system can be caused by outside factors such as failure to adapt to the environment or higher ranking metasystems, but it also can be caused or influenced by:

1. Deficiencies within an element of the system itself;
2. Problems in the relationship between one element and another and the resulting tensions; and
3. Mutation of one element without simultaneous adjustment for the impact on other elements.

In order for the system to regain a state of balance, it is necessary to discover the key deviations and their causes.

## ***Systems and Subsystems***

Every organization can be divided into subsystems, i.e., organizational units. The pentagram (Figure 2) depicting the entire organization also applies to the individual subsystems. Thus, the overall system functions as a “system-internal environment” to the subsystems. The difference between a traditional view of organizations and a sociotechnical perspective is shown in Figure 3.

## ***Summary***

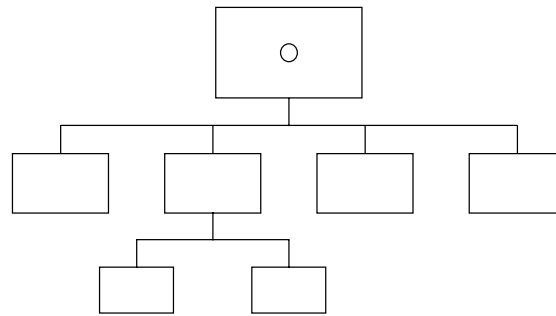
The main points of the preceding discussion are:

1. Organizations as sociotechnical systems can only be understood *holistically*.
2. Elements and subsystems are interdependent.
3. Changes in one element or subsystem always influence other elements or subsystems.
4. Exclusive focus on one element or subsystem without simultaneous attention to other subsystems leads to suboptimal results and new disturbances.
5. The past, present, and future stages of the organization must be considered.
6. Organizations are open systems and, as such, are viable only in mutual interaction with and adaptation to the changing environment

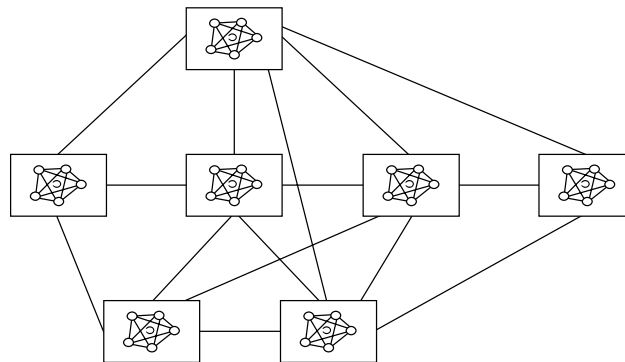
## ***CONSIDERATIONS IN APPLYING THE SOCIOTECHNICAL SYSTEMS APPROACH TO ORGANIZATION DEVELOPMENT***

The Institute for Organizational Psychology espouses the following analytical procedure as a first step in introducing organizations to OD.





The Traditional Organization



The Sociotechnical Systems Approach

**Figure 3. A Comparison of Traditional and Sociotechnical Views of Organizations**

**Purpose**

1. To understand the strengths and weaknesses of the enterprise from a holistic, organizational perspective.
2. To recognize sensitive areas.
3. To learn to apply the holistic perspective as an instrument.

**Procedure**

1. Represent and explain Bridger’s pentagram (this usually takes no more than ten minutes).
2. Have the participants picture their organization through the framework of the pentagram. Define specific elements such as goals, tasks, technology, leadership processes and procedures, structures, and people, as well as the essential environmental influences that affect the activities and performance potential of the organization. Generally, this step will take approximately one hour. Figure 4 is a questionnaire that can be used to ascertain the most important points.

3. Identify the actual problems, strengths/weaknesses, and sensitive areas. These usually result from the daily interactions among the various organizational elements. This generally takes about one hour. For this purpose, another questionnaire is presented in Figure 5. The most important results of the discussion can be recorded on this form.
  4. Share the most important discoveries in a plenary session (about fifteen minutes).
- 

#### ENVIRONMENT

1. What are the most important aspects of and changes in the environment?
2. Where do we see the effects of these factors on the work and on management?
3. What are the key characteristics of the particular business environment?

#### GOALS/TASKS

1. What are the essential goals of the enterprise?
2. What are the main tasks and what characterizes them?
3. What questions, issues, or problems result from this task profile?
4. What are the major problems that the organization experiences in setting goals/objectives and in establishing tasks?

#### STRUCTURES

1. What different structures exist within the organization?
2. What are the characteristics of the individual structures?
3. What are the consistencies, overlapping areas, and inconsistencies among the structures?
4. What strengths and weaknesses, and what kind of supports, problems, or conflicts result from these structures?

#### LEADERSHIP PROCEDURES

1. What key leadership procedures and processes are implemented in the organization?
2. Are these procedures coordinated and focused?
3. What are the deficiencies and advantages of the individual procedures?
4. Is there a need for more leadership procedures or processes?

**Figure 4. Questions for Identifying Elements of the Pentagon**

## PEOPLE

1. What are the primary characteristics of the employees (education and training, etc.)?
2. What attitudes, behaviors, and values do the workers bring to the job?
3. What similarities and differences exist among various employee groups?
4. Is it possible to characterize the human climate? Are there any typical traits that distinguish the organization from its competitors?

## TECHNOLOGIES

1. What are the essential resources, procedures, methods, and technologies that determine the work processes?
2. What are the characteristics of the production and service processes?
3. What kinds of changes are foreseen for the next several years?

**Figure 4 (continued). Questions for Identifying Elements of the Pentagram**

---

## ENVIRONMENT

1. What are the major factors in the organization's environment that influence the work?
2. What characteristic environmental problems arise?
3. In which elements of the system are the interactions with the environment most visible?
4. What is the organization's greatest strength vis-a-vis the environment (competitive advantage, labor market, productivity, etc.)?
5. What is the organization's most obvious weakness?

## GOALS/TASKS

1. What factors within the system most influence goal attainment (positively/negatively)?
2. Which elements of the system are most affected by changes in goals and tasks?
3. Are the rest of the elements coordinated with respect to the goals/objectives and tasks?
4. Where are the strengths and weaknesses in the interactions among elements?
5. What are the sensitive points that repeatedly cause frictions, problems, or conflicts?

**Figure 5 . Questions for Identifying Interactions  
Among the Elements of the System**

## STRUCTURES

1. Are the existing structures useful for the attainment of the goals and tasks?
2. How do people adapt to or cope with these structures?
3. Are the structures supportive of the needs and capabilities of the leadership (management) and the work force?
4. Do the structures encourage cooperation and collaboration?
5. Do the structures facilitate a rational use of resources and technologies?
6. What major strengths/weaknesses result from the structures interacting with other elements in the system?

## LEADERSHIP PROCEDURES

1. Are the existing leadership procedures and processes focused on the specific goals/objectives and tasks?
2. Do these procedures fit the organization's specific social and technical realities (technologies, other procedures, composition of work force, etc.)?
3. Are managers sufficiently trained in using the procedures (e.g., performance evaluation)?
4. What influences and changes from the outside are expected? What reexamination of the present procedures might these changes entail?
5. What are the most significant strengths and weaknesses in the leadership procedures and their application?

## PEOPLE

1. What is the basic attitude of various employee groups toward the organization?
2. What are the effects of these attitudes on performance and teamwork?
3. How do managers and their subordinates adapt to the existing structures?
4. Do the employees feel that the structures, technologies, and procedures serve as an incentive to full involvement (motivational effectiveness)?
5. Where are the biggest obstacles, problem areas, and sources of conflict?

**Figure 5 (continued). Questions for Identifying Interactions  
Among the Elements of the System**

## TECHNOLOGIES

1. How do changes in procedures and support systems affect people and structures in the organization?
2. Do changes produce resistance?
3. When technological changes occur, are the structures and processes adapted or modified accordingly?
4. Is there a timely attempt to prepare people for technological and organizational changes, e.g., through personnel management, training, or participatory decision making?
5. What and where are the most important strengths and weaknesses between technology (including processes and procedures) and the other elements of the system?

**Figure 5 (continued). Questions for Identifying Interactions  
Among the Elements of the System**

---

## **PRACTICAL IMPLICATIONS FOR MANAGEMENT CONSULTING IN ORGANIZATION DEVELOPMENT**

Although organization development often is a problem-solving activity, it also should be viewed in its essentially literal sense, as a purposefully conceptualized activity for the development of an organization. It is not enough to avoid uncontrolled developments and changes. The consciously planned development of organizations facilitates the accomplishment of useful and constructive contributions to society that are mindful of the present as well as the future.

Organization development professionals who are exposed to sociotechnical systems thinking as a planning and decision-making tool quickly realize the *strategic* orientation of the approach. To use Ackoff's (1981) terminology, they become "interactivists," that is, they begin to perceive planning as the design of a *desirable* future and the invention of ways to bring it about, rather than accepting the future that appears to confront them.

If we are convinced that sociotechnical systems thinking represents an appropriate basis for our strategies, an array of implications for practical work results.

### **Requirements for Consultants**

Organization development is not a model or a closed-system discipline, but a series of pragmatic strategies to help organizations perform tasks. This requires a holistic approach—the inclusion of all elements of the sociotechnical system in analytical

efforts. The OD professional must be ready for a critical dialogue that is based in reality yet open to continuous adaptive learning.

This ambitious goal can be achieved only if OD consultants prepare themselves as follows:

1. Determine the basic structure of the organization.
2. Develop a well-grounded, general knowledge of all the elements of the system to be worked on.
3. Develop specific knowledge, skills, and experience in dealing with organizational structures and leadership systems.
4. Develop know-how and sensitivity in dealing with the change processes in a turbulent, dynamic environment.
5. Acquire expertise in the social and behavioral sciences, along with the capability to merge that knowledge base with the contributions of experts from other disciplines.

The OD consultant must measure his or her competence in the field in terms of the *requirements of the sociotechnical system*. In order to conceptualize intervention and interaction strategies with a social-science focal point, the consultant must be acquainted with the influences and dependencies of all processes. Only then is he or she likely to be successful in avoiding the following mistakes:

1. Creating new problems while attempting to solve others.
2. Enhancing, rather than reducing, the bias of those with whom he or she engages in debate and conversation.
3. Looking for problems in areas in which the consultant feels competent instead of where they actually exist.
4. Developing patent remedies and marketing them, rather than facing the challenges of a continuous learning process and living with the uncertainty such growth entails.

### ***Teamwork Between the Consultant and the Client***

It is a great temptation for the consultant to make executive decisions for the client, but this serves neither well. The consultant must develop a collaborative decisionmaking process in which both parties have their own responsibilities and rights. From the perspective of sociotechnical systems thinking, one can derive a number of positive consequences from such cooperation.

### ***Shared Values and Positions***

The client and consultant initially must clarify their positions and values with each other. A fruitful cooperation is not possible if the two parties have divergent views of

basic issues. If there is no consensus capable of standing the load, the consultant is better off rejecting the contract.

### *Collaboration and Responsibility*

The collaborative approach between consultant and client has been described many times in the literature (Argyris, 1970; Vansina, 1976). From the sociotechnical point of view, because of the complexity of the tasks in question, combining all available resources of the client with those of the consultant becomes a must. There is far more involved than the withholding of information or constraint of the information base. The issue is one of becoming convinced that only mutual acceptance and support will generate true problem solving.

The responsibility for fundamental decisions that affect the system and its changes always rests with the client. The consultant assumes responsibility for professional competence and for his or her readiness to determine with the client a basis for recommendations.

### ***Mitigating and Facilitating Conditions for Development and Change***

It would be a mistake to assign to the consultant all the responsibility for the success of sociotechnical systems approaches. The most essential prerequisite appears to be the readiness—oriented to past, present, and future—to continually wrestle with reality and to refrain from attempting to project Utopia onto reality.

In order to be able to solve concrete problems arising from an ineffective interplay among the elements in a sociotechnical system—or between the system and the environment—one must define the premises that are amenable to analysis. According to a study by von Clare Graves (quoted from Mitchell, 1977), stress is indispensable for change and development. A primary task of the consultant is to help the client learn how to cope with stress and its uncertainties.

Three prerequisites must exist for this to be possible:

1. Dissatisfaction with the present state (i.e., stress) as a motivational basis for change;
2. Energy and courage as positive forces to initiate the development of a proactive and reactive mode; and
3. A conscious and insightful motive that is based in reality, to achieve concrete, planned changes.

When one of these three conditions is lacking, there is little chance for development or for solving existing problems. The necessary diagnostic work to examine the existence or absence of these conditions is an important part of the start-up of an OD project. It requires expertise, well-established diagnostic instruments, and the development of a workable relationship between the client and the consultant.

## ***Principles for the Establishment and Maintenance of the Client-Consultant Relationship***

The consultant should avoid building client dependencies or permanent relations that are not warranted by the tasks and problems to be solved. Each party also must be at liberty to end the partnership if certain basic conditions are not fulfilled. Finally, there must be continuous, joint evaluation and step-by-step decision making regarding the project when new aspects or consequences emerge or when interim goals have been accomplished.

## **CONCLUSION**

The sociotechnical systems approach offers the best opportunity to analyze the problems of today's organizations and to develop workable solutions. The social sciences can make a contribution in this area, leading away from an overly organized, technocratic, work environment toward a more meaningful world in which the applied sciences and institutions exist for people and society and not vice versa.

## **REFERENCES**

- Ackoff, R.L. (1974). *Redesigning the future*. New York: John Wiley.
- Ackoff, R.L. (1981). *Creating the corporate future*. New York: John Wiley.
- Argyris, C. (1970). *Intervention theory and method*. Reading, MA: Addison-Wesley.
- Bridger, H. (1977, May 10-12). The value of the organization's own systems in coping with stress. In A. McLean, G. Black, & M. Colligan (Eds.), *Reducing organizational stress. Proceedings of the International Committee on Occupational Mental Health Congress*. New York Hospital-Cornell Medical Center.
- Churchman, C.W. (1968). *The systems approach*. New York: Delacorte Press.
- Emery, F.E., & Trist, E.L. (1969). Sociotechnical systems. In F.E. Emery (Ed.), *Systems thinking: Selected readings*. London, England: Penguin Books.
- Leavitt, H.J. (1964). Applied organizational change in industry: Structural, technical, and human approaches. In W.W. Cooper (Ed.), *New perspectives in organization research*. New York: John Wiley.
- Mitchell, A. (1977). *The effects of stress on individuals and society*. Menlo Park, CA: Stanford Research Institute.
- Pasmore, W.A., & Sherwood, J.J. (1978). *Sociotechnical systems: A source book*. San Diego, CA: Pfeiffer & Company.
- Rice, A.K. (1963). *The enterprise and its environment*. London, England: Tavistock.
- Taylor, F.W. (1947). *Scientific management*. New York: Harper & Row.
- Trist, E.L., Higgin, G.W., Murray, H., & Pollock, A.B. (1963). *Organizational choice*. London, England: Tavistock.
- Ulrich, H. (1968). *Die unternehmung als produktives soziales system*. Bern, Switzerland & Stuttgart, Germany: Verlag Paul Haupt.



- Vansina, L.S. (1976). Beyond organization development. In P. Warr (Ed.), *Personal goals and work design*. New York: John Wiley.
- Von Bertalanffy, L. (1968). *General systems theory: Foundations, development, applications*. New York: George Braziller.
- Wiener, N. (1961). *Cybernetics: Or control and communication in the animal and the machine*. Cambridge, MA: MIT Press.

## ■ IMPACT AT GROUND ZERO: WHERE THEORY MEETS PRACTICE

Patrick Doyle and C.R. Tindal

The best laid schemes  
o' mice and men  
gang oft alee

Robert Burns ("To a Mouse")

Ground zero is the point at which managers must convert the organization's philosophy or management "style" into management practices. It is the transition between what a particular management theory or concept says should happen and what the manager actually does. However, as Robert Burns pointed out two centuries ago, things often do not work out as expected. There are numerous examples in the HRD literature of implementations that have "missed the target."

- "Management by objectives works," says Peter Drucker, "if you know the objectives. Ninety percent of the time you don't" (Tarrant, 1976). This may be why management by objectives (MBO) has not always lived up to its advance billing.
- Many organizations have embraced new budgeting techniques such as program budgeting, PPBS (planning-programming-budgeting system), and zero-base budgeting, only to abandon each in disillusionment.
- Many systems of performance appraisal that look so impressive on paper often degenerate into meaningless exercises (McGregor, 1957) involving the completion of forms to satisfy the personnel department.
- Although Peters and Waterman (1982) and others have described various, common-sense approaches to organizational excellence, these approaches seldom are applied successfully.

The answers to these dilemmas are to be found at ground zero: the critical point at which any of these management concepts and approaches actually must be implemented. Although we have an abundance of theories, we appear to lack sufficient understanding of how any particular management approach should be introduced,

---

Originally published in *The 1987 Annual: Developing Human Resources* by J.W. Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.  
© 1985 by Patrick Doyle and Richard Tindal. Used with permission. This article may be freely used for educational training activities.  
Systematic or large-scale reproduction or distribution may be done only with prior written permission of the authors.

implemented, measured, and monitored. We need to know more about what happens—and what should happen—at ground zero.

The first part of this article will list some of the problems in attempting to implement theories and describe the symptoms of those problems; the second part of this article will provide prescriptions for turning theory into practice more effectively.

## **PROBLEMS IN IMPLEMENTING MANAGEMENT THEORY**

### ***Everybody Has an Answer***

Much of the confusion in the implementation of theory arises from the plethora of theories and concepts being advocated today. Theories change continually and often contradict one another. The following will help to illustrate this.

- There still is some controversy about the reasons for the effects cited in the Hawthorne Studies (Carey, 1967; Dickson & Roethlisberger, 1966; Hersey & Blanchard, 1982; Landesberger, 1958; Rice, 1982; Shepard, 1971), often cited as the beginning of humanistic management practices.
- Although the “Japanese style of management” (Theory Z) has been advocated as the wave of the future (Ouchi, 1981; Pascale & Athos, 1982), we have learned that the Japanese are only practicing management techniques about which Americans have known (Wheelwright, 1981) but which they have failed to practice (Hayes, 1981). In addition, we are told that Japanese management has its own problems and that many of the popular beliefs about Japanese management are either myths or are no longer true because of changes in the nature of the Japanese work force (Kobayashi, 1986).
- Characteristics of America’s best-run companies were revealed in a search for excellence (Peters & Waterman, 1982; Peters & Austin, 1985), then some of these same companies experienced organizational problems.

### ***Theories of Management Are Important***

Even though their diversity presents problems, the need for management theories has been defended strongly (Granger, 1964). The concept that “practice is static, it does what it knows well,” whereas “theory is dynamic” (Urwick, 1952) is important. Theory enables us to build contingency plans for future practices and to consider the influence of change on today’s methods. We must appreciate the fact that theory and practice do not exist as independent extremes on the scale of management alternatives. Theory without practice is a luxury that organizations cannot afford. Practice without theory is a one-way ticket to obsolescence. To manage successfully in today’s organizations, managers must understand theories of management and must be able to translate them

into specific practices. Managers must learn to function effectively at ground zero, where theory meets practice.

Apart from the confusing array of highly touted theories, there are a number of other reasons for the frequent failures at ground zero.

### ***Symbols over Substance***

When Ouchi, Pascale, and others wrote about the benefits of the Japanese approach to management, many organizations immediately established quality circles; many announced their commitment to worker involvement in decision-making processes; and a few considered lifetime-employment practices. Most of them, however, adopted only the symbols of Japanese management styles. They did not change their basic attitudes or ways of operating.

In attempting to keep up with the latest management practices, organizations have engaged in a form of show and tell, embracing the terminology and the trappings of a fashionable theory but not (a) understanding the purpose and elements of the theory or (b) training those who were expected to implement the theory well enough to make the substantive changes that were necessary to support the new approach.

### ***“Achiever” Managers and Change for Change’s Sake***

One of the reasons that many organizations superficially embraced one theory after another without giving sufficient attention and time to any of them is that managers today are expected to implement changes. Furthermore, a large number of managers have ascended the hierarchical ladder because they are achievement driven. Such managers require high reinforcement, accomplished by “doing” and “completing” things. Some of them are characterized by reaction (doing something) without proaction (planning what to do). Because achievers have the tendency to jump in and do things themselves, rather than to invest the time needed to train their subordinates (McClelland, 1976), they may be poor teachers, trainers, or mentors. But they are *noticed* in organizations; they usually are at the center of any activity, working toward its rapid completion. Being noticed is prerequisite to promotion.

In their search for reinforcement, achievers continually look for activities that they can *complete*. Activities such as conceptualizing and planning to meet the organization’s needs fifteen years in the future do not have high visibility and, thus, are of limited interest to achievement-driven managers. They are more interested in something with a not-too-distant completion date and with high visibility. Although such behavior is understandable, so is its impact on the organization when achievers are promoted into senior management positions, which call for less doing and more planning.

When promoted, the achiever tends to look for a “new” approach to managing the organization, one that is highly visible or “high profile.” Unfortunately, there is little interest in detailed follow-up or in monitoring activities on a daily basis. The achiever tends to be impatient with the lengthy time frames needed to implement most management theories. Thus, an organization that is led by achievers may be introduced

to a new management theory or concept every two or three years, primarily to cater to the achievers' needs to be doing things.

### ***The Search for the Simple Solution***

In their desire to find solutions that will have predictable success, managers may seek simplistic answers. The search for the simple solution is likely to be based on several questionable beliefs.

- Simple solutions often are associated with rapid implementation and fast results. This psychology is part of management's belief that understanding a change is equivalent to acceptance of the change. The assumption is made that simple solutions are easily understood and, thus, easily accepted. As a result, when planned change is unsuccessful, the excuse often is that those involved failed to understand the purpose and importance of the change (presumably because it was too complicated). In fact, it is more likely that the individuals involved understood the purpose of the change but reached different conclusions about its validity. It also is unlikely that merely because a need and proposed solution is obvious to one person or group, it also will be obvious to others.
- Another complicating factor is the belief that one can simplify change by presenting it as not being change. When faced with the need to introduce change, managers may attempt to convince employees that they already are operating in the desired manner: For example, a manager may introduce MBO to a subordinate by claiming that "All you do is write out as objectives the things that you are already doing; it's nothing more than a change in terminology."

Such an approach may be quite comforting to the employee in the short run. People often prefer stability and continuity—both of which are insinuated by the manager's comments. But this approach virtually ensures future complications and difficulties. The manager would be ignoring the need for innovative and problem-solving objectives that go beyond the basic job description of the employee and help to ensure the adaptability and survival of the organization. The manager also would be disregarding the fundamental change that should now occur in the basis of evaluating the employee's performance. These are but two of the major implications of MBO that are ignored when a manager attempts to pass it off as nothing more than a change in terminology.

### ***Failure To Follow Through***

Much of the difficulty at ground zero is caused by failure to audit the implementation of the theory being adopted. There are a number of reasons why the auditing and follow-up stages may be neglected or ineffective.

- Unless one is very clear at the outset about the objectives of the new approach and the results that are expected, there may not be much of a basis for measuring change.

- Even if the process begins with objectives, it still is difficult to translate objectives into measurable work standards that are suitable for auditing purposes.
- If one is able to follow through and measure results, one may not like what one finds. An effective auditing program may confront management with the fact that the planned change has not been successful; and if lack of success is documented rather than merely suspected, it is likely that someone will have to accept responsibility for the failure. Particularly if a change has been directed primarily for the sake of change, auditing the implementation of a theory may be seen as (a) too much trouble and (b) risky. Bad news does not ascend well and tends to become filtered or watered down at each successive level. Avoiding the follow-through phase avoids the strains and repercussions.

Without auditing and follow through, however, it is questionable whether there is any point in introducing any organizational change.

### ***Failure To Focus on Strategy***

Organizations tend to deal with isolated, specific changes rather than with an overall strategy of change—a framework within which change will take place. McConkey (1967) states that there must be a foundation of trust within the organization prior to the introduction of MBO. Ironically, MBO is often introduced as a solution to a lack of trust in an organization. Building trust is a slow, laborious undertaking that requires patience and the ability to accept disappointments when progress is not as rapid as anticipated (Argyris, 1971). It requires meticulous consideration of detail in dealing with others. These requirements have a striking contrast to typical characteristics of achiever managers. The search for a quick and simple solution often leads to the adoption of MBO before the organizational climate is prepared for it.

Another problem is that the installation of MBO requires a great deal of time (Odiorne, 1972; McConkey, 1972). From three to four years are necessary to implement the concept successfully. Such long-term results are generally beyond the time focus of the achiever managers to whom the implementation of change is assigned. Typically, such managers would anticipate two or three major changes in responsibility in that period of time. As a result, the implementation of MBO may be passed to several different managers, each of whom is anxious to see the task completed as quickly as possible.

### ***Other Examples***

There are many other examples of a misdirected focus on specifics rather than on overall strategy. Many organizations have responded to the publication *In Search of Excellence: Lessons from America's Best-Run Companies* (Peters & Waterman, 1982) by instituting awards nights and service pins for employees without otherwise changing the ways in which they treat their employees. Similarly, the concept of management by walking around (MBWA) has encouraged some managers to try to avoid spending more than 25

percent of their time in their offices. However, most of them are not sure what to do with the other 75 percent of their time, resulting in a new version of MBWA: management by wandering aimlessly. The specifics may be there, but the overall strategy is missing.

## **THE SOLUTIONS**

The following prescriptions can increase a manager's effectiveness at ground zero—turning theory into practice.

### **1. Plan Before You Plunge**

The change process should begin with the development of a comprehensive plan for implementation. The following questions—along with others, of course—need to be answered in an implementation plan: Who will be responsible for implementing the change? Will the change be introduced throughout the organization simultaneously? When will the change be introduced? What resources will be required to handle the implementation? What follow-up steps will be needed to monitor progress toward implementation?

### **2. Don't Crusade Alone**

It is foolish to introduce a new management system or concept unless there is strong commitment from senior management. Interest in and support for the change need not be unanimous. Under certain circumstances, it may be effective to begin with a pilot project in a department or section that is most enthusiastic about the proposed change. However, to introduce a change when opinions are sharply divided or when key members of the management team are strongly opposed is almost certainly futile.

### **3. Bring Everyone on Board**

Training programs should be developed to familiarize all concerned with the change being introduced and with the specific ways in which they (or their responsibilities) will be affected. In general, managers do not respond favorably to being told to attend a seminar or read a book about an imposed change. Customized training should take into account the distinctive features of the organization, in order to ensure a common understanding of the nature and purpose of the change.

### **4. Be Sensitive to the Various Impacts of Change Within the Organization and Among Individuals**

The introduction of new management theory does not affect all parts of the organization equally. Some individuals are more directly affected than others. Obviously, the nature of the impact on the person's work will influence the degree of reaction and resistance that can be anticipated. Those responsible for implementing change should attempt to assess its probable impact and should develop appropriate strategies to deal with those

who are likely to feel threatened (Doyle, 1985). The insights gained from such analysis should be reflected in any implementation plans and training programs.

### **5. Implement the Entire Change Strategy, Not Just Slogans**

Specific management practices take place within a strategy, and both the strategy and the practice must remain within the focus of the manager. For example, a program to generate a positive customer orientation in employees requires that the employees also be treated in a positive, adult manner. In the same vein, superficial compliments or rewards will not enhance productivity if employees are otherwise managed in a dictatorial or competitive environment.

One organization had been attempting to develop excellence and had placed great emphasis on “concern for employees,” evidenced by forms of recognition such as service pins and awards. An employee of this organization stated that he found it more productive to work part of the time at home because of the convenience of his microcomputer and research materials there. His manager, however, was unable to cope with this exception to the normal working arrangements. Not surprisingly, the negative effect of the manager’s refusal to consider alternatives more than offset the positive effect to the employee (and his colleagues) of the awards and service pins. Although the awards were symbolic, the manager’s actions were seen as substantive and as indicative of the organization’s real attitude toward employees.

### **6. Measure, Monitor, Modify, and Maximize**

If changes are to be implemented effectively, there must be follow-through. “People respect what you inspect” (Argyris, 1982).

In one organization, a training auditor was appointed to ascertain that the practices of the managers were consistent with the training that had been conducted. The auditor met periodically with the operating managers to determine, through discussion and review of documents, whether the training was having an impact on their activities (at ground zero). Managers who had attended a seminar on reinforcing employees were asked to show any recent letters of appreciation sent to their subordinates. Samples of performance-appraisal documents were examined in the case of managers who had attended a seminar on this topic. As a consequence of this follow-up, managers applied the training suggestions more faithfully than is the norm in organizations that do not conduct such an audit. In addition, the findings of the auditor led to improvements in the training program.

### **7. Use Time as a Tool**

The implementation of almost any theory is measured in years, not months. Do not expect quick results or allow staff members to expect overnight improvements. Such expectations lead only to disillusionment and often result in loss of commitment and the eventual abandonment of the attempt. Time is a tool in implementing any change; as one



thing “takes,” it makes it easier for others to follow. People must become accustomed to new ideas and new procedures and they must be allowed time to learn ways to implement them most effectively. Feedback on progress and midcourse correction should be built into the change process.

### **8. Reinforce Desired Behavior and Highlight Progress**

Because the successful implementation of change can be a long, slow process, it is important to demonstrate that progress is being made. In the early stages of the implementation of a theory, employees may place more emphasis on the lack of change or the negative aspects of the change (Schein, 1969) than on its positive aspects. Managers must be sensitive to the fact that their actions will be scrutinized closely by employees for evidence of the new strategy. Managerial behavior that is inconsistent with the theory is likely to override the organization’s intended message.

A systematic follow-up procedure makes it possible to measure progress. Through the use of reinforcement techniques, individuals can be encouraged to continue their efforts in the desired direction. Moreover, the evidence that progress is being made may help to win over some of the doubters and resisters.

Although specific changes in management approaches can be highly visible in a short period of time, overall strategies are not as visible and take place over a longer period of time. Therefore, reinforcement efforts must highlight the relationship between the two so that the gradual progression of theory into practice (the transition at ground zero) is recognized and appreciated by all employees.

### **9. Confront and Deal with Dysfunctional Behavior**

It is important that dysfunctional behavior not be tolerated or ignored. The difficulty here is that in many organizations low performance levels and other problems have been tolerated for a long time by managers who are eager to avoid conflict. Faced with the task of implementing change, such managers still will be inclined to avoid confrontation if it is at all possible. Although they may be in favor of the change and willing to encourage those who perform in the desired manner, they will try to avoid taking action in connection with the nonperformers.

If managers are allowed to ignore dysfunctional behavior, the organization again is sending out conflicting messages to its employees. In such a situation, the momentum for change may be checked, and the entire effort may be undermined. This problem has been described as “the folly of rewarding A, while hoping for B” (Kerr, 1975).

### **10. Beware the Half-Way Blues**

As Yogi Berra once remarked, “It ain’t over ‘till it’s over.” Following the rules outlined here and proceeding well with implementation for a year or so is gratifying; the danger is that it can lead to a false sense of complacency—a feeling that the battle has been won. At this point, an organization is likely to experience the “half-way blues” and a

loss of commitment. The newness of the change effort has worn off, and the desire of the achiever managers for instant success has made them restless and anxious to try something new. A well-designed implementation plan and follow-up procedure can help to head off this midpoint slump.

### ***11. Nail Down the implementation: Integrate the Change into the System***

The challenge at this point is to ensure the continuance of the change. Too often, an initiative is introduced with great fanfare, superficially accepted, and yet gradually eroded as time passes (Watson & Glaser, 1965). There may not have been open resistance. The change may not be officially withdrawn. It just does not last!

What is needed is continuing positive reinforcement and efforts to make the new approach a familiar and routine part of the day-to-day activities of the organization. In addition, provision should be made for continuing evaluation of the change and continuing maintenance efforts to prevent erosion and backsliding (Watson & Glaser, 1965).

#### ***Summary***

The secret to effective utilization of new management theories is to avoid change simply for change's sake and to attempt to implement only those practices that will aid the organization in accomplishing its mission more effectively—those for which there is a need. Dabbling with management theories does more harm than good. If a change is determined to be wise, the substance of the theory must be understood and promoted, not just the trappings. Saying that something will be done does not do it; special attention must be paid to the specific implementation plan. Implementation must be consistent; the process of implementation must be monitored; and follow-up procedures must be installed. Finally, sufficient time must be allowed (without a slackening of effort and with the provision of positive reinforcement) for the change to become part of the procedure of the organization. A long time ago, someone said, "Anything worth doing is worth doing right."

#### ***A Checklist for Managers***

An organization that is introducing new management practices imposes additional demands on its managers, who must understand not only the new theory but also the strategy used to implement it and the implications for the organization of various changes in behavior. The checklist that follows is designed to stimulate a manager's thinking about how he or she might proceed when called on to take part in the introduction of a new theory or management system.

Reviewing this checklist may help the manager to think of other questions that need to be asked. The challenge is to relate the overall strategy for the proposed change to the actual operating capabilities of the organization.

## Characteristic of the Strategy

## Implication for Practices

---

1. Does the strategy assume that a specific type of groundwork has been laid (e.g. that trust exists within the organization)?

Given my present managerial practices, do the employees have reason to believe that the groundwork is in place?

---

If not: How can I begin to establish that foundation so that the strategy will have an increased probability of success?

What is a reasonable amount of time for this activity?

---

2. Does the strategy assume specific managerial skills? (E.g., many strategies require good communication skills.)

Do I have those skills to the degree necessary for successful implementation of the strategy?

---

If not: Am I able to acquire those skills to the degree required?

How will I acquire the skills?

What is a reasonable amount of time for this activity?

---

3. What assumptions does the strategy make about employees? (E.g., maturity level, ability to cope with ambiguity, commitment to organizational goals, level of needs, desire to improve the situation, etc.)

In the case of my organization, are these assumptions valid?

---

If not: How serious are the discrepancies?

Will they significantly influence the outcome of the change effort?

Must the discrepancies be handled before implementation or can this be part of the implementation design?

What is a reasonable amount of time for this activity?

---

4. What assumptions does the strategy make about the operational climate of the organization? (E.g., does it assume a "Theory X" or "Theory Y" approach?)

Does the operational climate of the organization coincide with that assumed by the theory?

---

If not: How important is the climate to the success of the theory?

Do changes need to be made prior to implementation or can they be attempted as part of the implementation effort?

If changes are required prior to implementation, what is a reasonable amount of time for this activity?

---

## Characteristic of the Strategy

## Implication for Practices

---

5. What assumptions does the strategy make about the economic environment of the organization? (E.g., is the organization currently experiencing reductions in staff, shortage of needed resources, arguments about priorities, or other major problems?)

Is the economic environment of the organization conducive to successful implementation?

---

If not: Can the economic problem be overcome during implementation?

How long would implementation be delayed if we were to wait until a more conducive economic environment exists?

What can be done to change the situation? How long will this take?

---

6. What assumptions does the strategy make about the commitment of top management? (E.g., is the support of top management critical or just desirable? Can this approach be forced from the bottom up?)

Is the level of top-management commitment sufficient to ensure the success of the approach?

---

If not: How necessary is the support?

Would communication with top management increase the level of support or would it be better to proceed and then demonstrate positive results to top management?

Should time and effort be spent in trying to convince top management of the value of the strategy or would this effort be in vain?

---

7. What level of resource commitment does the strategy assume? (E.g., time demands for both managers and employees, financial and staff resources for training, etc.)

Does the organization have sufficient resources to allocate what is needed to the change effort?

---

If not: Are there less costly ways in which to implement the change?

Are various levels of implementation feasible, given the present allocation of resources?

Can the theory be implemented (i.e., can management practices be changed as desired) with less commitment of resources?

---

## REFERENCES

Argyris, C. (1971). *Management and organizational development*. New York: McGraw-Hill.

Argyris, C. (1982). *Reasoning, learning and action*. San Francisco, CA: Jossey-Bass.

Carey, A. (1967). The Hawthorne studies: A radical criticism. *American Sociological Review*, 32, 403-416.

- Dickson, W.J., & Roethlisberger, F.J. (1966). *Counseling in an organization: A sequel to the Hawthorne researches*. Boston, MA: Harvard University, Division of Research, Graduate School of Business Administration.
- Doyle, P. (1985). Considerations for managers in implementing change. In L.D. Goodstein & J.W. Pfeiffer (Eds.), *The 1985 annual: Developing human resources*. San Diego, CA: Pfeiffer & Company.
- Granger, C.M. (1964, May-June). The hierarchy of objectives. *Harvard Business Review*, pp. 63-74.
- Hayes, R.H. (1981, July-August). Why Japanese factories work. *Harvard Business Review*, pp. 57-66.
- Hersey, P., & Blanchard, K.H. (1982). *Management of organizational behavior: Utilizing human resources* (4th ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Humble, J.W. (1973). *How to manage by objectives*. New York: AMACOM.
- Kerr, S. (1975). On the folly of rewarding A, while hoping for B. *Academy of Management Journal*, 18, 769-783.
- Kobayashi, M.K. (1986). *Japanese management: Myth and reality* (video package and booklet). San Diego, CA: Pfeiffer & Company.
- Landesberger, H.J. (1958). *Hawthorne revisited*. Ithaca, NY: Cornell University Press.
- McClelland, D.C. (1976). *The achieving society*. New York: Irvington.
- McConkey, D.D. (1967). *How to manage by results*. New York: American Management Association.
- McConkey, D.D. (1972, Winter). How to succeed and fail with MBO. *Business Quarterly*, pp. 58-62.
- McGregor, D. (1957, May-June). An uneasy look at performance appraisal. *Harvard Business Review*. Reprinted in *The performance appraisal series*, No. 21143, (1972), pp. 5-10.
- Odiorne, G.S. (1972). *Management by objectives: A system of managerial leadership*. New York: Pitman.
- Ouchi, W. (1981). *Theory Z: How American business can meet the Japanese challenge*. Reading, MA: Addison-Wesley.
- Pascale, R.T., & Athos, A.G. (1982). *The art of Japanese management: Applications for American executives*. New York: Warner Books.
- Peters, T., & Austin, A. (1985). *A passion for excellence: The leadership difference*. New York: Random House.
- Peters, T.J., & Waterman, R.H., Jr. (1982). *In search of excellence: Lessons from America's best-run companies*. New York: Warner Books.
- Rice, B. (1982, February). The Hawthorne defect: Persistence of a flawed theory. *Psychology Today*, pp. 70-74.
- Schein, E. (1969). *The mechanisms of change*. In W. Bennis, K. Benne, & R. Chin (Eds.), *The planning of change* (2nd ed.), (pp. 98-107). New York: Holt, Rinehart and Winston.
- Shepard, J.M. (1971). On Alex Carey's radical criticism of the Hawthorne studies. *Academy of Management Journal*, 14, 23-31.
- Tarrant, J.J. (1976). *Drucker: The man who invented the corporate society*. London, England: Barrie & Jenkins.
- Urwick, L.F. (1952). *Notes on the theory of organization*. New York: American Management Association.
- Watson, G., & Glaser, E.M. (1965, November). What have we learned about planning for change. *Management Review*, 54(11), 34-46.
- Wheelwright, S.C. (1981, July-August). Japan: Where operations really are strategic. *Harvard Business Review*, pp. 67-74.

## ■ LEADERSHIP IS IN THE EYE OF THE FOLLOWER

**James M. Kouzes and Barry Z. Posner**

What you have heard about leadership is only half the story. Leadership is not just about leaders; it is also about followers. Leadership is a reciprocal process. It occurs *between* people. It is not done by one person to another.

Successful leadership depends far more on the follower's *perception* of the leader than on the leader's abilities. Followers, not the leader, determine when someone possesses the qualities of leadership. In other words, leadership is in the eye of the follower.

### **LEADERSHIP CHARACTERISTICS**

During a five-year period we investigated the perceptions that followers have of leaders. We asked more than 10,000 managers nationwide from a wide range of private and public organizations to tell us what they look for or admire in their leaders. The results from these surveys have been striking in their regularity. It seems there are several essential tests a leader must pass before we are willing to grant him or her the title of "leader."

According to our research, the majority of us admire leaders who are honest, competent, forward-looking, inspiring, and, ultimately, *credible*.

#### ***Honesty***

In every survey we conducted, honesty was selected more often than any other leadership characteristic. After all, if we are to willingly follow someone, whether into battle or into the boardroom, we first want to assure ourselves that the person is worthy of our trust. We will ask, "Is that person truthful? Ethical? Principled? Of high integrity? Does he or she have character?" These are not simple questions to answer. It is not easy to measure such subjective characteristics. In our discussions with respondents we found that it was the *leader's behavior* that provided the evidence. In other words, regardless of what leaders say about their integrity, followers wait to be shown.

---

Originally published in *The 1989 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

Adapted from James M. Kouzes and Barry Z. Posner, "Eye of the Follower" (*Administrative Radiology*, April 1986, pp. 55-56, 58, 63-64); *The Leadership Challenge: How To Get Extraordinary Things Done in Organizations* (San Francisco, CA: Jossey-Bass, 1987); and the *Leadership Practices Inventory* (San Diego, CA: Pfeiffer & Company, 1988). Used with permission. *The Leadership Challenge* and the *Leadership Practices Inventory* are available from Pfeiffer & Company.

Leaders are considered honest by followers if they do what they say they are going to do. Agreements not followed through, false promises, cover-ups, and inconsistencies between word and deed are all indicators that an ostensible leader is not honest. On the other hand, if a leader behaves in ways consistent with his or her stated values and beliefs, then we can entrust to that person our careers, our security, and ultimately even our lives.

This element of trustworthiness is supported in another study we conducted of leadership practices. In that study we found that of all behaviors describing leadership, the most important single item was the leader's display of trust in others. Irwin Federman, venture capitalist and former president and CEO (chief executive officer) of chip-maker Monolithic Memories, says it best: "Trust is a risk game. The leader must ante up first." If leaders want to be seen as trustworthy, they must first give evidence of their own trust in others.

Sam Walton, founder and chairman of Wal-Mart Stores, Inc., provides an excellent example of trustworthiness and "anteing up first" in leadership: In 1983 Walton—rated by *Forbes* to be the richest man in the United States—made a wager. Concerned that the company might have a disappointing year, he bet Wal-Mart employees that if they achieved a greater profit than in previous years he would don a hula skirt and hula down Wall Street. They did. And he did. He kept his word and did what he said he would do. He showed he had integrity, even if it meant public embarrassment. But imagine what would have happened had Sam not kept his word. You can believe that his employees would not have anted up for the next bet!

## **Competence**

The leadership attribute chosen next most frequently is competence. To enlist in another's cause, we must believe that person knows what he or she is doing. We must see the person as capable and effective. If we doubt the leader's abilities, we are unlikely to enlist in the crusade. Leadership competence does not necessarily refer to the leader's technical abilities. Rather the competence followers look for varies with the leader's position and the condition of the company. For example, the higher the rank of the leader, the more people demand to see demonstrations of abilities in strategic planning and policy making. If a company desperately needs to clarify its corporate strategy, a CEO with savvy in competitive marketing may be seen as a fine leader. But at the line functional level, where subordinates expect guidance in technical areas, these same managerial abilities will not be enough.

We have come to refer to the kind of competence needed by leaders as *value-added competence*. Functional competence may be necessary, but it is insufficient. The leader must bring some *added value* to the position. Tom Melohn, president of North American Tool and Die (NATD) in San Leandro, California, is a good case in point. Tom, along with a partner, bought NATD several years ago. A former consumer-products executive, Tom knows nothing about how to run a drill press or a stamping machine. He claims he cannot even screw the license plates on his car. Yet, in the nine years since he bought

the company, NATD has excelled in every possible measure in its industry, whereas under the original founder—an experienced toolmaker—NATD achieved only average or below-average results.

If Tom brings no industry, company, or technical expertise to NATD, what has enabled him to lead the firm to its astounding results? Our answer: Tom added to the firm what it most needed at the time—the abilities to motivate and sell. Tom entrusted the skilled employees with the work they knew well; and for his part, he applied the selling skills he had learned from a quarter-century in marketing consumer products. He also rewarded and recognized the NATD “gang” for their accomplishments, increasing their financial and emotional sense of ownership in the firm.

### ***Being Forward-Looking***

Over half of our respondents selected “forward-looking” as their third most sought after leadership trait. We expect our leaders to have a sense of direction and a concern for the future of the company. Some use the word “vision”; others, the word “dream.” Still others refer to this sense of direction as a “calling” or “personal agenda.” Whatever the word, the message is clear: True leaders must know where they are going.

Two other surveys that we conducted with top executives reinforced the importance of clarity of purpose and direction. In one study, 284 senior executives rated “developing a strategic planning and forecasting capability” as the most critical concern. These same senior managers, when asked to select the most important characteristics in a CEO, cited “a leadership style of honesty and integrity” first, followed by “a long-term vision and direction for the company.”

By “forward-looking” we do not mean the magical power of a prescient visionary. The reality is far more down to earth: It is the ability to set or select a desirable destination toward which the organization should head. The vision of a leader is the compass that sets the course of the company. Followers ask that a leader have a well-defined orientation to the future. A leader’s “vision” is, in this way, similar to an architect’s model of a new building or an engineer’s prototype of a new product.

Think of it another way. Suppose you wanted to take a trip to a place where you had never been before—say Nairobi, Kenya. What would you do over the next few days if you knew you were going there in six months? Probably get a map, read a book about the city, look at pictures, talk to someone who had been there. You would find out what sights to see, what the weather is like, what to wear, and where to eat, shop, and stay. Followers ask nothing more from a leader than a similar kind of orientation: “What will the company look like, feel like, be like when it arrives at its goal in six months or six years? Describe it to us. Tell us in rich detail so we can select the proper route and know when we have arrived.”

### ***Inspiration***

We expect our leaders to be enthusiastic, energetic, and positive about the future—a bit like cheerleaders. It is not enough for a leader to have a dream about the future. He or



she must be able to communicate the vision in ways that encourage us to sign on for the duration. As Apple Computer manager Dave Paterson puts it, “The leader is the evangelist for the dream.”

Some people react with discomfort to the idea that being inspiring is an essential leadership quality. One chief executive officer of a large corporation even told us, “I don’t trust people who are inspiring”—no doubt in response to past crusaders who led their followers to death or destruction. Other executives are skeptical of their ability to inspire others. Both are making a mistake. It is absolutely essential that leaders inspire our confidence in the validity of the goal. Enthusiasm and excitement signal the leader’s personal conviction to pursuing that dream. If a leader displays no passion for a cause, why should others?

### ***Credibility***

Three of these four attributes—honesty, competence, and being inspiring—comprise what communications experts refer to as “credibility.” We found, quite unexpectedly, in our investigation of admired leadership qualities that more than anything else people want leaders who are *credible*. Credibility is the foundation on which inspiring leadership visions are built. When we believe a leader is credible, then we somehow feel more secure around him or her. This sense of security enables us to let go of our reservations and release enormous personal energy on behalf of the common vision. Credibility and an attractive image of the future are the very essence of leadership.

However, credibility is extremely fragile. It takes years to earn it, an instant to lose it. Credibility grows minute by minute, hour by hour, day by day, through persistent, consistent, and patient demonstration that one is worthy of followers’ trust and respect. It is lost with one false step, one thoughtless remark, one inconsistent act, one broken agreement, one lie, one cover-up.

## ***LEADERSHIP PRACTICES***

Leaders establish and maintain their credibility by their actions, and in our research we uncovered five fundamental practices that enabled leaders to earn followers’ confidence and to get extraordinary things done. When at their best, leaders (1) challenge the process, (2) inspire a shared vision, (3) enable others to act, (4) model the way, and (5) encourage the heart.<sup>1</sup>

### ***Challenging the Process***

Leaders are pioneers—people who seek out new opportunities and are willing to change the status quo. They innovate, experiment, and explore ways to improve the organization. They treat mistakes as learning experiences. Leaders also stay prepared to meet whatever challenges may confront them.

---

<sup>1</sup> The *Leadership Practices Inventory* measures these five practices.

### ***Inspiring a Shared Vision***

Leaders look toward and beyond the horizon. They envision the future with a positive and hopeful outlook. Leaders are expressive and attract followers through their genuineness and skillful communications. They show others how mutual interests can be met through commitment to a common purpose.

### ***Enabling Others to Act***

Leaders infuse people with spirit-developing relationships based on mutual trust. They stress collaborative goals. They actively involve others in planning, giving them discretion to make their own decisions. Leaders ensure that people feel strong and capable.

### ***Modeling the Way***

Leaders are clear about their business values and beliefs. They keep people and projects on course by behaving consistently with these values and modeling how they expect others to act. Leaders also plan and break projects down into achievable steps, creating opportunities for small wins. They make it easier for others to achieve goals by focusing on key priorities.

### ***Encouraging the Heart***

Leaders encourage people to persist in their efforts by linking recognition with accomplishments, visibly recognizing contributions to the common vision. They let others know that their efforts are appreciated and express pride in the team's accomplishments. Leaders also find ways to celebrate achievements. They nurture a team spirit that enables people to sustain continued efforts.

## ***UNIQUE RELATIONSHIP***

Leadership is a relationship, a unique and special trust between the leader and followers. The development of this trusting relationship requires our full and caring attention as leaders. Below are five prerequisites to building and maintaining this bond of trust.

1. *Know your followers.* Building any relationship begins with getting to know those we desire to lead. Get to know their hopes, their fears, their values, their biases, their dreams, their nightmares, their aspirations, and their disappointments. Find out what is important to your followers. Come to know what they seek. Only in this way can you show them how their interests can be served by aligning with yours.

2. *Stand up for your beliefs.* People who take a stand are appreciated in U.S. culture. We resolutely refuse to follow people who lack confidence in their own values and decisions. Confusion among your followers over your stand creates stress; not knowing what you believe leads to conflict, indecision, and political rivalry. There is, however, a

danger in always standing on principle; it can make one rigid and insensitive. The key to escaping rigidity is to remain open to others. Listen; understand; empathize. We respect leaders who can listen to and understand our points of view, yet believe in their own hearts that other viewpoints are superior. If your beliefs are strongly held, ethical, and based on sound thinking, followers will find ways to align themselves with you.

3. *Speak with passion.* Managers constantly talk about motivating their people, of lighting a fire under them. If the leader is a wet match, there will be no spark to ignite passion in others. Enthusiasm, energy, and commitment begin with the leader. To gain the commitment of others you must communicate your excitement about the dream. Paint word pictures. Tell stories. Relate anecdotes. Weave metaphors. Enable others to see, hear, taste, smell, and feel what you experience. When the dream lives inside others, it lives forever.

4. *Lead by example.* Leaders are role models. We look to them for clues on how we should behave. We always believe their actions over their words. We will never forget the story told to us by a young manager, John Schultz, about his days as a high-school football player:

When I played high-school football, I had three coaches. The first two were exactly alike. Each said, "Men, while you are in training I don't want you to smoke, drink, stay up late, or fool around with girls. Got that?" Then we would watch our coaches during the season. They would smoke, drink, stay up late, and fool around with women. So what do you suppose we did? Boys will be boys, after all.

My third coach was the best I ever had. At the beginning of the season we had the same locker-room sermon as with the other coaches. Except this coach just said, "I have only one rule. You can do anything I do. If I smoke, drink, stay up late, or fool around with women, then I would expect you to do the same. But if I don't, you'd better not!"

If leaders ask followers to observe certain standards, then the leaders need to live by the same rules. That is exactly what we were told many times by exemplary leaders. You can only lead by example. Leadership is not a spectator sport. Leaders do not sit in the stands and watch. Hero myths aside, neither are leaders in the game substituting for the players. Leaders coach. They show others how to behave.

5. *Conquer yourself.* Jim Whittaker, the first American to reach the summit of Mt. Everest, learned that he could not conquer a mountain, because mountains cannot be conquered. He had to conquer himself—his hopes, his fears. It might brighten our heroic image of leaders to believe that they conquer organizations, communities, states, nations, the world. It might make good cinema to picture the leader riding into town on a white horse and single-handedly destroying the villains. But this superhero portrait of great leaders only perpetuates a falsehood. The real struggle of leadership is internal. The everyday struggles of leaders include internal questions such as: Do you understand what is going on in the company and the world in which it operates? Are you prepared to handle the problems the company is facing? Did you make the right decision? Did

you do the right thing? Where do you think the company should be headed? Are you the right one to lead others there?

This inner struggle places enormous stress on the leader. Followers do not want to see that their leaders lack self-confidence. Certainly they like to know their leaders are human, that they can laugh and cry and have a good time; but followers will not place their confidence in someone who appears weak, uncertain, or lacking in resolve. Followers need to sense that the leader's internal struggle has been fought and won. Conquering yourself begins with determining your value system. Strongly held beliefs compel you to take a stand.

## ***THE EYE OF THE FOLLOWER***

These characteristics, these practices, these relationships are tough measures for the leader. It may not seem right to be judged so harshly, but followers perceive leadership in their own terms, and those terms are not always fair. After all, the leader is not a leader unless there are followers; and there are no true followers unless the leader is a leader in the eye of the follower.

## ■ THE MANAGER AS LEADER IN AN EMPOWERING ORGANIZATION: OPPORTUNITIES AND CHALLENGES

**Kenneth L. Murrell and Judith F. Vogt**

“Leadership that excites, energizes, motivates, and liberates others is the essence of empowerment” (Vogt & Murrell, 1990, p. 73). When managers shift their emphasis from control to empowerment, their images of power and leadership also shift. Power becomes something that is within a person and that can be created as well as distributed; effectively developing that power is empowerment, and leadership becomes an essential ingredient for effective empowerment. Herein lies a basic dilemma.

Empowering leadership does not focus exclusively on the “individual manager as hero” but looks at the group or organization-development process as a whole (Bradford & Cohen, 1984). On occasion, an individual manager suggests a new direction and takes the lead in moving a system toward it; but rarely does one individual embody such a thrust or exemplify a whole system. The system’s daily leadership usually comes—and should come—from throughout the organization.

An effective work team is, by definition, one in which the differentiation of members’ talents and skills provides the most capable and appropriate leadership for each part of the task at hand. Leadership thus moves from person to person as people’s talents and the demands of the situation dictate.

Empowering organizations move in the same fashion when systems allow quick action (not just reaction) in response to circumstances. An organization whose leaders exercise empowerment to deal with new situations builds a stronger leadership infrastructure than does a system that relies on traditional hierarchical structures or bureaucracies.

However, no such development can occur if control is the central managerial concern. In an empowering organization, the paramount issues are coordination, integration, and facilitation—not control. The primary function of the manager is not to be the problem solver, technical expert, or conductor but the facilitator, the person who fosters the organization’s development by participating, coordinating, and permitting others to provide the specific leadership skill(s) needed. As facilitator, the manager understands clearly that his or her primary function is to get the right leadership talents to the right place. This new role, for which few traditional systems of reward or

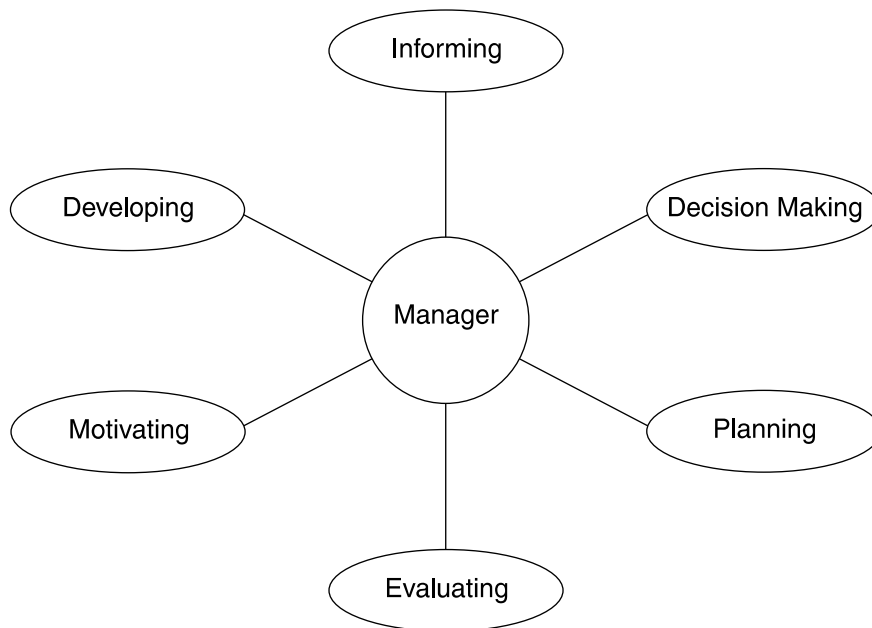
---

Originally published in *The 1991 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. For a more thorough discussion of the major processes of empowerment, see *Empowerment in Organizations: How to Spark Exceptional Performance*, by Judith F. Vogt and Kenneth L. Murrell, published by Pfeiffer & Company in 1990.

recognition are in place, does not validate the manager's ego through control of others; rather it produces feelings of self-worth by allowing, encouraging, and assisting others to get the job done.

This role calls for a psychologically healthy manager. It also demands that stress, confusion, conflict, and alienation crises be used effectively as opportunities to develop the skills of everyone in the organization. These crises help to forge the strengths needed for an empowering organization. Because the demands made on employees in empowering organizations are broader than those in more traditional systems, considerable time and attention are necessary to prepare employees for their responsibilities (Kanter, 1983; Kieffer, 1984; Murrell, 1977).

To do so, managers and other organizational leaders need to be fully aware of how organizations function and what can be done to help them reach their empowered performance potentials. Organizations that endeavor to develop the capacity to use their valuable human resources fully and to gain a competitive edge require managers who can facilitate that development. The manager's new role is to establish a new ethic of shared responsibility and to build an infrastructure that facilitates each employee's ability to handle expanded responsibilities. In essence, the role of the manager is to develop the organization's overall skills in each of six management functions. Figure 1 (Murrell, 1986) illustrates the six roles—informing, decision making, planning, evaluating, motivating, and developing—that make up this infrastructure.



**Figure 1. Managerial Roles in an Empowering Organization**

In an empowering organization, managers are challenged to take on new roles in these six key areas. Each of these will be examined in turn, from the perspectives of opportunities and challenges.

## **OPPORTUNITIES AND CHALLENGES OF INFORMING**

An organization's ability to gather, to analyze, and to distribute information is vital to its success. A manager in an empowering organization must establish and maintain the technical aspects of information exchange; more importantly, he or she must also establish and maintain a climate of trust. A high level of personal trust is essential to the flow of valid information (Gibb, 1978). A climate that values individual input, operational information, and personal/group assessment and perspective dramatically enhances an organization's empowering ability. Low-trust organizations, on the other hand, block the flow of information; what information exchange exists is guarded and distorted, threatening an organization's very existence. Good information is an excellent example of a renewable resource: The more there is, the more that can be generated. In an empowering organization, the manager assumes responsibility for sharing data relevant to team members' jobs as well as information about the strategic and spiritual essence of the organization. The manager is also responsible for creating feedback mechanisms and interactive systems of communication.

However, responsibility for improving the information flow belongs not just to the manager but to every person in the organization. Information is power; when it is shared, it creates more power in a system that encourages and rewards collaboration. In an empowering organization, all members invest time and energy in developing and clarifying information-sharing guidelines and procedures.

## **OPPORTUNITIES AND CHALLENGES OF DECISION MAKING**

In traditional hierarchical organizations, the majority of decisions are made by a few people at or near the top of the organization. This is not always the best approach. For example, in the Japanese *ringshi* method, proposed decisions are reviewed at all levels of the organization. Workers suggest changes in the proposal based on their particular areas of expertise and experience. Although this method is slow in its formulation, it usually gains a time advantage in its implementation.

An empowering manager functions in a similar way, incorporating both a review process and a decision-making method that reach downward in the organization. In an empowering organization, the final decision is moved to the point that is most appropriate in terms of information, expertise, and need. An added benefit is that people who actively participate in making a decision feel a heightened responsibility for ensuring a successful outcome.

Although it need not be cumbersome or excessively time consuming, such decision making must be carefully designed in advance. Because speed is often a critical factor in decision making, the manager lays the groundwork in advance, with effective guidelines that delineate not only the decision-making participants but also the method of decision making under a number of different—and perhaps unexpected—circumstances.

In an empowering organization, more input is sought; where possible, the power and responsibility for decisions are shared openly by all those affected. This enhances an

organization's ability to achieve its goals by reducing the we-they distinction so often projected between those who make decisions and those who implement them. As in the Japanese ringshi method, a final decision may evolve more slowly; but the speed, coordination, and commitment of the implementation phase often compensates.

A developmental perspective is helpful in instituting a more open decisionmaking process. As such, a decision is viewed as one entity, from recognition to planning to implementing to evaluating to generalizing. A transition plan that includes training for increased responsibilities is necessary; asking people to make decisions without the relevant understanding and experience is counterproductive.

## **OPPORTUNITIES AND CHALLENGES FOR PLANNING**

In an empowering organization, planning involves as many as possible of the people impacted by the planning process. Participative planning is neither the easiest nor the fastest way for an organization to sort out its plans; however, if dedication and commitment to the plans are expected, such participation is usually necessary. Particularly in the early stages of empowerment, people need opportunities to influence the system—so that they realize they can actually do so. As different steps of the process require different knowledge and interests, the empowering manager needs to make the closest match between task and skills while ensuring that each person is aware of his or her contribution to the plan.

The planning process is almost always discussed in the context of the organization's mission statement, which is its design for the future. It is imperative, therefore, that members have an opportunity to refine, comment on, or even alter the mission statement. It is equally important that the empowering manager capture the spirit of the members and help create a shared image of what the organization can become. The vision created by planning can inspire and empower members, creating a shared commitment to accomplish the planning goals.

Moreover, the planning process can be more than a once-a-year event carried out at a distance. An empowering planning process depends on involving people in conceiving and achieving the vision. All members need to know that they are part of an overall plan and need to be able to identify their own unique contributions to its accomplishment.

## **OPPORTUNITIES AND CHALLENGES FOR EVALUATING**

An empowering evaluative system builds on the process of *valuing* and takes advantage of what is learned in that process to improve performance. One approach is to emphasize the system's strengths. Avoiding a problem-centered focus, empowerment uses positive and healthy energies as the primary guides for an organization's growth, development, and planning. The same strategy applied to people focuses on their particular talents to help identify opportunities for using them more effectively.



A second empowering evaluation strategy is self-diagnosis, in which a manager gives support and encouragement in response to an employee's request. The control process then becomes internal to the system and to the individual person; people become free to request help when a goal is not being achieved rather than attempting to hide their limitations. Empowering managers help people to recognize the value of self-assessment as they model the technique. Although an empowering manager does not withhold his or her viewpoints from the employee, the employee is the one who decides what to do with the information.

## **OPPORTUNITIES AND CHALLENGES FOR MOTIVATING**

Pride in accomplishment is a powerful motivator; in a work environment, motivation is the essence of empowerment. The strongest motivation factors, such as pride, are intrinsic; therefore, empowering managers do not rely on extrinsic incentives like pay or punishment. Rather, they empower by example. This requires more than being a role model; it requires being available to coach, to counsel, and to direct. Empowering managers help to structure the organization so that its reward systems are consistent with its goal of developing self-motivated individuals. In an organization that recognizes and appreciates individuality and special talents, people perform their assignments with confidence.

Motivation, like evaluation, is at the core of the empowerment process. Although people are intrinsically motivated, self-insight often is buried under layers of external influences and experiences. In an empowering system, managers help people to become more aware of their own goals so that they can actively participate in and structure their own motivators.

This process redefines leadership as everyone's responsibility, which sets the stage for organizational maturity and the achievement of full potential for the organization and its members alike. The sense of shared responsibility creates more power and more leadership potential in a larger number of people.

## **OPPORTUNITIES AND CHALLENGES OF DEVELOPING**

A fully empowering organization uses all of the skills and ideas available to it; it also ensures its continual growth and survival by responding to a changing external environment. Therefore, the empowering manager's daily tasks must be developmental in perspective. A developmental perspective requires an ongoing search for improvement and constant attention to developing higher levels of performance. This progressive perspective goes beyond quantity or quality; developmental improvements emerge out of the higher level of organizational functioning that results from better coordination and integration. The test of an empowering manager is not his or her own functioning but the capacity of the system and the organization to respond and to grow in an increasingly challenging world. In the future, management's main contribution will

be to create systems that are participatory and self-managing, as well as to create systems based on active learning.

This developmental perspective is key to long-range strategies to increase an organization's growth and capacity to survive. Traditional managers move from mere profit maximization to producing needed products at ever-higher levels of quality. Empowering managers also think in terms of creating a better, more effectively developing organization. They glean a sense of well-being from helping themselves, others, and the organization to attain present and future effectiveness. Self-serving managers, who block others' contributions and thus block the system's growth, cannot accomplish these broader goals. Innovative and creative start-up firms and other organizations willing to risk empowering their people point the way to success. Organizations can learn; but one necessary component is a planned methodology for the learning process (Sims & Gioia, 1986), one that is developmental and inclusive. Empowering managers facilitate organizational learning.

### **THE EMPOWERMENT PARADOX AND PATH**

Organizations built on control rather than on empowerment find it difficult to respond to new challenges of global competition. Such organizations often pay high salaries but do not reap a commensurate return. Bloated with layers of redundancy, they try to compete with organizations with half as many levels of management. Such organizations hire the best and brightest young professionals, only to see them leave in short order because of stifling rules and a control orientation. They are being outmaneuvered by young mavericks, savvy foreign competitors with lower labor costs, and their own employees who break away and establish competing firms. Such control-oriented and bureaucratic organizations ("corpocracies" as they have been termed) are not developing either internally or in terms of new markets; their days are numbered.

Global economic challenges clearly require organizations that are more effective and more powerful. Paradoxically, creating such organizations requires giving up control. To give up a belief as strongly entrenched as control requires tremendous faith, trust, and willingness to risk. It is unlikely that a traditional manager could spontaneously become an empowering manager; at the very least, colleagues and employees would probably view a rapid change in management style with distrust, disbelief, and cynicism.

The empowering path is a long one whose first step must be a mental one. That initial step includes a careful look at how far along the empowerment path the organization has already traveled and at how much freedom and responsibility the best people exercise. This is the essence of the empowerment paradox: By giving the most effective people freedom to develop, the organization gains. To gain more power for the organization, however, trust and faith must be extended to all employees; those who are not trusted consume inordinate amounts of time and energy in terms of managerial

efforts to control them. Whatever they produce has been cajoled from them, at great cost, in a zero-sum exchange: their contribution minus the manager's efforts.

If power is not a finite resource but one that can be created, it follows that for an organization to gain in power, every member must become more powerful. To share power in exchange for a total increase in the effectiveness of the organization is to move to a higher level of understanding about power.

After surveying the degree of empowerment already in place, a manager moving toward an empowering style can consider how to change his or her approach to employees whose performance is less than superior. A review of the six managerial roles can provide a good starting point for this examination. How does the manager's way of structuring his or her roles affect relationships with these employees? What changes can each side reasonably expect the other to make? These are the sorts of questions to ask and to answer when starting down the empowerment path.

If empowerment succeeds within one group, a manager can use the approach to understand the rest of the organization. Organizational culture changes slowly; interactions with coworkers in other areas benefit from clear explanations of the empowerment strategy being implemented and from specific examples of how empowering actions can improve the organization's overall effectiveness.

Truly empowering managers are not naive; they are politically astute. They are also risk takers who are smart enough to know when the organization will not support their efforts and, therefore, when they must make the choice to stay or to leave. Even this choice is not simple to empowering managers; it must be carefully considered in terms of their own needs, the needs of coworkers, and those of the organization to which they have committed themselves. An empowering manager is an empowering person with a whole-self, ethical framework that makes all of his or her interactions important.

The requirements for an organization about to take the empowerment path are more involved than the decisions a single manager might make. The organization must first look seriously at how it functions in the six areas described and then choose, consciously and explicitly, how it prefers to operate within each area. Managers can assist this self-examination if they and the organization are willing to look openly at themselves. The risks of requesting feedback, of really looking at oneself and the organization, are not small; the more resistant to giving power to its people the organization has been in the past, the more difficult the transition will be.

The manager's job in helping to achieve a successful transition from control to empowerment will take not only considerable courage but also knowledge that the organization's long-term survival depends on building awareness of its own developmental processes and ability to create power. Growth will not be easy; a radical shift in the power paradigm will bring once-hidden conflicts to the surface and force tough decisions about sharing responsibility. Power and responsibility are by necessity tied together; it will be the manager's role to facilitate the making of new contracts about the nature of this relationship. In many organizations there has been no internal

ideal to inspire and motivate employees and to lend a direction for development. The empowerment goal is meant to provide such an ideal.

## **SUGGESTED ACTIONS FOR HUMAN RESOURCE DEVELOPMENT PROFESSIONALS**

The transition from traditional organizations to empowering organizations is not simple. Human resource development (HRD) professionals can help with the transition in a variety of ways, beginning with making managers aware of alternative behaviors and the potential for these alternative behaviors to improve the performances of managers, employees, and the organization as a whole. The HRD professional might also choose one or more of the following actions:

1. *Share resources.* Books supporting empowerment, such as *The Empowered Manager* (Block, 1987), *Zapp! The Lightning of Empowerment* (Byham, 1988), and *The Nibble Theory and the Kernel of Power* (Jamison, 1984), can be shared with managers to help them to be more receptive to the concepts of empowerment.

2. *Diagnose the culture.* Human resource development professionals can recommend instruments and procedures to help managers to diagnose the cultures of their organizations and their work teams.

3. *Incorporate empowerment in managerial training.* Managerial-training sessions can be structured around the six managerial roles in an empowering organization (informing, decision making, planning, evaluating, motivating, and developing).

4. *Include empowerment in performance appraisals.* Professionals in HRD can encourage managers to incorporate the issue of empowerment in performance appraisals. During appraisal interviews managers can invite subordinates to voice their opinions about organizational-climate conditions that are or are not conducive to empowerment and to suggest improvements.

5. *Model the desired behavior.* As people constantly involved with change, HRD professionals can serve as role models of empowering behavior.

## **REFERENCES**

- Block, P. (1987). *The empowered manager*. San Francisco, CA: Jossey-Bass.
- Bradford, D., & Cohen, A.R. (1984). *Managing for excellence: The guide to developing high performance in contemporary organizations*. New York: John Wiley.
- Byham, W.C. (1988). *Zapp! The lightning of empowerment*. Pittsburgh, PA: Development Dimensions International.
- Gibb, J.R. (1978). *Trust: A new view of personal & organizational development*. Cardiff, CA: Omicron Press.
- Jamison, K. (1984). *The nibble theory and the kernel of power*. San Diego, CA: Pfeiffer & Company.

- Kanter, R.M. (1983). *The change masters: Innovation for productivity in American culture*. New York: Simon & Schuster.
- Kieffer, C.H. (1984). Citizen empowerment: A developmental perspective. *Prevention in Human Services*, 213(3), 9-36.
- Murrell, K.L. (1977). *An exploratory descriptive study of the relationship of alternative work organizations and quality of life: More modern times*. Unpublished doctoral dissertation, The George Washington University, Washington, DC.
- Murrell, K.L. (1986). *The managerial infrastructure in economic development: Its importance and how to nalyze it* (SICA Occasional Papers Series, Second Series, No. 12). Austin, TX: Section on International and comparative Administration, American Society for Public Administration.
- Sims, H.P., Jr., & Gioia, D.A. (1986). *The thinking organization*. San Francisco, CA: Jossey-Bass.
- Vogt, J.F., & Murrell, K.L. (1990). *Empowerment in organizations: How to spark exceptional performance*. San Diego, CA: Pfeiffer & Company.

# ■ VALUES-BASED LEADERSHIP FOR THE 21ST CENTURY

**Robert C. Preziosi**

*Abstract:* In this article the author concentrates on what a leader need to *believe* and *do* in order to promote the high performance that will be required for organizational success in the 21st Century. His premise is that leader values are the guiding principles that determine leader behavior, which, in turn motivates and inspires follower behavior. The author describes twenty attitudes and associated behaviors that the effective leader needs to exhibit. In addition, he presents an example of how a leader might generate behavioral options stemming from one of the essential values.

Management in the 21st Century will focus on the well-documented values-based theory of leadership (DePree, 1992; Tichy & Sherman, 1993). The companies that DePree and Tichy and Sherman have written about offer powerful examples of the practical impact of this new theory: Leader values are the guiding principles that determine leader behavior, which, in turn, motivates and inspires follower behavior. The end result is the high performance required for an organization to achieve competitive advantage and future success.

## ***THE CONNECTION BETWEEN LEADER VALUES AND HIGH PERFORMANCE***

Several authors have helped to identify the specific leader values and associated behaviors that foster high follower performance: Covey, 1991; Garfield, 1986, 1991; and Leonard, 1991. What I have learned from these authors is consistent with my own experience with high-performance organizations.

There is no magic involved in promoting high performance, although the phenomenal success of some organizations might lead others to wonder if there is. Instead, the same kind of performance is within the reach of virtually any organization. What exactly does a leader need to *believe* and *do* in order to promote high performance?

1. *Attend intently.* Regardless of the setting, the situation, and the characters involved, the leader needs to demonstrate the same totality of focus—physical, mental, and emotional—until closure is achieved.

2. *Build on success.* All successful leadership situations share certain elements. The leader needs to identify those elements and consciously repeat them as a foundation for building increasingly better leadership performance.

---

Originally published in *The 1996 Annual: Volume 1, Training* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

3. *Champion the shared vision.* The assumption underlying this point is that the leader has worked with followers to develop such a vision. Then the leader's responsibility is to serve as the energizing force behind that vision—so much so that every follower acts in support of the vision.

4. *Generate renewal.* The organizational world of the 21st Century will be characterized by continual, rapid change. Constantly adapting to changing organizational circumstances requires that the leader not only be creative, but also encourage creativity on the part of followers. It is the leader's example of creative behavior that allows the organization to renew itself continually and flourish, regardless of the stage of organizational development involved.

5. *Embrace diversity.* Increasing diversity within organizations will lead to an important opportunity for organizational redefinition. The successful leader will honor many different sets of values in order to take advantage of this opportunity.

6. *Energize oneself.* With so many responsibilities, a leader may forgo tasks that he or she feels passionately about in order to take care of more pressing matters. It is important to note, though, that leaders maintain high levels of physical and emotional energy by including activities they love in their daily schedules.

7. *Learn from others.* Heroes, mentors, and instructors all provide opportunities for learning. Regardless of success in past performance, the effective leader is always ready, willing, and able to learn and to apply that learning.

8. *Listen to internal prompts.* Often a leader is placed in a situation involving conflicting information or conflicting interpretations of that information. Although the successful leader carefully considers and compares all positions, he or she is most influenced by internal directives.

9. *Honor the environment.* The old cliché about the environment is still true: "It's the only one we have." The successful leader knows how important it is to replenish a resource before it is entirely depleted.

10. *Measure all activities.* The leader must know the state of everything in the organization, and the only way to stay informed is to measure all human activity.

11. *Offer learning resources.* Every person in an organization must be as self-renewing as the organization itself. As self-renewal is dependent on learning, the leader must develop and implement a total learning system consisting of accessible resources. With such a system, each person can learn whatever needs to be learned, whenever it needs to be learned, in the most effective way.<sup>1</sup>

12. *Acknowledge everyone's value.* Superior service, quality, and productivity are dependent on employees' self-esteem. The leader must first recognize people's value.

---

<sup>1</sup> For more information about organizational learning, see *The Faster Learning Organization: Gain and Sustain the Competitive Edge* by Bob Guns, 1996, San Diego, CA: Pfeiffer & Company.

Then he or she must exhibit and promote behaviors that build esteem and must work to rid the organization of behaviors that destroy esteem.

13. *Practice effective leadership behavior.* Leadership, like other behavior, is learned. The leader's responsibility in learning a new, effective leadership behavior is to practice that behavior until it becomes habit.

14. *Provide opportunities for people to succeed.* The leader's task is to create opportunities so that each person will be limited only by his or her own behavior and not by the fact that opportunities do not exist.

15. *Put followers first.* This is perhaps the most difficult of the leader values and behaviors; it asks that the leader subjugate personal objectives. But the leader's foremost responsibility is to provide followers with the resources they need—at his or her own expense, if necessary.

16. *See the "big picture."* The leader must be able to see how all organizational elements interconnect in a single entity. This entity must be viewed in past, present, and future terms.

17. *Extend the boundaries.* The leader is obligated to take the organization and its members beyond the current boundaries of performance. Consequently, the successful leader is always inspiring people by painting new pictures of the organization's desired state. Higher and higher levels of performance are the result.

18. *Encourage team development.* Teams are becoming a natural part of the organizational landscape. Employees at all levels are finding that collaboration is preferable to conflict and frequently even to individual effort. The effective leader encourages team development and uses it as a force for greater productivity and quality.

19. *Exercise mental agility.* Organizational functioning leads to a lot of surprises. Responding appropriately requires that the leader be able to switch gears, see a surprise as an opportunity, and act quickly on that opportunity. This ability is dependent on mental agility and flexibility.

20. *Use mental rehearsal.* Sports champions are not the only ones who mentally rehearse activities in order to enhance performance; many successful leaders do, too. In effect, the leader creates a mental video for replay in a real situation in the future. The shorter the time between rehearsal and actual performance, the greater the impact of the rehearsal.

## **HOW TO USE VALUES**

The role of a value is to trigger behavioral options, and in choosing options the leader develops a personal behavior system. The leader may act alone in response to his or her own values or may consult others—followers, for instance—and lead them in a brainstorming session to increase the number of options.



For example, “generate renewal,” a value/behavior discussed in the previous section, might lead to a group-brainstormed list of options like the following:

1. Develop and conduct a three-day training session on creativity for all employees;
2. Design a program for recognizing and rewarding individual and group creativity;
3. Hire a creativity consultant to identify which organizational activities suffer from a lack of creativity;
4. Hold an annual creativity fair at which organizational members present the products of their creativity;
5. Train all employees in stress-management techniques so that they feel free to release their creativity;
6. Start a creativity newsletter to provide organizational members with tools and techniques for enhancing creativity;
7. Stop all normal organizational activity for two hours once a week so that people can concentrate on unleashing their creativity;
8. Require every member of senior management to develop an annual creativity plan for his or her part of the organization;
9. Build a library of books and tapes for all employees to use;
10. Place posters about creativity in every room in the building;
11. Attend a creativity conference for senior executives;
12. Purchase computer software that assists the creative process and have it installed in every PC;
13. Have each member of the organization develop a personal creativity plan with a checklist to measure conformance to the standards of the plan; and
14. Incorporate a requirement of one new product (or service) per quarter for each business unit.

Choosing from these options will depend on the following variables:

- The requirements of the work unit;
- The participative process that is used to determine choices;
- The results desired;
- The leader’s ability; and
- The organization’s capacity.

There may be other variables that come into play, depending on the leader, the organization, and the specific group members involved. The important thing is to be aware of which variables to consider.

## **CONCLUSION**

Values-based leadership has a significant impact on an organization. Each organization needs to decide which leadership values will drive its functioning. Once these values have been established, specific behavioral options present themselves. After options have been taken, the results can be measured to determine whether the organization is headed in the direction it desires.

## **REFERENCES**

- Covey, S.R. (1991). *The seven habits of highly effective leaders*. New York: Simon & Schuster.
- DePree, M. (1992). *Leadership jazz*. New York: Doubleday.
- Garfield, C. (1986). *Peak performers*. New York: William Morrow.
- Garfield, C. (1991). *Second to none*. Burr Ridge, IL: Irwin.
- Leonard, G. (1991). *Mastery*. New York: Dutton.
- Tichy, N.M., & Sherman, S. (1993). *Control your destiny or someone else will*. New York: Doubleday.

## ■ LEADERSHIP FROM THE GESTALT PERSPECTIVE

### H.B. Karp

*Abstract:* The current trend in organization development is toward large-system interventions. Although nothing is wrong with this trend, it is important that individual growth and effectiveness not be ignored.

This article explores the following definition of leadership: *Leadership is the art of getting people to perform a task willingly.* However, two key factors affect leader effectiveness: competence and comfort. A leader can achieve maximum effectiveness first by being aware of what and how he or she thinks and second by considering options for any specific situation. Leadership then becomes the ability to adapt one's authentic style to the circumstances of a particular situation.

In recent years, the trend in organization development (OD) has been focused on large-system interventions. Strategies such as self-directed work teams, right-sizing, and organizational reengineering are just a few examples of this trend. Although this direction is not wrong, individual growth and effectiveness may be downplayed, if not completely lost, in the attempt to evolve larger and more comprehensive interventions. Whether within the context of a major system-wide change strategy or cast in an individual's daily work routine, a consistent and pragmatic means of developing leadership is needed—one that will respond to what is occurring right here, right now.

The one theory base that has consistently responded to this demand is Gestalt. Gestalt originated with Fritz Perls in the field of psychotherapy in the mid-1930s. Described as “therapy for normals,” the Gestalt theory base has more recently been used to define an effective and healthy organization, just as it has been used to describe a healthy and functioning individual.

In recent years, Gestalt has provided a unique perspective to organizations while maintaining the prime OD objective of increasing individual and group effectiveness through intervention in group processes.

### TERMINOLOGY

Prior to presenting the Gestalt leadership model, it will be helpful to clarify several terms and to show how they relate to leadership and, in some cases, to each other.

#### **Leadership**

*Leadership is the art of getting people to perform a task, willingly.* This definition is clearly different from “management,” which can be defined as “the science of the

---

Originally published in *The 1996 Annual: Volume 1, Training* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

allocation of resources.” This definition of leadership has three operative terms: *art*, *task*, and *willingly*.

*Art* indicates that leadership is a combination of both talent and skills. Leadership talent is distributed normally throughout the population. Not everyone has the talent to be an effective leader, just as not everyone has the talent to be a concert pianist. The opposite side of the coin also implies that very few people either have no talent or have all the talent.

One way to actualize the talent that exists within an individual is by way of skill development, through training, education, and experience.

*Art* also implies that each leader performs individually. Just as no two singers sing alike, no two authors write alike, and no two sculptors sculpt alike, no two leaders lead alike. It is impossible to teach people to be good leaders. They can only be taught what leadership is about and then assisted in adapting that knowledge to their own individual styles. In the end, people will be effective leaders only to the extent that their potential for individual creativity and uniqueness of expression will allow.

The second term, *task*, means that leadership does not occur in a vacuum. Two structural elements must exist before a leadership function can occur. First, at least two individuals must be involved: a leader and at least one follower. Second, leadership must have an objective. The task may be work oriented, such as manufacturing a product, solving a problem, or designing a new widget; or it may be socially oriented, such as planning a party. Regardless, leadership is a process that affects how the task finally will be accomplished.

*Willingly*, the third element, means that leadership precludes the use of threat or coercion as a means of getting the job done. The use of threats, monetary rewards, or promises of future promotion to control another’s performance requires neither skill nor talent and is not leadership. *Willingly* implies that another person will perform the task without resenting having to do it or resenting you for having assigned it.

It is safe to say that no one is capable of being a maximally effective leader 100 percent of the time and that sometimes it is a lot easier to be a good leader than it is at other times. In this light, the definition for leadership can be converted into the following pragmatic statement: To whatever extent an individual can get others to perform a task willingly in a given situation, to that extent the person can be judged an effective leader.

## **Leadership Effectiveness**

Leadership effectiveness depends on two basic and essential criteria: *competence* and *comfort*.<sup>1</sup>

*Competence*, which is the more observable and measurable of the two criteria, refers to the leader’s ability to get the work done willingly by others; it can be measured

---

<sup>1</sup> Note that the term *comfort* refers to comfort with self and style and does not refer to what might be called situational discomfort, i.e., the discomfort that arises from dealing with situational ambiguity, tough choices, or painful situations.

through attitude surveys, critical incident analysis, and, of course, the quality of the work itself.

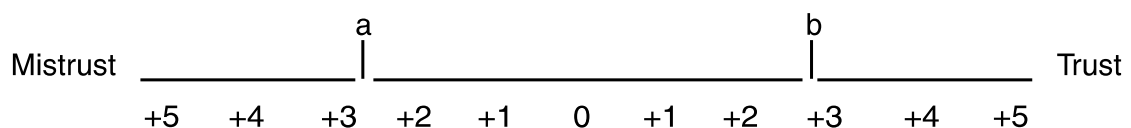
*Comfort* refers to a leader’s comfort with himself or herself and with his or her individual leadership style. The importance of this criterion is that it clearly implies that *there is no one best way to lead*. For example, any accomplished art student can copy a master effectively. It is not until the student takes that skill and creates *something unique* that he or she is considered to be an artist. As it is with painters, so it is with leaders or anyone else who practices an art for a living.

Therefore, if a leader is judged to be competent by observable measures and is comfortable with his or her leadership style, that person has every right to resist the demands of others to alter *how* he or she leads. Like artists, only they themselves know best how to uniquely express their art.

If, on the other hand, the person is comfortable but not terribly competent or competent but not very comfortable, it may be wise to consider making a career change to something that will easily provide both comfort and competence. It is here that that person stands to make the greatest contribution and simultaneously gain the most satisfaction and growth from the work.

### **Boundary**

One additional Gestalt term, *boundary*, needs to be surfaced because it also has major impact on the leadership model. The essence of Gestalt theory holds that each human being is separate and distinct from all others. A person’s individuality, or *I-Boundary*, is made of many sub-boundaries such as attitudes, values, tastes, assumptions, abilities, and so forth. All of these combine to make each person absolutely unique. In a practical sense, each sub-boundary carries the explicit message, “For me, this far and no farther.” Thus, boundaries, as the word implies, define and give each individual his or her identifiable personality characteristics, just as its geographic borders give a nation its identifiable configuration.

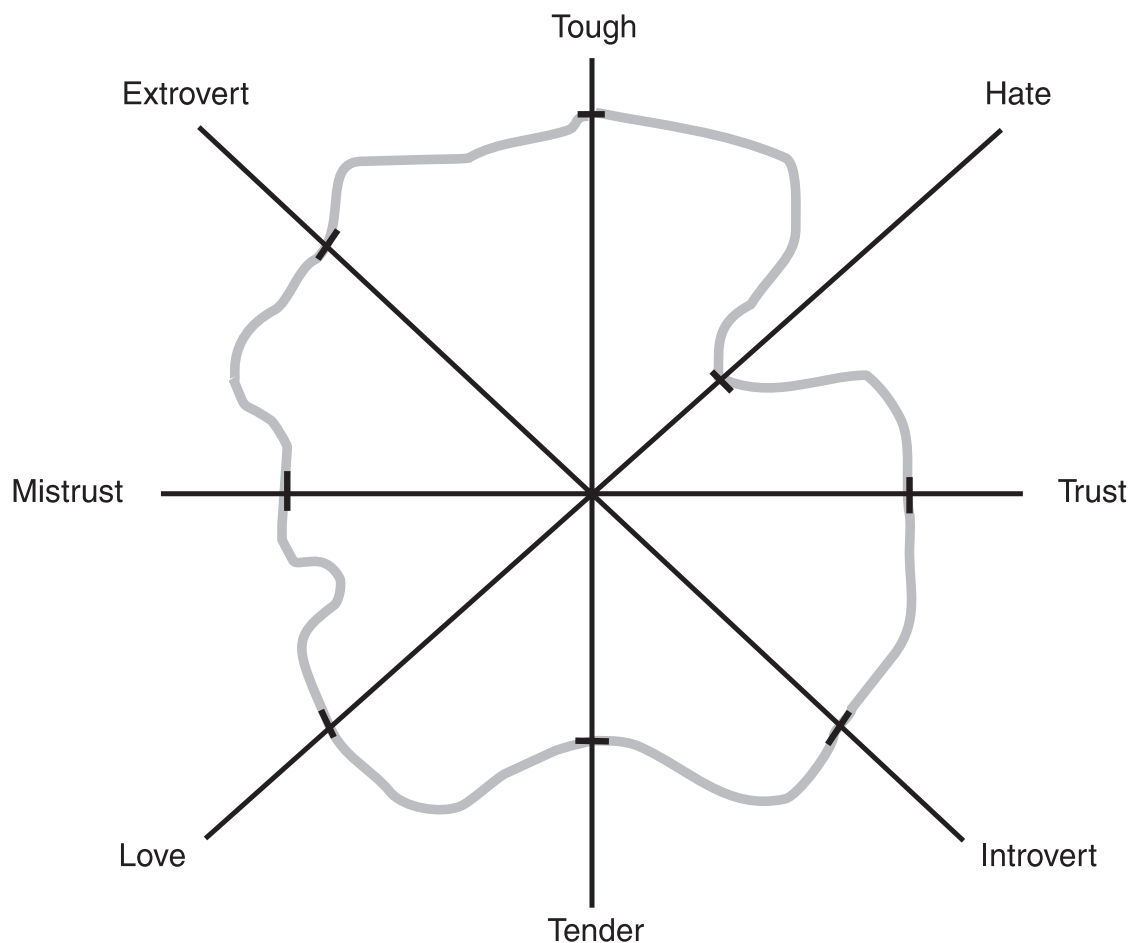


**Figure 1. The Mistrust-Trust Polarity**

Human characteristics can be seen as operating in polarities, such as good-bad, strong-weak, introvert-extrovert, or tough-tender. Each sub-boundary then can be seen as an area that is defined by a range within that polarity. For example, in Figure 1, the polarity ranges from “Mistrust” to “Trust.” The range that is indicated between the points labeled “a” and “b” is my sub-boundary on this dimension and defines the extent to which I have the capacity to authentically mistrust and trust others. Note that this makes no statement about how other people are, only my capacity on this dimension. The positions at each extreme represent the maximum potential for human experience

for this characteristic, i.e., being as mistrusting and trusting as it is humanly possible to be. The configuration in Figure 1 shows that at point a, I am mistrusting enough to always lock my car, no matter where I am parked; at the other extreme, point b, I am trustful enough to take most people at their word the first time I meet them. My range of effectiveness and self-confidence, in terms of mistrusting and trusting others, lies between points a and b. If I try to operate outside these parameters, chances are that I will be tentative, lacking in confidence, and marginally effective at best. All sub-boundaries operate in this way. A person's sub-boundary can also be thought of as one's "Zone of Present Effectiveness" or "Zone of Comfort."

An individual's I-Boundary can be represented by the pattern intersecting the various sub-boundaries, as shown in Figure 2.<sup>2</sup>



**Figure 2. I-Boundary**

Each person's I-Boundary is intact. It is essential that each individual recognize, accept, and value his or her personal I-Boundary. The simplest step toward increasing your effectiveness and comfort with self, in leadership or any other area, is to have your

<sup>2</sup> For a more detailed discussion of boundaries and how they work see Polster and Polster (1973), p. 107 or Karp (1995), pp. 9-23.

*perceived* boundary, (where you think it is or should be) correspond to your *actual* boundary (where it actually is).

## **THE GESTALT LEADERSHIP MODEL**

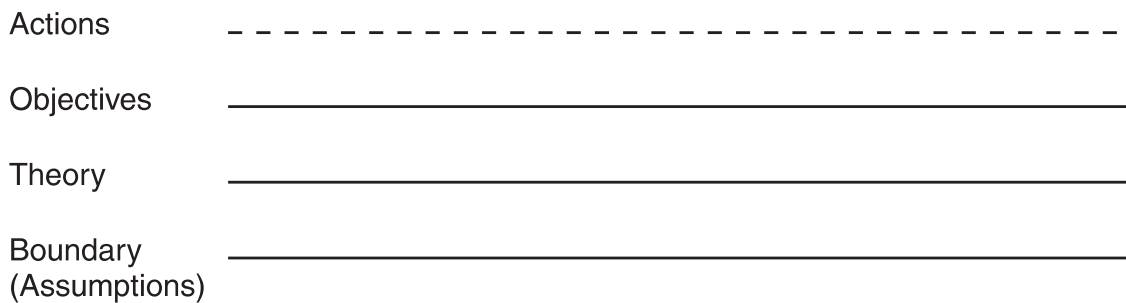
Leadership effectiveness is most influenced by two highly individualistic variables: the need for *congruence* and the need for *integration*.

### **The Need for Congruence**

Congruence, or authenticity, can be viewed as having one's *perceived* boundary correspond to one's *actual* boundary. Regardless of who the person is, a leader will be judged by what he or she *does*. As suggested earlier, leadership effectiveness can only be determined by the appropriateness of the specific actions taken to get others willingly to comply to work.

Because it is highly unlikely that any leader will be able to get willing compliance in every situation, increasing leadership effectiveness becomes a matter of increasing one's "success rate" in choosing the effective and appropriate actions when responding to each new and different situation. It is not so much a matter of *what* the leader elects to do as much as it is a matter of *how* the selection is made.

In Figure 3, the top broken line is designated as "Actions." It represents the nearly infinite range of specific behaviors available to every leader to attempt to get willing compliance to work (planning, supporting, reprimanding, encouraging, training, coaching, and so on).



**Figure 3. Four Levels of Leadership**

No specific action, in and of itself, is either good or bad. It is only functional or nonfunctional in getting compliance from another person in a given situation. Again, these actions and their results are the only things that can be observed and judged by anyone else.

Directly below the "Actions" line, however, are three lower levels, all of which are internal to the individual. These levels are not observable or subject to the judgment of others; understanding these levels is clearly the best means by which leaders can increase their own effectiveness.

## **Boundary**

The lowest level, “Boundary,” is not only the most general of the three levels, it also is the most basic and important determinant of effective leadership behavior. In this case “Boundary” is synonymous with one’s assumptions about people. It refers to how the individual leader experiences self as well as others. Because a leader works exclusively with people, as opposed to cabinet makers who work with wood or masons who work with stone, it is both essential and primary that leaders be clear about the assumptions they make about people. The single most important question that a leader must answer is “What are people like?”

I would like to point out that the only person I can ever know, to any extent, is myself. My interactions with everyone else, to greater or lesser degree, are based only on my assumptions of how they are. Because I do not share a common nervous system with anyone else, I can never really know how people are merely through observation. Therefore, the more I know about me—who I am and how I see things—the more I am able accurately to check out my assumptions with and about others.

Many theorists, most notably Douglas McGregor (1960), make this point quite strongly. However, the difference between the Gestalt view and other views is that the Gestalt view is much more concerned with *how* the assumptions are made and clarified than it is with *what* the assumptions actually are.

To state the premise simply:

*The more clear and the more confident leaders are about their assumptions concerning people, regardless of what those assumptions are, the higher the probability that they will be effective leaders.*

## **Theory**

Once leaders are clear and comfortable with the assumptions they hold, the next level to be addressed is “Theory.” “Boundary” asks the single question, “What are people like?” In contrast, “Theory” asks the single question, “What is leadership about?” Just as there is an infinite range of assumptions about people, so there is an infinitive range of leadership theories. I would suggest that there are just about as many leadership theories as there are individual leaders and theorists. The real question being asked is, “What is leadership theory about for me?”

Whether an individual ascribes to an established theory, chooses to modify an established theory, or devises an original theory, the important points to remember are as follows:

- The theory must be clear and explicit; and
- The theory must be consonant with the leader’s own assumptions about people.

To be explicit, suppose I were to ask a large random sample of people the following question: “Who was the more effective leader—General Douglas MacArthur or Martin Luther King?” My guess would be that most people would judge them as comparable



within the contexts of their specific situations. It requires only a passing knowledge of the history of these two men to realize that probably the only thing they had in common was that each held a very clear, defined, and different view of what people were like, themselves included. Not only was each man clear about his assumptions, but each operated out of a style of leadership that was highly consonant with how he saw things. Had MacArthur tried to lead like King or King like MacArthur, neither would have been effective.

## **Objectives**

The third, and last, of the internal levels deals with objectives. This level also addresses a single question: “What do I want?” Objectives can be viewed in two ways. The first and most subjective view relates to personal objectives. Whether these objectives are general and long range (“I want to be successful” or “I want to be highly regarded by my superiors”) or short range and specific (“I want a corner office” or “I want the promotion that’s coming up”), the more clear and the more concise the individual is about what is wanted, the higher the probability that he or she will succeed.

Secondly, objectives must also be viewed from the organizational perspective. Here the organization’s demands become a guideline for the individual’s objectives. The more people are clear and comfortable with wanting whatever they want, the higher the probability that they will be able to integrate their personal objectives with the organizational objectives so that pursuing either one will have a positive impact on getting the other. For example, if I am clear about wanting the promotion and clear about what the organizational demand for productivity is, pursuing either one will work toward getting the other. The most important aspects of “Objectives” are the following:

- The individual leader is clear about and “owns” each objective; and
- The “Objectives” are consonant with the leader’s “Boundary.”

On the surface it would seem that the leader must spend an appreciable amount of time and energy struggling with each of the three lower levels. Paradoxically, this is not the case at all. Actually, the situation simply calls for increasing one’s awareness. Clarity on any level is a matter of having one’s *perceived* position, i.e., where one thinks one is or should be, accurately reflect one’s *actual* position, i.e., where one is.

## **Actions**

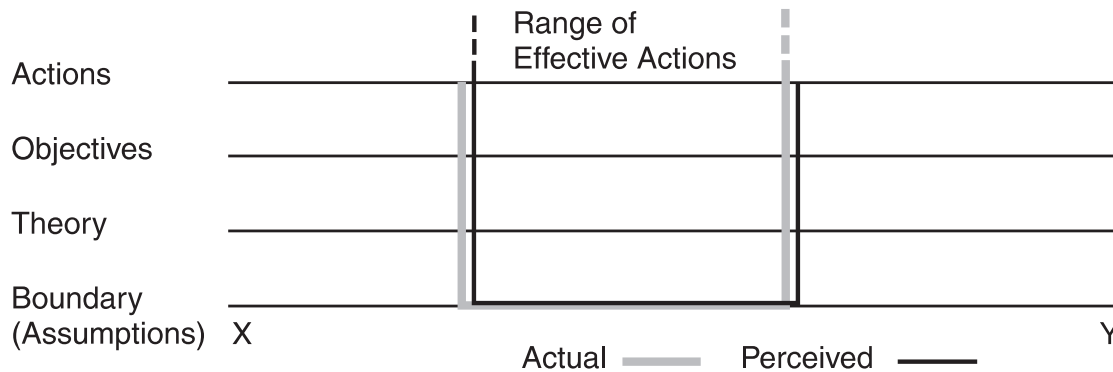
The last level literally is where all of the action is. It is here that a leader’s effectiveness ultimately is determined. Although no one ever is accountable to anyone else for what happens on any of the three lower levels, a leader is totally accountable for the choices made at the fourth level.

The assumption here is that at any given moment, any one of myriad possible actions are available to attempt to get willing compliance to work from others. The broader the range or the greater the number of authentic choices that fit for the leader at

any given moment, the higher the probability that the leader will be able to respond appropriately.

In this case, increasing leadership effectiveness is only a matter of answering the following question: “Given an almost infinite number of choices, how do I select an action that will work best for me in getting willing compliance in this situation, versus selecting one that just barely makes it or doesn’t make it at all?”

Most people attempt to answer this question by going outside of themselves (asking a colleague, reading a book, or attending a seminar). There is nothing wrong with this approach; however, I suggest that there is a better place to go, at least at first: Go inside. Herein lies the Gestalt perspective to leadership.



**Figure 4a. Manager “A”—Congruence**

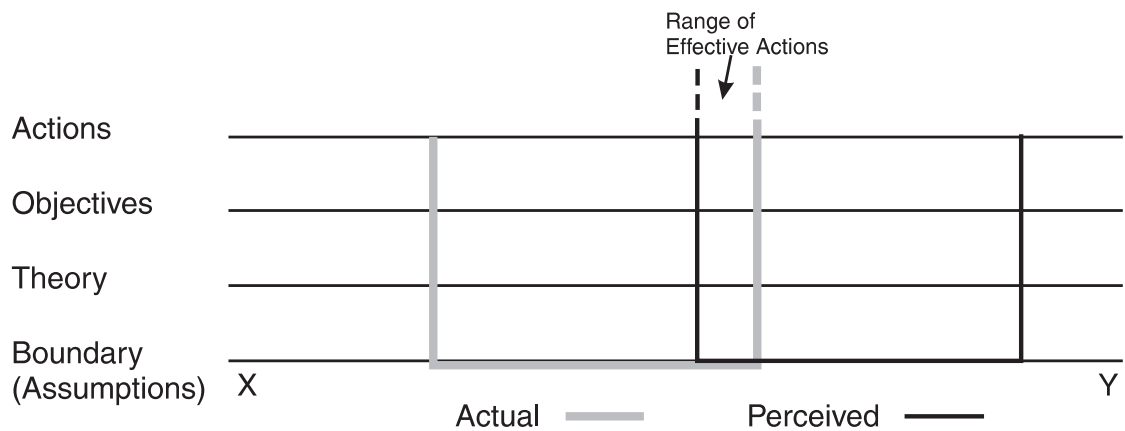
Having worked with this model for a number of years, I see that the clearer the individual is about his or her assumptions concerning self and others, the higher the probability that it will be easy to develop a theory of leadership and a set of objectives that are consistent with and clearly reflect those assumptions. Most important, it is from this position that the leader will be able, with confidence, to select the leadership actions that will enable him or her to deal easily and effectively with most situations.

Using Theory X / Theory Y as a convenient set of assumptions to illustrate the premise in Figure 4a, “A” is clear about how she sees herself, others, and the work setting.<sup>3</sup> From this point of clarity and comfort, she is more able to develop ways in which to work more confidently and comfortably and she is more able to surface and state clear long- and short-term objectives that are important for her. She is clearer about what is important to her, freer to give her commitments openly and unhesitatingly, more willing to state disagreement with things that are dissonant for her, and much more

<sup>3</sup> The focus of this piece is not yet another reworking of Theory X/Theory Y. “X” and “Y” are being used solely because they represent one very familiar and clear example of a relevant sub-boundary. Equally relevant, but less workable, would be the sub-boundary of mistrust/trust of others. In this case, the “growing edge” of the cynic would be to learn to trust others more appropriately; the “growing edge” for the naive individual would be to learn to mistrust others to the point that that response would be appropriate. Growth can occur in either direction, as opposed to the more conventional view that growth only occurs toward the right or “trust” (Theory Y) end of the continuum. Gestalt theory does not imply that one “should” move toward either pole, that is, that the capacity for trusting is any more valuable than the capacity for mistrusting. The thrust of Gestalt theory is on the individual’s being clear about where he or she is on this dimension right now and then being able to move in the direction that is most responsive to getting what is wanted.

available for effective collaboration when that is what is called for in the situation (Karp, 1976).

Leader “B,” on the other hand, is unclear about his assumptions. For him there is little or no awareness of what people are like, including himself. His tendency is to confuse a changing situation with the notion that the characteristics of people are changing on a moment-by-moment basis. Therefore, no theory ever fits well, no objectives are ever tested, and, more to the point, very few actions are ever wholly trusted by him. Simply stated, nothing ever fits for “B.” His purgatory is one of constantly plaguing himself with questions such as, “What will my boss think?” “What should I do next?” “What would my predecessor do in this situation?” and “Is it fair for me to ask for this?”



**Figure 4b. Manager “B”—Incongruence**

Because “B” has no clear sense of what he wants, how he sees things, what is or is not important for him, and little ability to support himself, he has no choice but to rely heavily on other people’s views, judgments, and suggestions. This does not provide a healthy prescription for increasing leadership effectiveness.

In Figure 4b, leader “B” actually is somewhere nearer the “X” side of the continuum; however, because of his lack of awareness of this or the social unacceptability of being seen as an “X” type, a surface conversion to human-relations training has occurred, and he perceives himself as being much more toward the “Y” side. This usually takes the form of such thoughts as, “I should be more open (or participative or collaborative or caring).” His assumptions generally are derived from theorists, bosses, and consultants who tell him how he should see other people. From this position, both his theory and objectives are cast in terms of others’ views and values.

The result is that his *actions*, although usually adequate, are rarely creative and rarely fully responsive to the situation; frequently, these actions are low risk. The actions he allows himself, that is, those arising from the perceived boundary, are not compatible with who he really is and how he sees things. Those actions that would fit for him and

be responsive to the present challenging conditions he rejects for fear of being seen as an autocrat, or Theory X type leader.

As opposed to leader “A,” who brings all she has to the work situation, leader “B” brings only the shadow of others. As long as this condition exists, he will never be able to fully maximize his potential for personal growth and creativity, nor will the organization be able to realize the full extent of his ability to contribute effectively. Even more damaging, although more subtle, is that by being incongruent, he models incongruity as his leadership style to those he is attempting to influence. This sets a bad example and tends to increase the probability that the next “generation” of leaders will be even more likely to look to others for guidance and direction first, before attempting to rely on their own knowledge, internal strength, and sense of what is appropriate. His only area for real, effective action is the small area in “Actions” where his actual and his perceived capacities overlap.

The key to increased leadership effectiveness is first to get as much overlap as possible between where you are and where you think you are. The greater the amount of overlap on the “Boundary” level, the more congruence and choices that fit on all other levels, particularly on the “Actions” line.

### ***The Need for Integration***

Gestalt theory maintains that every human being is born with the capacity to experience his or her full range of human characteristics. Furthermore, competence and effectiveness are held to be the natural state. What has occurred in most cases is that, because of societal norms, parenting, education, or religious guidance, we have learned to disvalue certain parts of ourselves. With much help from others, we even have attempted to amputate many of these parts. This can have a strong negative impact on leadership behaviors later on in life. For example, suppose that as a young child I was taught never to speak ill of others. Although the value may be a fine one, believing it completely as a child could result in my being a supervisor who is unwilling or unable to give my direct reports clear, corrective feedback on the job.

Integration is the process through which we begin to regain and re-own these lost parts. Integration also serves the function of effectively expanding one’s I-Boundary. Casting this into the organizational setting, the premise is as follows:

*The more effective leader will be the one who can generate the most alternatives in any given situation.*

Each and every leadership situation that one encounters is, to some degree, unique. A leader’s effectiveness will be increased to the extent that he or she can (1) be fully aware of the uniqueness of this particular situation and (2) be able to respond to the situation authentically. This implies that a leader must have more than a single way of approaching and dealing with contingencies.

For example, suppose that I describe and experience myself as being “easygoing” and “thoughtful.” Furthermore, suppose that I have been fairly effective overall in

consistently coming from this position. People like me this way and reinforce my behavior. However, what happens when there is a crisis or I am attacked in some way? Because over time I have eliminated the tougher, more aggressive parts of myself in order to please others, where do I find the toughness needed to respond to the present situation? In the absence of toughness, I find myself with one of two possible alternatives. I could attempt to restructure the situation so that I could somehow respond to the situation from my comfort zone (attempt to reason with a bully) or I could choose simply not to respond. However, the more authentic ways I have to be—easygoing, tough, thoughtful, aggressive, supportive, angry, humorous, or logical—the more responsive I can be to any ongoing situation.

Note that this does not preclude the reality and the rightness of choosing to spend the greatest majority of my time in my most comfortable stance. It does mean that I can readily leave this stance when the situation calls for it and be just as comfortable for as long as it takes to accomplish what needs to be accomplished from a different position. If leaders would give up their self-demand to be consistent and replace it with a self-demand to be optimally effective, they would be better leaders.

One way of defining alternatives is “ways of being.” A second, and equally important, definition refers to the ability to create choices of action before committing to a specific course of action. Managers frequently limit the generation of workable alternatives because of fear of negative reactions from others or a fear of being seen as unfair. When first viewing the situation, responding to these concerns is definitely counterproductive. However, when it is time to make the conscious choice of what to do, then it is appropriate to consider these restrictions.

For example, I can choose not to implement a certain alternative because it would be unfair to another person. However, unless I am free enough to generate that alternative and am willing to consider it, I have consciously denied myself the option of choosing for or against it. In addition, this particular alternative, although unfair to a single individual, might be the best way to avert an overall crisis.

This view of alternatives underscores the premise that there is no one best way to be. It also suggests that, in most cases, there are several potentially effective ways to attack most problems and pursue most objectives. Each effective leader brings a totally unique being (himself or herself) to each organizational decision point, and the most valuable contribution made is his or her unique perspective.

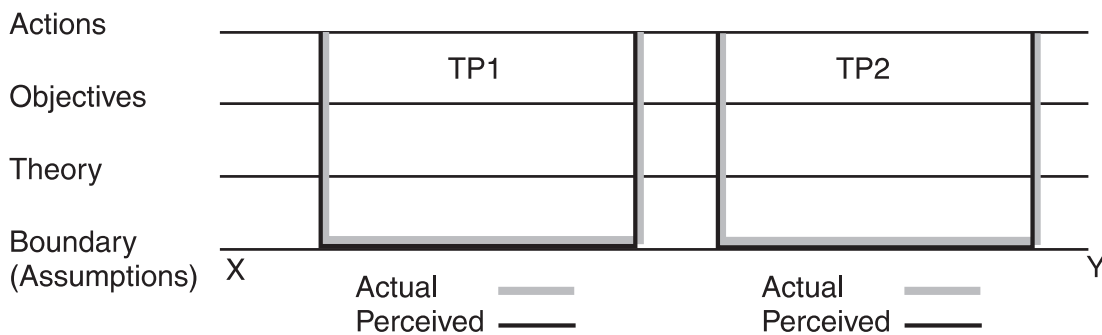
In attaining organizational objectives, the more diverse the originating pool of opinion, the higher the probability that an optimally effective choice will emerge. Anything that discourages a broader range of alternatives limits the potential for a successful outcome. Once again, using Theory X/Theory Y as a convenient reference point, integration can be viewed in terms of how the four levels of leadership contribute to individual leadership effectiveness.

Much recent literature alleges that organizations that operate from a Theory Y set of assumptions and values are more effective than those that operate from a Theory X set. Certainly self-directed work teams and total quality management programs rest solidly

in the Theory Y assumptions about people. Although this allegation may be true in many cases, it is not always true. Many organizations are maximally effective operating from a clear set of Theory X assumptions, such as Marine Corps boot camps, certain religious organizations, and almost all penal institutions. The issue is not so much one of *what* the underlying assumptions are, but rather one of *how* clearly those assumptions are stated and owned by the leadership and membership of the respective organizations.

Given, as a necessary precondition, congruence between a leader's actual and perceived boundaries, the more encompassing the boundary, the broader the effective range of "Actions" available.

In Figure 5, leader "A" is operating authentically from the position on the X/Y sub-boundary in Time Period 1 (TP1). She is clear about the assumptions she holds, i.e., that people tend to be lazy, will avoid responsibility, and mostly are not to be trusted. However, she is using that awareness as a means of selecting the appropriate leadership approaches, objectives, and actions that fit best for her.



**Figure 5. Change**

Assume that she is doing very well and decides that she wants to increase her leadership effectiveness. She attends some workshops in team building and total quality management, does some personal growth work to increase her communication and listening skills, and develops a more genuine concern for her people. A year later, at Time Period 2 (TP2), she is holding a more authentic Theory Y set of assumptions at the indicated point in Figure 5. Is this growth? Most people would say that it is; however, I disagree. It is not growth . . . it is change!

At TP1, leader "A" only has the capacity to view people as potentially lazy, unmotivated, and averse to responsibility. At TP2 she only has the capacity to see them as potential opportunities for growth, motivated, and open to responsibility. At TP1, she might have made a good Marine stockade commander but not a very effective supervisor of a social work unit. In TP2, the situation would be reversed. The secret in increasing leadership effectiveness is to be able to do as much of both as you can!

As Figure 5 suggests, growth for "A" in TP1 would be toward the right, or the Theory Y, side of the scale. For whatever reason, she has limited her capacity for supportiveness and trust. Growth for her in TP2 would be toward the left, or Theory X, side of the scale in order to regain her capacity for toughness and mistrust.

Whether speaking of personal growth in the group setting or of leadership effectiveness in the organizational setting, the premise is as follows:

*Growth is not changing existing positions but rather expanding them.*

Growth, or effectiveness, is best depicted in Figures 6a, 6b, and 6c for leader “B.”

Time Period 1 in Figure 6a indicates the starting position, in which the perceived position and actual positions for “B” are congruent. This is the same point that “A” began in Figure 5.

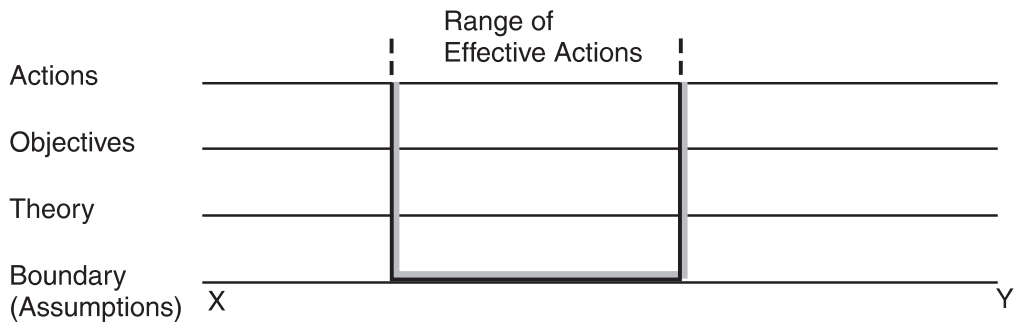
“B” is precisely where he thinks he is. He is clear and unapologetic about where he is and how he sees things and maintains enough flexibility to be willing to learn.

He is now faced with a leadership challenge that requires a more supportive set of assumptions and approaches than he presently possesses. By working out of the extreme congruent position (getting some coaching in communications and listening skills, going to seminars on team building and participative management, and experimenting with some new collaborative techniques that stretch him), he succeeds in overcoming the challenge. Figure 6b, TP2, indicates where he is at the point of successfully responding to the challenge.

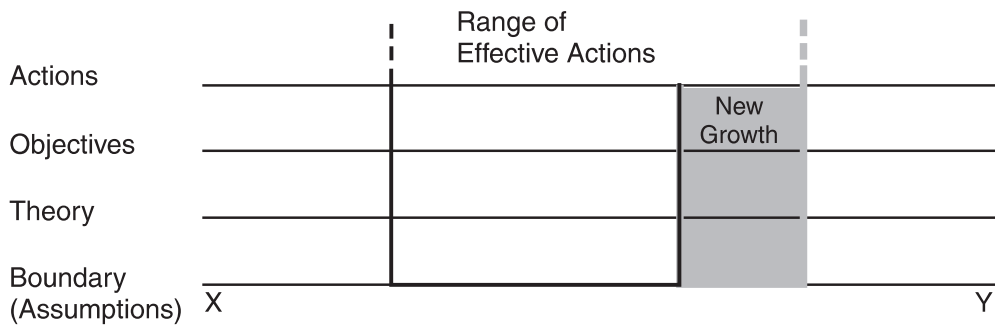
He has done such a good job that he is given a promotion to a new location. On his first day at the new location, he discovers to his consternation that each of his new direct reports is either an ex-convict or would like to become one. His growth opportunity now is in the opposite direction. He needs to increase his capacity for mistrust, provide unilateral direction, be willing to discipline, and so forth. These skills are what the new position requires, and growth is now in the opposite direction, toward the X—the more controlling—side of the continuum. “B” loses no capacities in the process. Figure 6c then depicts his capacities after successfully responding to these conditions.

This model suggests three axioms for increasing personal and leadership effectiveness:

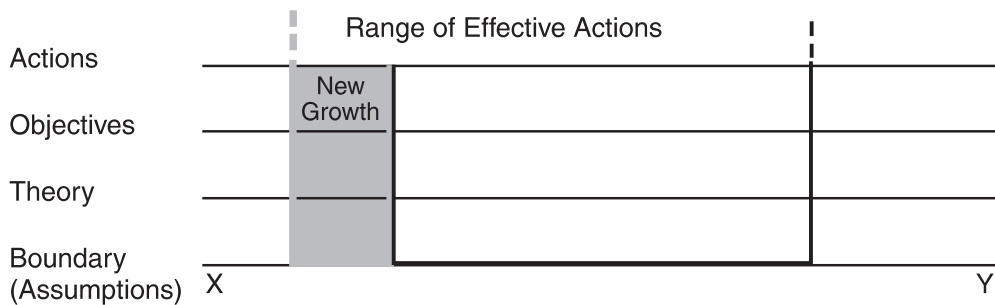
1. When growth occurs on any continuum, in either direction, the far boundary stays fixed. The implication is that anything that ever worked for you in the past has a capacity to work for you again. It just needs to be tested and adapted to the present conditions.
2. Growth, or any increase in effectiveness, always occurs at the boundary. A leader’s best position in the face of new challenge is at the very edge of his or her Zone of Comfort.
3. As one nears the edge of a sub-boundary and the probability for growth increases, the probability of discomfort, risk, and diminished self-confidence increases proportionally.



**Figure 6a. Congruence — TP1**



**Figure 6b. Growth — TP2**



**Figure 6c. Growth — TP3**

Actual ———  
 Perceived ———

## CONCLUSION

Regardless of the setting in which it is employed, the Gestalt approach relies heavily on the use of paradox. Several such paradoxes may be very helpful in increasing leadership effectiveness.

*Paradox I. The best way to build an effective team is to focus on the individual.* The concept of synergy suggests that because the whole (team) is greater than and different from the sum of its component parts (individuals), the stronger each individual member is, the higher the potential for the maximum strength of the team. When the leader



focuses on and legitimizes the value of individual differences and common goals, each group member is encouraged to develop the best way to be and to work. Once this differentiation process is established and is well under way, linkages are formed among strong, confident individuals, each of whom is able and more willing to contribute uniquely to the organizational objective.

*Paradox II. The best way to change is not to change (Beisser, 1970).* The Gestalt approach focuses heavily on what is rather than on what should be. Assisting a leader to be more aware and appreciative of how she is rather than how she should be puts that person in better position to make a conscious decision to remain in this position or to try something different. In short, once the effective Theory X leader is told, “It’s really okay to be how you are,” she no longer has to expend effort in defending her position or hiding it. Making it genuinely safe for her to relax and experience her present position more fully is a change! Any modification in her approach that she makes from this position is because she chooses to do so; if successful, the change will become permanent change. Permanent change is the only kind of change that has lasting impact on increasing the effectiveness of the individual and the organization.

*Paradox III. No “One Best Way” is the one best way.* People are much more different from each other than they are similar, and the same can be said for organizations. The range of uniqueness is infinite and is limited only by an inability to recognize the differences that do exist. No single approach, theory, or set of assumptions is going to be universally applicable to the individual’s or the organization’s needs—this one included.

If, for example, after reading this article, you reject it, you have, paradoxically, acted in consonance with the approach. That is, you have allowed yourself to try something new, have weighed it carefully, and have then consciously chosen to reject it in favor of an existing position. In this process, you have become more aware of your existing position and how it is of more service to you than the one presented here. You are more aware of how our respective theories and assumptions differ, and at least for now, you are more sure that your position is more useful and correct for you than is mine. At the very minimum, you have gained another alternative that might be useful to you at some later date.

Some direct implications can be shown for the future training and development for the leaders of today’s and tomorrow’s organizations. Currently, most leadership training and development programs are geared specifically to the expansion of theory, the pursuit of objectives, and the learning of new techniques. What has been missing is the essential first step—assisting individual leaders in becoming more clear and more confident in the assumptions they make about themselves and others and in their ability to provide the necessary leadership to get the organization where it needs to go.

## **REFERENCES**

- Beisser, A.R. (1970). The paradoxical theory of change. In J. Fagan & I.L. Shepherd (Eds.), *Gestalt therapy now*. Palo Alto, CA: Science and Behavior.

- Bennis, W.G. (1969). *Organization development: Its nature and origins and prospects*. Reading, MA: Addison-Wesley.
- Herman, S.M. (1974). The shadow of organization development. In J.W. Pfeiffer & J.E. Jones (Eds.), *The 1974 annual handbook for group facilitators*. San Diego, CA: Pfeiffer & Company.
- Herman, S.M. (1976). The shouldist manager. In J.W. Pfeiffer & J.E. Jones (Eds.), *The 1976 annual handbook for group facilitators*. San Diego, CA: Pfeiffer & Company.
- Karp, H.B. (1976). A gestalt approach to collaboration in organizations. In J.W. Pfeiffer & J.E. Jones (Eds.), *The 1976 annual handbook for group facilitators*. San Diego, CA: Pfeiffer & Company.
- Karp, H.B. (1995). *Personal power: An unorthodox guide to success*. Lake Worth, FL: Gardner Press.
- McGregor, D.M. (1960). *The human side of enterprise*. New York: McGraw-Hill.
- Perls, F.S. (1969). *In and out the garbage pail*. Moab, UT: Real People Press.
- Polster, E., & Polster, M. (1973). *Gestalt theory integrated*. New York: Brunner/Mazel.

# ■ THE EIGHT-SYSTEMS MODEL FOR IMPLEMENTING TOTAL QUALITY MANAGEMENT

**Homer H. Johnson**

*Abstract:* The failure to make total quality management “total” is the reason for its lack of success in many organizations. This article addresses this problem by proposing a model of total quality management, the eight-systems model, that may be used as a framework for designing a total-quality process. The eight systems are leadership, structure, quality planning, training, rewards and recognition, quality measurement, communication, and quality-improvement activities. The eighth system consists of the activities that actually bring about improvement, and the other systems support those improvements. As The TQM process matures, these systems should merge with the existing and ongoing organizational systems.

The implementation of total quality management (TQM) has been an elusive target in many organizations. The quality landscape seems to be littered with organizations that could never find the first step to take on the path, those that had a furious but short-lived burst of activity, and those that half-heartedly conducted quality activities that never lead anywhere.

One would think that a process that promises increased sales, increased market share, wider profit margins, higher morale, and the like could be adapted easily and quickly to most organizations. However, the contrary seems to be true.

TQM professionals know how to measure quality and have done a superb job of developing problem-solving tools and training programs to teach the tools quickly and competently. Much more difficult to develop has been the methodology to integrate the various pieces that make up TQM in an organization.

The failure to make TQM “total” seems to be the major cause of the inability of many organizations to effectively implement TQM despite its considerable advantages. Too often organizations set up quality-improvement teams, or write a quality mission statement, or establish quality goals but do these activities in isolation, unrelated to how the rest of the organization functions, so they die a quick death. In order for TQM to work, and for the organization to reap the benefits of it, the process has to be implemented “in total.”

This paper is an attempt to address this problem by proposing a model of Total Quality Management, the eight-systems model, that may be used as a rough framework to design a total-quality process. A basic assumption behind the model is that total quality is (needs to be) an integrated set of activities that reaches all parts of the organization, and this is best accomplished by ensuring that the quality process is present in the key systems of the organization. Although an organization may be viewed

---

Originally published in *The 1996 Annual: Volume 2, Consulting* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

as consisting of an integrated set of systems, the quality process also must be viewed as consisting of a similar set of systems.

The systems that define the total-quality process initially may be separate from the standard organizational systems to ensure that they receive the necessary attention. However, once the process develops, the quality system will become an important part of the regular organizational systems. For example, quality planning initially may be a separate process from that of normal business planning. However, as the total-quality process matures, quality and business planning will merge and become parts of the same planning system.

The definition of TQM used in this paper is similar to that used in the Malcolm Baldrige National Quality Award examination items.

Briefly, the underlying assumptions are:

- Quality is defined by the customer;
- The basis of quality is well-designed and well-executed systems and processes;
- The organization's operations and decisions are based on fact;
- Continuous improvement is a key part of the management of all systems and processes;
- The focus is on the prevention of all quality problems; and
- All personnel should be trained and active in quality-improvement activities.

The eight-systems model suggests that TQM can be most successfully implemented by focusing attention on eight basic management systems. These eight systems are:

1. Leadership
2. Structure
3. Quality planning
4. Training
5. Rewards and recognition
6. Quality measurement
7. Communication
8. Quality-improvement activities

This model is illustrated in Figure 1. In the model the seven outer systems are all linked to the inner system, which consists of specific activities, such as quality-improvement teams, that are designed to directly improve quality.

It is important to highlight those quality-improvement activities that directly improve quality or customer satisfaction or whatever the designated targets are in the organization. The fact that an organization has a quality policy, or has quality goals, or trains its employees in statistical process control does not reduce scrap or cycle time one bit. Improvement can come only through the employees' and managers' actually changing the ways in which the work is done or changing the design of the product or

service. The quality-improvement activities are absolutely critical, and all of the other systems should be directed toward making sure that the improvement activities are occurring effectively.



**Figure 1. The Eight-Systems Model for Total Quality Management**

A basic assumption of the model is that in order to design an effective TQM process for an organization, the following must occur:

1. All eight systems must be “activated,” i.e., the design will include all eight systems;
2. There must be a clear and specific set of activities or functions for each system; and
3. The activities of the eight systems must be integrated into a coherent total-quality process.

## **1. LEADERSHIP**

Because total quality management includes the total organization, it is especially critical that it be led by the key executives of the organization. Indeed, the first category of the

Baldrige Award is leadership. This category is seen as the “driver” of the other categories of the award. One of the frequently cited causes of the failure to implement a TQM process is the lack of commitment or the half-hearted involvement of the senior managers.

The role of senior management, in fact of all management, is to exhibit leadership, personal involvement, and visibility in the quality-related activities of the organization. Management has a special role in creating clear quality values and ensuring that these are communicated throughout the organization and integrated into the day-to-day management and supervision of all organizational units.

Because “quality leadership” may be new to most managers, it may be helpful to define their roles in very specific terms by listing those activities that are expected of senior managers as well as other managers.

This activity list, or behavioral-role description, may be two lists. The first list consists of those actions that a senior manager must execute to implement and maintain a TQM process, such as to form and chair a Quality Council; to make quality a part of the performance goals of his or her direct reports; to make sure that sufficient resources are provided for the quality activities; and so on.

The second list includes those activities that signal the senior manager’s personal commitment to (or modeling of) the TQM process. Examples of these kinds of activities include his or her personal training of direct reports; full attendance at quality council meetings; having quality-improvement projects active in his or her office; visiting quality-improvement team meetings; writing a monthly article on quality for the company newsletter, and so on.

Similar behavioral-role descriptions should be developed for managers throughout the organization to ensure that all managers are “leading” the quality process. The Xerox Corporation (Kearns & Nadler, 1992) has used this very effectively in its “Leadership Through Quality” process in providing “Standards for a Role Model Manager” to which all managers are to adhere. Xerox managers receive feedback from employees as to the manager’s conformance to these standards through an annual survey and are evaluated on these standards in the regular performance-appraisal process, and these standards are used as criteria for promotion. This provides an effective vehicle for establishing (and integrating) the “Leadership Through Quality” process throughout the organization.

## **2. STRUCTURE**

If TQM can be viewed as a planned coordination of activities directed toward a specific goal, i.e., total customer satisfaction, then the quality “structure” can be viewed as both the division of labor and the hierarchy of authority of the coordinated activities. Thus, the quality structure tells who has the responsibility for what quality activities and defines the lines of decision-making authority.

The area of TQM design in which there is a significant danger of creating a mechanism that would compete or interfere with normal business operations is the

creation of structure. There is a danger of creating a bureaucracy that could overpower the basic business processes that are key to delivering the organization's products and services.

For this reason, it seems imperative that the quality structure must have the following characteristics:

1. Closely mimic the formal structure of the organization so that it can be coordinated easily with the "normal" activities of the organization. (For example, if there is a quality council directing the quality efforts, it should consist of the members of the senior management team.)
2. Not be complex, be easy to operate, and not generate a bureaucracy of its own.
3. Eventually be merged into the "normal" structure and activities of the organization. (For example, it is difficult to see the quality activities of the Ritz--Carlton Hotel or AT&T Universal Card Services [1992 Baldrige Award winners] as anything but the normal and routine activities of these companies.)

Given all the previous provisions, Figure 2 outlines a fairly typical structure for a large corporation.

As illustrated in the figure, the quality efforts are led by senior managers who also are members of a quality council. The responsibilities of this council are to formulate quality policies and values, to formulate quality goals, to review progress on these goals, and to direct corrective actions when necessary.

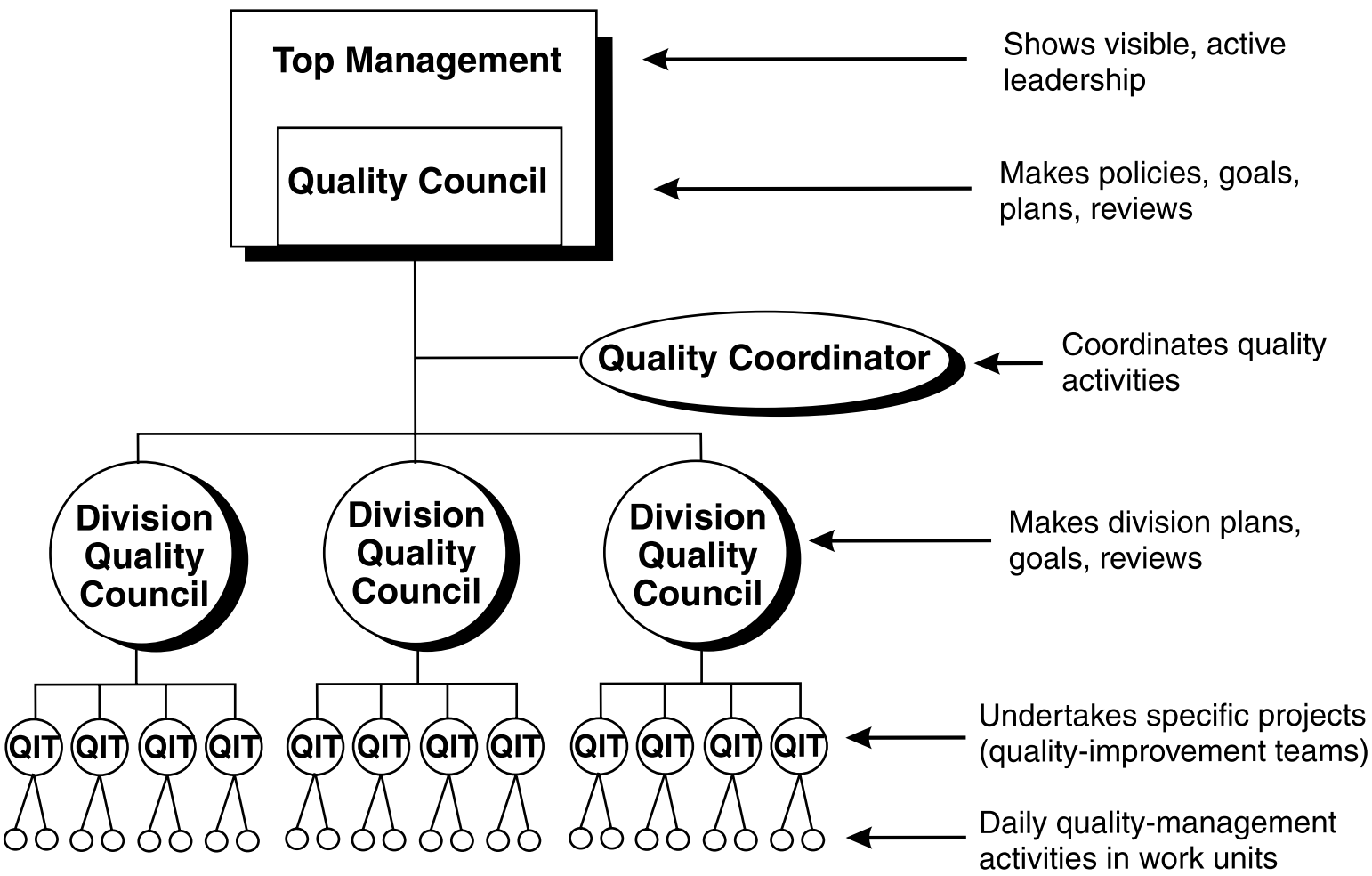
The quality coordinator facilitates and coordinates quality-related activities. He or she is not responsible for quality in the organization; the managers and employees have that responsibility, with top management driving the process. This is not an "authority" position; it is one of coordination and prodding.

In Figure 2, each division (or plant or region) of the organization may have its own quality council, which has the same responsibilities as the council for the total organization; however, it is focused on quality-related activities of the division. It is led by the top management of the division, although the membership of the council may be broader in scope (e.g., it may include union representatives in unionized plants).

The next step in the structure is quality-improvement teams (QITs), which are assigned or choose specific quality-improvement projects. These teams are often cross-functional teams; however, they also may be within a department, or company/supplier teams, or company/customer teams.

The final activities listed in Figure 2 are those that occur as part of the daily routine of the work unit. These may include the monitoring of quality indicators, the use of statistical process control, inspection, and problem-solving activities.

The structure outlined is only one of many possibilities, and one has to design a system that best fits the organization. The important point is that there needs to be some coherent and coordinated division of labor and hierarchy of authority for quality-related activities if a total-quality process is to be successful.



**Figure 2. Quality-Management Structure**



### 3. QUALITY PLANNING

Quality planning is the process of setting quality-related objectives as well as deciding on the suitable courses of action to be taken for accomplishing those objectives.

The planning system specifies the direction that the organization will take in both the long term (five years) and the short term (one to three years) and describes the actions necessary to achieve the goals and objectives. The planning system must take into account and plan for the personnel, equipment, and training costs of the quality effort. It also should include a review-and-correction process to monitor progress on the quality plans.

As with the other systems, it is imperative that the quality-planning system be integrated with the “normal” business planning and budgeting processes of the organization. However, in the initial implementation of the quality process, a separate quality-planning process may be useful both to highlight the process and to provoke discussion of quality objectives and actions.

Most quality-planning efforts in organizations in the United States are similar to, or a part of, the organization’s annual management-by-objectives (MBO) process. This process includes a category for “quality objectives” together with other categories of business objectives. First, top management formulates the general objectives of the organization, then unit objectives follow in a flow-down procedure. There usually is some input and negotiation between units, divisions, and corporate headquarters as the process develops. All objectives and plans, at all levels, should support the strategic goals of the organization. Quite often, those objectives are tied in with the compensation system, so a division head’s or plant manager’s annual bonus is contingent on the attainment of specified objectives, including quality-related objectives.

Another planning process, more popular in Japan than in the United States, is quality policy deployment or Hoshin planning (Akao, 1991). The strategy of Hoshin planning is to focus the organization’s resources on a few (three to seven) specific and important goals. These goals, chosen by the policy deployment committee, are important to the customers or the organization and allow significant progress or “breakthroughs” to be made. The assumption is that it is better to make substantial progress in a few critical areas than to expend energy in a lot of areas, many of which are of minor importance.

The critical differences between the MBO process and the Hoshin process are as follows:

1. The care with which the Hoshin process targets a limited number of objectives that will have a significant impact on quality or customer satisfaction.
2. All units or persons who might contribute to those objectives are expected to do so.

For example, one of the Hoshin goals of Florida Power and Light was to eliminate or significantly reduce blackouts. Its customers had identified this as a top priority. All

units that might contribute to this goal, e.g., equipment design, purchasing, customer service, and repair services, made this one of their main quality priorities.

Many organizations, including those that are active in quality improvement, do not have a formal quality-planning process. There is an expectation that all units will be engaged in a process of continuous improvement, and the units know where best to direct their efforts.

The danger with this “nonplanning” approach is that a lot of energy is spent on activities that may have little impact. There also is the danger of what Deming referred to as “suboptimizing the system,” in which each unit optimizes its own area of responsibility and, in doing so, throws the larger system out of order (Walton, 1990). Some planning mechanism is necessary, one that helps coordinate quality activities around important quality goals.

#### **4. TRAINING**

The objective of the quality-training system is to provide all personnel, and sometimes suppliers and customers, with the skills to effectively perform quality-related activities. However, quality-related training is not the only type of training a manager or employee should receive. Some of the better organizations view themselves as “continuous learning” organizations, in which every person is expected to continually update and extend his or her job-related skills. Some organizations stipulate that all employees are obligated to engage in a specified number of hours of training annually. Quality also can be improved by increasing a person’s competence to perform his or her job.

Quality training should be systematic and systemic. There should be several courses available for all personnel, some of which are required of everyone and some of which are restricted to those who need the specific skills.

Organizations that are beginning quality efforts should start with “quality awareness” training, with special emphasis on what TQM is, what the organization expects to gain by implementing it, and what will be expected of managers and employees as participants in the process. After the first cycle is completed with all personnel, all new hires should be given awareness training regarding the quality strategy being used in the organization and what is expected of them in the process.

Everyone in the organization also should be trained in a quality-improvement or problem-solving model—a model that is used to solve quality problems. There are several popular models, most being six-, seven-, or eight-step, structured problem-solving sequences. Some organizations train all employees in how to use the chosen model; other organizations train employees on a just-in-time basis.

Several other courses might be included in quality training. For example, courses on team skills and facilitation skills are pertinent, as much of the quality improvement occurs in teams. There could be a course on statistical process control, if the organization uses the technique, and a course on quality planning. There are other, highly specialized, courses that teach skills used by quality professionals.

The question often arises of who should do the training: the training department, outside consultants, managers, or managers and line employees? A strong case can be made for managers (or managers and line employees) providing the quality training, as they are the people most in contact with how it will be used. They also have the highest credibility. There is no better way to learn something thoroughly than by teaching it.

The flow-down method of start-up quality training used by Xerox, in which the CEO trains his direct reports and they, in turn, train their direct reports, sends a very clear signal about the commitment of managers to the quality process.

Another related issue is whether all personnel should receive two or three days of training on the quality-improvement process and the quality tools or whether the training should be done “just-in-time” by forming improvement teams around an important quality problem and training the teams as they progress. The latter approach seems to be gaining in popularity because it avoids training people who do not use their acquired skills immediately and it is less costly.

Training does not occur only in a classroom; it should be an integral part of the job. Managers and employees should be coaching and instructing one another on tools and techniques, and teams should be evaluating the processes they are using to continually increase their effectiveness.

## **5. REWARDS AND RECOGNITION**

One of the major causes of failure of the quality process is a reward system that “endorses” quality but actually rewards something other than quality work. For example, in many organizations the only important performance criterion is meeting a production quota. Managers and employees understand what is important and what is not, and quality becomes something that is preached but not practiced.

This area elicits considerable controversy among quality professionals, particularly around the appraisal and reward aspects of the system. For example, W. Edwards Deming (the TQM “guru”) was opposed to performance goals, performance appraisals, and rewarding employees based on individual performance (Walton, 1990). He argued that 85 percent of performance is caused by the design of the system, and employees have very little influence over this. Any differences that appear in employee performance are probably the results of random fluctuations.

Two additional points must be considered. The first is that managers and employees quickly learn what is important in their jobs and act accordingly. The message that quality is important must be reinforced. Managers and their subordinates have to know that they will be rewarded in some way for producing quality products and services and that quality work is one of the expectations of the job.

A second, critical, point is that most U.S. organizations schedule annual (or quarterly) performance appraisals that determine, among other things, pay increases and promotions. Many U.S. organizations have bonus systems for executives and key

managers. Whether it makes sense or not, performance appraisals and differential reward systems are part of the fabric of U.S. business.

Somehow, quality must be incorporated into performance appraisals and reward systems. One option is to do so directly. Xerox Corporation's "Leadership Through Quality" process is a good example of participation in quality improvement as a basis for raises or promotion. Other organizations have based portions (e.g., 25 percent) of executives' annual bonuses on specific improvements in quality results. Another approach is Motorola's performance-management system: a traditional MBO system is used for regular work planning (and annual pay raises), and a "Participative Management Program" has teams working on specific quality-related projects for which they receive an annual bonus, based on the results they achieve.

Although making quality a part of the appraisal and reward system is critical, surveys have indicated that employees are just as pleased with nonmonetary recognition. There are various ways of recognizing employees for their quality efforts, such as listing their names in the company newsletter; awarding them certificates, plaques, quality-recognition pins, t-shirts, movie tickets, or special parking places; placing their names on a "Quality Wall of Fame," and so on. Organizations that use Phil Crosby's TQM model (Crosby, 1979) have developed elaborate and effective programs for the recognition of individuals and teams who have excelled in quality (Johnson, 1993; Townsend, 1990). There are many ways of rewarding and recognizing people for quality work. The important thing is that a reward and recognition program for quality be in place.

## **6. QUALITY MEASUREMENT**

An old adage states that you cannot manage what you cannot measure. The goal of the measurement system is to collect information on quality-related processes and results, to convert these data to usable formats, and to distribute the data to the appropriate user in a timely fashion.

The purpose of collecting quality-related information is to use it to improve the quality of the products/services and processes of the organization. The information is used as a "score card" to see how an organization or a unit is doing in a particular area and then to improve its processes or products.

This purpose should be very clear in an organization that is implementing the TQM process. Information should add value to the organization. The only way it can add value is in the hands of people who transform the data into action. Otherwise, the information is of no value, and collecting it is a wasteful activity.

The information that is collected in this process must have the following characteristics:

- Important to a quality-related process and to the customer; and
- Available to a person or unit who can use the information to improve the process or product or service.

A large organization may collect data on several hundred indices of quality. For example, First Chicago Corporation regularly collects data on 650 indices of quality. However, much of these data are collected only within specific units and are only of value within those units. Thus, the money transfer unit may collect data on six or eight quality indices related to its effectiveness, and the mail service may collect data on a different six to eight indices related to its effectiveness.

The types of data usually collected can be classified in four general subcategories:

1. External-Output: Data on customer satisfaction with products and services, complaint handling, product inquiries, conformance to specifications, etc.
2. External-Input: Data on quality, timeliness, etc., of suppliers' and vendors' products and service.
3. Internal-Company-wide: Data on safety, employee turnover, error rates, number of on-time shipments, employee satisfaction, etc.
4. Internal-Within Divisions or Units: Data on products or processes specific to divisions or units, e.g., statistical process control within a unit, frequency of machine breakdown, cycle time, etc.

The measurement system is critical; it is the organization's scorecard. An organization cannot know where its problems are or whether it is making progress in solving them without a good system of measuring and monitoring.

## **7. COMMUNICATION**

As TQM becomes implemented in an organization, there is an increasing need to establish channels of communication in order to keep people informed about progress. People must be continually reminded of the purpose, goals, and activities of the quality process or they will lose interest.

One major communication need is keeping people informed about the many quality activities that are going on in the organization. Information about training activities, progress on the quality goals, the activities of each of the cross-functional quality-improvement teams; notification of coming events; and announcement of quality-award winners all are important. One effective way of disseminating this information is through a weekly or monthly quality newsletter that is distributed to all personnel. The newsletter also may include a message from the CEO and recognition of people who were helpful in the quality effort. Other communication channels are a quality bulletin board (either on a wall or via the computer), special meetings (or rallies), award ceremonies, and making quality news part of the agenda of all meetings.

A second important area of communication is the transfer of quality results. There needs to be a mechanism by which the improvements made by a quality-improvement team are dispersed for use by all relevant units. For example, one of the QITs at Florida Power and Light found that galvanized-metal power switches would corrode in salt-spray areas and subsequently fail. Changing to bronze or stainless steel switches

eliminated this problem and increased service reliability. This knowledge was dispersed and is now company-wide policy (Staff, 1988). Typically, the responsibility for the transfer of results rests with the quality council and the quality coordinator.

## **8. QUALITY-IMPROVEMENT ACTIVITIES**

This system encompasses those tasks and activities that directly affect the quality of the products, services, and processes of the organization. The words “directly affect” are key to the definition of this system. There are some activities that directly maintain and improve quality, and there are other activities that provide support for these direct activities. It is only through these direct activities that quality improvement can occur.

This distinction is critical. There are organizations that have a quality policy or a quality council, or who set quality goals, but in which there seems to be no improvement in the quality of their products and services. In such organizations, the problem often is a failure to execute. The mechanisms designed to directly impact the quality of the products or services or processes are either nonexistent or perform poorly.

This system is the most difficult to do and to do well. It is relatively easy to write a quality policy or to set quality goals, but considerably more difficult to get quality improvement teams, quality circles, a suggestion system, and the like working effectively and delivering quality improvements on a consistent basis.

In developing this system, it is important that the activities be limited and focused, tailored to the organization, and coordinated with the quality-support systems. Too many diffuse activities are difficult to monitor, difficult to control, and difficult to keep focused on the important initiatives of the organization.

A minimal but effective system may be limited to only three basic activities:

1. A process for identifying the important quality indicators for a unit and developing a system to measure and monitor them.
2. A problem-solving and improvement process within each unit. (This could be weekly team meetings to review the key quality indicators for the unit and initiate ways of improving them, or more formal quality circles, or special project teams.)
3. A problem-solving and improvement mechanism to deal with cross-functional issues, with organization-supplier issues, and with complex problems not easily handled by a regular work team. (The most common examples of this mechanism are quality-improvement teams with cross-functional membership and which deal with cross-functional problems.)

The goal of these activities is continuous quality improvement. The teams do not wait for a problem to occur; they identify key products and processes and work to continually improve them. This is a never-ending process of focusing on a product or process, improving it, and then going on to another product or process and improving it. If this process is occurring in all units, the organization cannot help but improve its customer service and its competitive position.



A variety of other activities can be used to directly affect quality in an organization. Perhaps most common is a company-wide suggestion system in which anyone can suggest quality improvements regarding any process or product, not necessarily in their work area.

Another effective improvement mechanism is the audit team, which may be made up of customers, outside consultants, or internal personnel. The team reviews processes or products and makes recommendations for their improvement.

## **IMPLEMENTING AND INTEGRATING THE SYSTEM**

If the total-quality process is to be successfully implemented in an organization, the eight systems must be activated and integrated in all functions of the organization.

- “Activated” means that there is a set of quality-related activities ongoing in each system.
- “Integrated” means that the activities in the eight systems support and reinforce one another.
- “In all functions” means that all units of the organization participate in the quality process.

Although there are several approaches to implementing a TQM process in an organization, one of the most common is to begin the design process by “benchmarking” several similar organizations that have implemented TQM and identifying what would work best for one’s own organization. Benchmarking is the method by which members of one organization visit other organizations that are noted for their superiority in particular processes. They learn how the “best” operate and use this information as the standard in designing their own processes. For example, L.L. Bean is noted for its superiority in the distribution process and has been used as a benchmark by many firms.

The next step is for the top executives and key managers to develop a general vision of what they want the organization to become and how the quality process fits in, and then to set some general quality goals. The next step is the design of a quality structure that can facilitate the goals, including an outline of types of quality-improvement activities that are critical to achieving substantial gains in quality. This step is followed by quality-awareness training throughout the organization, then by the creation of a quality-measurement system in all units. The process continues until all eight systems are activated.

The process should be guided by a design checklist. This document lists all the major pieces that have to be in place in order for the TQM process to be fully implemented. The contents of the checklist vary, depending on the size of the organization and the approach being taken. The elements in the design of the process for a small company are different from the elements for a large corporation. As the key managers and others are benchmarking other organizations and reading about others’ successes and failures, they will be gathering ideas about the elements that need to be in

the TQM design of their organization. Each element should be examined, and a consensus should be reached as to which elements will be included. The final design checklist becomes the TQM implementation strategy for the organization.

The eight systems provide the framework for the design checklist. They include all the major elements that need to be activated in order to have an effective TQM process. Although the elements that make up the design may vary, all eight systems must be activated.

Figure 3 is an abbreviated outline of a design checklist. It is provided for illustrative purposes; the checklist for each organization should be developed by the organization itself, not borrowed from others. The sample checklist outlines twenty-six activities that are important to the total quality management process.

<p><b>LEADERSHIP</b></p> <ul style="list-style-type: none"><li>■ Top managers have investigated several leading organizations to learn of their quality plans and processes and to establish benchmarks based on their findings.</li><li>■ Top managers are trained in quality principles and tools.</li><li>■ Top managers are actively involved in quality-related activities.</li><li>■ Top managers send clear messages through their communications and behaviors that quality is a priority in the organization.</li></ul> <p><b>STRUCTURE</b></p> <ul style="list-style-type: none"><li>■ A quality council directs the quality activities of the organization.</li><li>■ A quality coordinator has been appointed to coordinate the quality activities of the organization.</li><li>■ Clear lines of responsibility, authority, and communication have been established for the quality process.</li><li>■ Every unit in the organization knows that it is expected to participate in measuring and improving quality.</li></ul> <p><b>QUALITY PLANNING</b></p> <ul style="list-style-type: none"><li>■ The organization has a quality mission statement and values statement that is understood by all personnel.</li><li>■ The organization sets quality-improvement goals and has an effective mechanism for communicating the goals to all units.</li><li>■ Quality goals are based on understanding and satisfying customer needs.</li><li>■ There is a mechanism in place that assures that adequate resources will be available to implement the quality activities.</li><li>■ The quality council periodically reviews progress on the quality goals and initiates corrective action as needed.</li></ul> <p><b>TRAINING</b></p> <ul style="list-style-type: none"><li>■ All personnel receive quality-awareness training.</li><li>■ The organization has a curriculum for training all personnel in quality principles and tools.</li><li>■ All employees are trained in using a standard, continuous-improvement model.</li><li>■ Quality-improvement teams receive training in how to work effectively as teams.</li></ul>
---

**Figure 3. Sample Design Checklist for the TQM Process**



### **REWARDS AND RECOGNITION**

- The organization rewards employees for achieving quality goals.
- Promotion and advancement are, in part, based on achieving quality goals.
- The organization has a program that recognizes employees who have contributed to the quality process.
- The organization has a mechanism for celebrating, on a company-wide basis, quality accomplishments.

### **QUALITY MEASUREMENT**

- The organization uses several indices to measure organization-wide quality.
- The organization regularly measures customer satisfaction with its products and services.
- Each work unit has several indices to measure the quality of its processes and output. These data are posted in the unit.
- The organization measures and monitors the quality of its suppliers.
- There are effective mechanisms for utilizing the data from the quality-measurement system to improve the quality of the organization's processes and products.

### **COMMUNICATION**

- The quality mission and values, the goals of the quality process, and its importance to the organization are communicated to all personnel.
- The organization has an effective mechanism for informing all personnel about quality information and activities.
- Issues concerning quality, including plans and reviews of results, are regularly on the agenda of meetings.
- The organization has a mechanism for dispersing improvement results from one unit to other units.

### **QUALITY-IMPROVEMENT ACTIVITIES**

- Quality-improvement efforts are conducted in every unit of the organization.
- Several quality-improvement teams are actively pursuing cross-functional or cross-departmental quality problems.
- A quality-improvement team is working with key suppliers to improve the quality of incoming materials.
- Quality-improvement teams are working with key customers to find ways to improve products and services.

**Figure 3 (continued). Sample Design Checklist for the TQM Process**

“Total” is the key word: the process must touch all systems in the organization if it is to be effective. The sample list does not include all the activities that might be part of the process. For example, important areas such as employee empowerment, employee feedback, and customer feedback are not on the list in order to keep it from being too lengthy.

Finally, there needs to be a mechanism in place that periodically reviews the effectiveness of the TQM process—whether it is achieving the desired results, what is

working and what is not, what needs to be added and what needs to be dropped, and how the process can be improved to make it more effective.

It should be obvious that all of this requires a major effort on the part of the managers and employees of an organization; however, the payoffs are well worth the effort. The quality process leads to greater sales, to lower costs, to wider profit margins, and to higher morale. It is a great way to keep customers and employees satisfied and to keep the organization profitable. That is as much as one can expect from any business practice.

## **REFERENCES**

- Akao, Y. (Ed.). (1991). *Hoshin kanri*. Cambridge, MA: Productivity Press.
- Crosby, P.B. (1979). *Quality is free*. New York: McGraw-Hill.
- Johnson, H.H. (1993). There's no more doubting Thomases here: How a small service company discovered quality. *Journal of Quality and Participation*, 28, 10-16.
- Kearns, D.T., & Nadler, D.A. (1992). *Prophets in the dark*. New York: Harper Business.
- Staff. (1988). Building a quality improvement program at Florida Power and Light. *Target*, 4, 1-16.
- Townsend, P. (1990). *Commit to quality*. New York: John Wiley.
- Walton, M. (1990). *Deming management at work*. New York: Putnam.

## ■ JOB ENRICHMENT

### Francis V. Jessey

The motivation-hygiene theory, underlying what is known as “job enrichment,” grew out of research on job attitudes conducted by Frederick Herzberg (1966). In establishing his theory, Herzberg draws heavily on the hierarchy of needs developed by Abraham Maslow. Herzberg stresses that the factors that truly motivate work are “growth” factors, or those that give the worker a sense of personal accomplishment through the challenge of the job itself. In other words, motivation is in the content of the job, the internal dynamics that the worker experiences in completing his or her task.

On the other hand, Herzberg maintains that the context, or environmental factors (hygiene), that surround the job cause dissatisfaction when they are in unhealthy condition. These dissatisfiers may be classed as “deficit” needs in that their importance is felt only in their absence. For example, good working conditions rarely motivate workers. However, bad working conditions are frequently cited by workers as sources of dissatisfaction.

#### **MOTIVATION FACTORS (JOB CONTENT)**

##### SATISFIERS

Work Itself  
Achievement  
Recognition  
Responsibility  
Growth and Advancement

#### **HYGIENE (JOB ENVIRONMENT)**

##### DISSATISFIERS

Company Policy & Administration  
Supervision  
Working Conditions  
Interpersonal Relations  
Salary

An example of job enrichment might be the telephone installer who is given the list of places to be covered during the day and asked to order them in the way he or she believes will be most efficient, rather than being given an itinerary preplanned by the manager who doesn't “know the territory” firsthand the way the installer does.

### **PRACTICAL APPLICATION**

In the years that I have been assisting organizations in the implementation of job enrichment, I have witnessed results that are not only dramatic from an economic

---

Originally published in *The 1972 Annual Handbook for Group Facilitators* by J. William Pfeiffer & John E. Jones (Eds.), San Diego, CA: Pfeiffer & Company.

viewpoint but, equally important, imply that it has stimulated management awareness, growth, and effectiveness. Although not originally designed to fulfill the function, job enrichment has been significantly effective in assisting supervisors to improve their management styles. The organization development application of job enrichment is popular because (1) it can easily be adapted by all levels of management, (2) payoff (results) can be realized in a relatively short time span and, (3) it can be measured in specific terms.

The primary purpose of this paper is to present an example of a practical model that I have found effective in implementing job enrichment. The model has been utilized in large and small business organizations as well as in a medium-sized civic organization.

When I first enter the organization or a “family” group within an organization, I have two primary objectives in mind. First, I attempt to give a thorough interpretation of job enrichment and my role in it. Second, I try to assess the level of management commitment. I point out the possible consequences of inadequate commitment, which can affect the supervisor-subordinate relationship in the areas of trust and respect.

After understanding and commitment have been established, management “family” groups attend a two-day, job-enrichment workshop, preferably removed from the work locale. The workshop is designed to (1) teach the participants the theory behind job enrichment, (2) allow them to witness how others have utilized it, (3) enable the group members to experiment with one another in applying job enrichment and, (4) assist the participants in realizing how the implementation of job enrichment will affect their own jobs as well as the jobs of their subordinates.

Immediately after the workshop, I either distribute a job-reaction survey to everyone in that family organization—management and nonmanagement—or I personally interview each person. I receive permission from each person being interviewed to allow me to tape record the interview for the purpose of playing the tape back to the supervisor. In this manner, the interview feedback has full value in that the supervisor is able to sense the feelings associated with the subjects being discussed as the employees describe their reactions to their jobs. Incidentally, although I prefer the taped interview, it should be noted that it is time-consuming and, therefore, more expensive. It is ideal for small and medium-sized groups. (In my experience, 75 percent of the employees interviewed wanted increased responsibility and autonomy in their jobs. Their main concern was that their intrinsic talents and interests are not being activated and utilized at work.)

The taped interview is played back to the supervisor, and appropriate notes are taken by both of us as we listen. After the supervisor has heard all the interviews, he or she develops a “plan of action” that is a positive reaction to the expressed desires of each individual subordinate. It is essential at this point that the supervisor recognize and accept how the implementation of job enrichment will change the focus of his or her job and that he or she begin to practice new behaviors when interacting with his or her subordinates.

As soon as possible after hearing the interviews, the supervisor meets with each subordinate separately to mutually decide how best to bring about the changes the subordinate has asked for. This is a key meeting that has the potential for substantially “bridging” the relationship between the two individuals. When it is handled properly, former “hidden agendas” are surfaced and positively dealt with in a trusting and open discussion.

After this initial stage has been implemented, the supervisor must be on the alert for appropriate opportunities to provide valid, helpful feedback. The amount and appropriateness of feedback will determine how well job enrichment is integrated into the organization. A lack of feedback can be a cause of failure.

From three to five months after the start of the effort, I randomly interview a representative number of employees to determine the degree to which there is a “fit” between how managers are assessing the effort and how subordinates feel about it. Pointing out any differences of opinion is helpful to both. It also is a good opportunity to determine what effects the implementation of job enrichment is having on areas such as the climate of the organization, the management style, other departments, customers, etc.

## **SOME PAYOFFS**

Earlier I alluded to the positive results that I have seen job enrichment bring about. In one clerical office employing a total force of approximately 125 people, turnover was reduced from an average of fourteen people per month to an average of four per month. (This took place prior to the 1969 economic downturn.) The recruiting, training, and production savings in this instance amounted to \$141,000.00 annually.

In every successful effort, turnover and absenteeism have been significantly reduced because employees see the job as the vehicle for self-actualization. Union grievances in one organization dropped from four per month to zero. In some cases, suggestions from employees that led to job restructuring resulted in the same production being accomplished by 10 percent fewer people. The quality of work has improved in all the organizations that I have witnessed that have committed themselves to high effort.

Employees are involved in some interesting experiences as a result of job enrichment. Many of the more capable employees have replaced their supervisors while they were on vacation or at conferences. The “temporary boss” has full responsibility and is paid a salary differential during the period. Employees are also paid to assist in the training and coaching of new employees and people on new assignments. Where appropriate, employees are given as much freedom and latitude as is possible. External double-checks, such as traditional quality control, are eliminated, and the quality control is internalized within the employee.

The emphasis changes from “management knows best” to the individual employee determining what is best for him or her in any given situation. The consequences are unlimited. The worker regains the sense of being treated as a unique and talented adult. The supervisor regains the respect of his or her subordinates. The organization’s gain is

in providing satisfying jobs for employees to increase the organization's effectiveness and health.

## **REFERENCE**

Herzberg, F. (1966). *Work and the nature of man*. Cleveland, OH: World.

## ■ THE SUPERVISOR AS COUNSELOR

**Robert A. Zawacki and Peter E. LaSota**

As Fred Fiedler reminded us in a *Psychology Today* article (1973), ship captains once could actually whip sailors who didn't obey orders; managers could fire people on the spot for slacking off; and students could be expelled from school for talking back to teachers. Today, all that has changed. Sailors are permitted to grow sideburns; unions and legislation protect workers from being fired outright for anything other than a major transgression of the rules; students are asked for their suggestions and even for their opinions.

The person in charge used to have unquestioned authority to command and compel. Today, supervisors must focus on persuading rather than ordering workers to perform. They must learn how to convince workers to achieve their objectives or change their behaviors.

How can the supervisor do this effectively? One of the best ways is through counseling.

The word *counselor* has been abused lately. Counselors run the gamut from well-trained professionals to amateurs who deal in such unscientific areas as loan counseling and even funeral counseling. The "true" counselor is a trained expert who understands the application of behavioral science concepts to human relations. Supervisors cannot hope to become "professional" counselors without extensive training and certification, but they can improve their counseling skills to the point where they can use them to effectively persuade subordinates to be more productive.

### **ROLE CONFLICT**

Of all the roles that a supervisor may fill in his or her daily life (father or mother, son or daughter, husband or wife, disciplinarian, leader, etc.), the role of counselor may be the most difficult to understand. One reason for this is that some supervisors find their role as counselor in conflict with their role as disciplinarian. This often is the result of poor or inadequate management training and a lack of understanding about how to shift from one role to another.

---

Originally published in *The 1975 Annual Handbook for Group Facilitators* by John E. Jones & J. William Pfeiffer (Eds.), San Diego, CA: Pfeiffer & Company. Reprinted by permission of publisher, from *Supervisory Management*, November 1973 © 1973. American Management Associations, New York. All rights reserved.

## ***Change Your Perceptions***

To simplify this problem of role conflict, think of the counseling role in terms of a helper/receiver relationship rather than a counselor/client one. Both helper and receiver must understand that the helper is trying to influence and change the behavior of the receiver in a way that will be useful to both of them.

In the helper/receiver relationship, both parties have needs, values, and feelings that influence their behaviors in the relationship. In the old days, the supervisor could tell the receiver what was best for him or her without any interaction or without considering the subordinate's needs, values, and feelings—unless the supervisor was extraordinarily sensitive. The receiver—either through fear of losing his or her job, or respect for the supervisor, or both—often carried out the supervisor's prescriptions. But the supervisor was sharing the responsibility for the outcome of his or her recommendation. If the receiver carried out the supervisor's recommendation and it failed, the receiver could always blame the supervisor for having given poor advice.

## ***SELF-CONCEPT***

Before a supervisor can even begin to counsel a subordinate, he or she should understand what is likely to go on in a particular subordinate's mind while the subordinate is being counseled. To get anywhere close to the mark, the supervisor must know as much as possible about the subordinate's personality, feelings, and attitudes.

Each of us has created an image of himself or herself—an image variously tagged by behavioral scientists as the “self-image,” the “self-structure,” or the “self-concept.” Regardless of the label used, each of us has a system of ideas and beliefs about himself or herself that is accumulated through many life experiences.

Here are some important things to remember about a subordinate's self concept that will directly affect your counseling relationship: (1) it is a pattern of beliefs developed over a long period of time; (2) the person has a deep-seated need to preserve this system of ideas about himself or herself; and (3) in most cases, the person will want not only to preserve it but also to enhance or improve it.

Behavioral researchers have found that people cope with threats to their self-concepts by exhibiting defensive behavior or by changing their self-concepts and, possibly, their actions. The greater the threat to the person, the more negative his or her reaction will be to counseling efforts.

## ***Present Options***

If most people react defensively when they are threatened, how can one hope to counsel a subordinate without injuring his or her self-esteem, provoking defensive behavior, or incurring wrath toward you? One approach proven to be helpful is to present the subordinate with several options. The process is known as maximizing alternatives.



If both people in the helping relationship agree that there is a problem and that the receiver's behavior is unacceptable, then there is a foundation for beginning to explore the kinds of actions you can *both* take.

If the helper can get the receiver to understand and explore the various courses of action available, the helper has taken a positive step toward solving the problem or getting the subordinate to modify his or her behavior.

The key to effective counseling is giving the receiver the freedom to choose the course of action that he or she feels is best under the circumstances. The receiver will be much more likely to carry out a course of action that he or she has identified, because it is his or her decision and he or she is responsible for the outcome.

The helper can do his or her part by using the counseling relationship to let the receiver know exactly what is expected. This may include joint goal-setting, better peer relations, increased promptness, or greater efficiency in performing the job. If the supervisor has tried to help the receiver explore alternatives and arrive at a personal decision, he or she can be more certain that the counseling will achieve the desired change.

## **COUNSELING GUIDELINES**

If you want to be a more effective counselor, here are some guidelines to help you get the most out of the helper/receiver relationship:

1. *Don't argue.* The subordinate will try to preserve his or her self-concept by meeting your arguments with resistance. If you increase your argumentative position or continue to "pound away" at the person, you will achieve even more resistance and denial.

2. *Be prepared to listen.* You must understand the subordinate's point of view before you can begin to jointly explore alternatives. Understanding a subordinate's point of view, however, does not mean that you must agree with or support his or her position. There is a difference between empathy and sympathy.

Let the subordinate do more than half the talking. It may be easy for you, because of your experience as a supervisor, to get trapped in a prescribing or lecturing role. But a "know-it-all" position may threaten the receiver so much that he or she mentally leaves the scene or acts more defensively than he or she would if you were more receptive.

3. *Direct your comments to behavior that the subordinate can change.* By giving people unfavorable feedback about actions over which they have little or no control, you only increase their feelings of frustration and their need to defend themselves.

4. *Give timely feedback.* Feedback is most helpful to a subordinate when it is given at the earliest opportunity after an event or interaction has occurred.

Research in this area indicates that people may have a certain tolerance level for accepting unfavorable feedback. When this level is approached or surpassed, no further learning takes place. For this reason, you should give feedback often and in small

quantities. Feedback that is limited to a comprehensive, once-a-year performance review with a subordinate will not help the subordinate to develop on the job. It may even hinder his or her growth. Small changes effected over a long period of time will be better for the subordinate and better for you.

5. *Look at subordinates as subjects, not as objects that make up your personnel resource.* They are human beings with feelings, needs, and values of their own. Try to see the world from their points of view.

6. *Reflect the feelings of the worker.* If you can focus on reflecting back the feelings and attitudes of the worker instead of giving advice, the worker will be better able to find his or her own solution.

When the supervisor bounces back the feelings that the subordinate gives off, the subordinate can continue to talk about them. Frequent use of “Uh-huh,” “I see,” and “Is that so?” will help bounce the conversational ball back over the net and give the subordinate a chance to elaborate.

7. *Ask skilled questions.* The skillful counselor should avoid questions that can be answered with a simple yes or no. By starting questions with “How do you feel about . . .?” or “What do you think about . . .?” you give the worker a better chance to let his or her feelings and attitudes emerge along with a multitude of irrelevant facts, details, and excuses. Because the purpose of the session is to solve a problem, past facts are far less important than present feelings and attitudes.

8. *Be on the lookout for signals that the subordinate is willing to commit to change or ownership in the outcome of the helper/receiver relationship.* Once a subordinate assumes responsibility for overcoming his or her own shortcomings, your task as a counselor is almost complete.

## **REFERENCE**

Fiedler, F.E. (1973, February). The trouble with leadership training is that it doesn't train leaders. *Psychology Today*, pp. 23-24.

## ■ ENCOURAGING MANAGERS TO DEAL WITH MARGINAL EMPLOYEES

**J. William Pfeiffer**

A continual challenge for both internal and external consultants is to assist managers in dealing with the poor performance of subordinates. Issues around incompetence abound in virtually every organization, and employee performance is—or should be—a bottom-line concern in all of them. Internal and external consultants are in a unique position in organizational life and frequently are able to influence the processes by which management decisions regarding hiring, promotion, and termination are made. In this area, we can be especially helpful to our clients—the organizations in which we consult—in helping them to identify and deal with marginal employees. We can assist management in realizing that if the substandard performance of an employee cannot be corrected in a cost-efficient manner, termination of that employee is the most appropriate solution.

Many consultants are surprised at the frequency with which managers voice their concerns about the issue of productivity and performance. One way for consultants to build credibility, then, is to address these concerns and to actively explore the topic and its implications for managers.

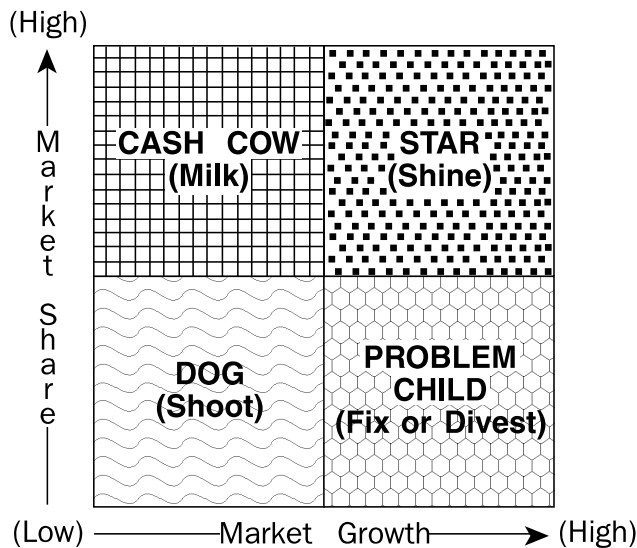
### **A PERFORMANCE-ANALYSIS MODEL**

An innovative way of describing the degrees of effectiveness of people in organizations can be extrapolated from the now classic, product-analysis model of the Boston Consulting Group. This two-dimensional model (Figure 1) evaluates products in terms of their market share and their potential for market growth.

The market-share axis indicates from low to high the amount of the market share commanded by the particular product being analyzed. The market-growth axis indicates the potential for product growth in terms of future sales. A product that is low in both existing market share and potential for market growth is called a “dog,” and what one does with an old, ailing dog is put it out of its misery. Products that are low in market growth but high in market share are called “cash cows”; obviously, one milks these. Products that are low in market share but that have growth potential need to be developed; these are the “problem children.” If these can be developed efficiently—to have high market share and high market growth—they become “stars.” If not, they are divested, dropped. Marketing energy is best put into shining the stars. The analogy is

---

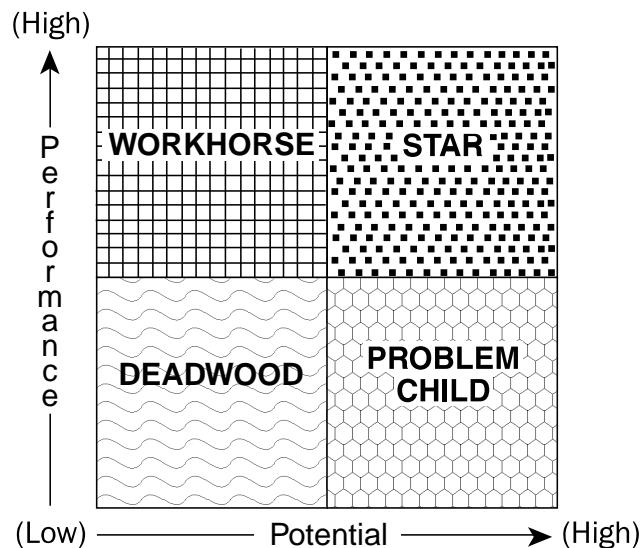
Originally published in *The 1984 Annual: Developing Human Resources* by J. William Pfeiffer & Leonard D. Goodstein (Eds.), San Diego, CA: Pfeiffer & Company.



**Figure 1. Product-Analysis Model Developed by the Boston Consulting Group**

weak in places and it reflects the way that marketing people talk, but it does get the point across.

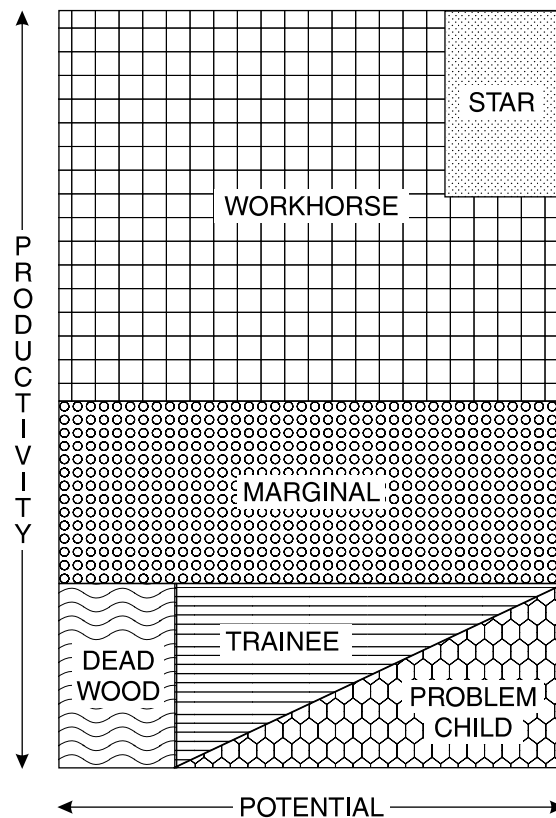
George Odiorne, the man who popularized management by objectives, has creatively extended the product-analysis model to describe employee performance. The two dimensions in Odiorne’s model (Figure 2) are the *performance* of the individual, from low to high, and the *potential* of the individual, from low to high. Odiorne describes people who are low in performance and low in potential as “deadwood.” Those who are high in performance but low to moderate in potential are called “workhorses.” These are the people who get jobs done in organizations. Those people who are high in potential and relatively low in performance are again called “problem children.” Finally, those who are high in both performance and potential are the “stars.”



**Figure 2. Employee-Performance-Analysis Model Developed by George Odiorne**

The implications of and remedies for these classifications are analogous to those in the marketing model.

To take this performance-analysis model a step further, we can substitute the word “productivity” for performance. In the last few years, with the tight economy, organizations have laid off or otherwise divested themselves of a lot of the people who were low in both potential and productivity—the deadwood. Thus, these people probably do not account for one quarter of the employee population, as the matrix model would imply, but for approximately one-sixteenth (see Figure 3). In the same vein, the stars probably do not account for a quarter of the working population either—perhaps for one-sixteenth of it. The workhorses—the people who keep organizations moving—probably compose almost half the work force.



**Figure 3. Productivity-Potential Matrix Profile**

People who are high in potential and low in productivity can be described as either “problem children” or “trainees” in this extension of the model. They number about three-sixteenths of the employee population, and different strategies are called for with each of these. Finally, there is a large group of people who are consistently below average in performance and who vary greatly in terms of potential. These are the “marginal” employees. They form approximately one-fourth of the employee population.

## MANAGERS AND THE MARGINAL EMPLOYEE

A marginal employee may have the proper training, may be committed to the task, and may expend effort at the task, but still may not be able to produce the results that are needed in order for the organization to meet its goals.

For a variety of reasons, managers have tended to be ineffective in dealing with most aspects of substandard performance. Most of the questions brought to the human resource consultant in an organization are related to efforts to bring marginal employees up to standard. Obviously, an inordinate amount of time is spent in trying to “develop” these people, and scarce management resources are expended in the wrong place. This seems peculiar, because if you tell most senior managers that they have made a bad investment with respect to capital outlay, they quickly realize that it is not a good idea to spend good money after bad. If the ship does not float, they scrap the design. Yet over and over again, consultants find managers at all levels putting time and energy into working with the wrong people—those who do not perform consistently.

A common reason for this ineffective management practice is the “savior syndrome”—the belief of managers that they can make a difference where others have failed. The fallacy in this attitude is believing that the method of approach makes the difference. In most cases, it is doubtful that anything will remedy the situation other than removing the person from the particular job.

Obviously, people are not simply competent or incompetent but are to some degree competent (or incompetent) to do a specific task or array of tasks. Someone who does not perform well in a particular job (array of tasks) may still be capable of doing well in a different job. If the organization has an alternative job available, and if the role match—rather than the individual—is the source of the problem, the solution may be obvious. Unfortunately, however, the situation is not usually so tidy. In most cases, the individual is simply not capable of performing at the level that is required by the job for which he or she was hired.

Another trap into which many managers fall is that of collusion. If people think that they “should” or are expected to do something, they often do it, even against their better judgment. “Developing” employees has become such a value in many organizations that many managers (and trainers) have lost sight of several facts:

1. The people with *potential* are going to provide a return to the organization for its investment in the development effort.
2. It is unfeasible to search continually for the unique blend of insight and ability that *might* be able to make a workhorse out of a marginal employee.
3. Again, some people simply cannot be developed to fit into the jobs that happen to be available in the organization.

In any task, there is an appropriate place to stop. This does not sound like a “nice” thing to say, so people develop the habit of colluding, pretending that everybody has potential if they can just find the right way to tap it.

Another reason that managers do not deal effectively with marginal employees is that most people tend to avoid conflict. It is difficult to terminate an employee, transfer someone to another job, or provide constructive discipline. Furthermore, many managers do not have the skills to feel comfortable in doing these things or to do them effectively. The easiest tactic is to simply ignore the situation and hope that it will take care of itself. In many organizations, marginal employees are given average salary increases and average performance appraisals and are then shuffled from one work group to another.

Obviously, none of these practices is of optimum benefit to the organization, and the realistic probability that the situation will improve in most cases is low to nonexistent.

## **THE ROLE OF THE CONSULTANT**

The most difficult role of the consultant—and yet the most crucial—is to help managers to realize that their job is to benefit the organization, not to “save” people. First of all, managers must be reminded that what benefits the organization is increased productivity. That is the goal of most management and training efforts. Secondly, managers must be helped to examine their past efforts to deal with the people who, for whatever reasons, are simply not capable of producing what is required in the jobs they hold. One tactic is to ask “How many times have you actually been successful?” and, then, “How much time and effort has this required?,” “What is the impact of this effort on the other aspects of your job and the other employees in your work unit?,” and “Is this really an effective way to utilize your work time and energy?”

When people are allowed to stay in jobs in which they are performing marginally, they know it and, worse, their peers know it. After a while, their peers stop trying to train them, or “cover” for them, or even support them, because these peers have their own jobs to worry about. In the final analysis, it does long-term damage to individuals, to the work group, and to the organization to keep people in marginal roles. Managers need to realize that the humane thing to do is to confront marginality, although it takes some energy to do it, and that it is truly more humane to do this than to let people limp along in jobs that they are not able to do, and that their peers know that they are not able to do, while expecting other people in the organization to either take up the slack or to continue to work at *their* maximum potential despite the obvious discrepancies.

Once managerial behavior has been “unfrozen” in this regard, the consultant can begin to take the manager through a sequence of steps that will help to determine the sources of marginal performance in an organization and what the manager can do about them.

### ***The OD Sequence***

It is premature to attempt to deal with issues of individual competence until:

- roles have been adequately clarified

- in the context of an appropriate structure
- to meet obtainable organizational goals.

If what a person is supposed to be doing in an organization is vague or inaccurate, and if the structure in which he or she is supposed to perform tasks is not appropriate to the tasks or to the goals that are to be met, the issue of the person's competence is a symptom rather than a problem. As any professional consultant knows, numerous organizational problems can be solved by adequately defining roles and responsibilities, providing the appropriate structure to accomplish the work, and making sure that the organization's goals are clear and that the work tasks and the structure support and contribute to the achievement of those goals.

If these requirements are met, the issue of individual employee competence is best dealt with through the development of realistic standards of competence for specific jobs, the sharing of information concerning these standards, and consistent action to maintain them. Managers must be clear about what they mean when they describe someone's job performance as "unsatisfactory," "lacking in quality," or "not up to standard."

Assuming that a manager has identified a subordinate who meets the definition provided earlier of a "marginal" employee, it may be helpful to have the manager assess the employee along the dimensions shown in Figure 4.

If the total rating for an individual is below nine points, it is likely that the manager actually is dealing with a marginal employee. There are then several questions that the consultant should ask, and it may take some time and effort for the manager to answer each of them completely.

1. *Does the individual know that he or she is performing marginally?* An incredible number of times, the employee has not been advised of his or her poor performance or of the possible consequences of that level of performance. Many of these people have been transferred from one job to another, some may even have been promoted over the course of time, but it is likely that very few of them actually have been confronted with their performance deficiencies.

The message for the manager is "document it!" An initial interview with the employee may reveal a problem in the employee's private life or a work-related problem that may or may not be amenable to adjustment. Whatever the manager's perception of the cause of the performance deficit, it should be documented in a letter or memorandum to the employee following the interview. Of course, the organization's legal counsel should be consulted if termination is likely to be deemed appropriate, but a few basic guidelines can be offered here. One is that the description of the performance deficit should be behaviorally and quantifiably based. A second is that the employee should be allowed a specific amount of time in which to show improvement in job performance (and may be asked to sign a statement confirming that he or she understands and agrees to this probationary period). It is imperative that the employee be informed of the reasons for the manager's dissatisfaction with his or her work.



Name of Employee \_\_\_\_\_ Name of Manager \_\_\_\_\_

Circle the appropriate response for each of the following questions:

<i>Competence</i>	Marginally Competent		Competent		Very Competent
	1	2	3	4	5
1. How well does the individual <i>currently</i> accomplish the responsibility of being task <i>competent</i> in his or her present job?					
<i>Management Effort</i>	More Than Average Effort		Average Effort		Less Than Average Effort
	1	2	3	4	5
2. How much management effort does it take to enable the individual to function at his or her most effective level?					
<i>Effect on the System</i>	Negatively		Neither Consistently Positive or Negative		Positively
	1	2	3	4	5
3. In what way does the individual's behavior (verbal and nonverbal) impact the system?					

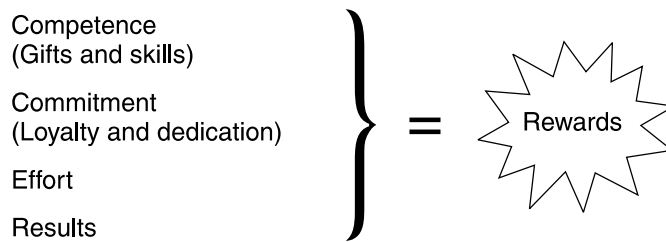
**Figure 4. Job-Fit Evaluation Form**

2. *How has the manager or organization justified the retention of marginal employees?* In this respect, what are the norms of the organizational culture? It is important to emphasize the negative impact on coworkers when less productive employees are treated the same way as their more productive counterparts. The message that flows through the organizational culture can easily be interpreted as “management really does not *know* who produces” or, even worse, “management really does not *care* if workers produce.” The consultant can help managers to realize that confronting substandard productivity has the potential to send a positive message into the system: “Management knows what is happening and it is concerned about productivity.”

In addition, although a major focus in most organizations is on the bottom line, the positive—or negative—balance aspect of existing “human resources” simply may never have been perceived as a quantifiable item. Managers can be helped to view human resources just as they view other necessary, perhaps limited, but adjustable aspects of the organizational system.

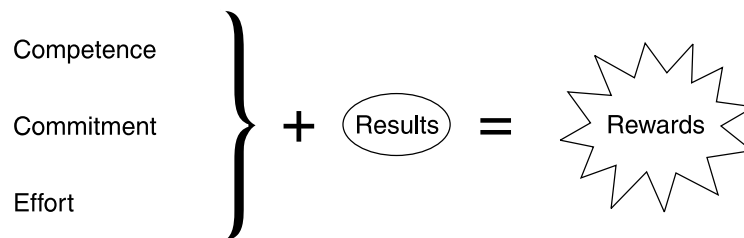
3. *What is the organization doing to reward productivity and discourage marginal performance?* People in U.S. organizations typically have come to believe that they should be rewarded for competence. If a person has the training, education, or experience required to do a job, he or she expects to be rewarded for having achieved that level of expertise. Another expectation is that commitment will be rewarded, that is, exhibiting loyalty and dedication, “not making waves,” and “fitting in” will result in pay increases and promotions. A third is the expectation of reward for effort, for working long, hard hours; coming in early; staying late; and working through the lunch hour or

on the weekend. Finally, there is the expectation that results will be rewarded. In the traditional organization, people are rewarded for competence, commitment, effort, and results, in some array (see Figure 5).



**Figure 5. Traditional Employee Expectations**

However, experience seems to show that organizations that are excellent in terms of productivity and in terms of growing and nurturing people are organizations in which a primary basis for rewards is positive results—performance (see Figure 6).



**Figure 6. Results-Oriented Reward System**

The role of the consultant may be limited here, unless the organization supports a results-oriented approach to employee productivity and rewards. However, even at the managerial level, the consultant can help to focus individual efforts to clarify expectations about what level of performance is expected and what will generate additional rewards. In many cases, the censure or dismissal of an employee who is widely known to be a substandard producer will send a message throughout the system that incompetence will not be tolerated.

## **CONCLUSION**

As more and more organizations become concerned with productivity and the need to reexamine their utilization of human resources, managers increasingly will be required to justify or deal with the marginal employees for whom they are accountable. Both internal and external human resource consultants will be called on to provide managers with the insights and skills they need to minimize the human and financial drain that is created by people in the organization who are not capable of fulfilling the role requirements of the positions they hold.

# ■ CULTURAL SYNERGY: MANAGING THE IMPACT OF CULTURAL DIVERSITY

Nancy J. Adler

Bhinneka Tunggal Ika  
“Unity through diversity”  
(National motto of Indonesia)

## **PEOPLE DO NOT PERCEIVE CULTURAL IMPACT**

Neither managers nor academics generally think of culture as affecting an organization’s day-to-day operations. Very often, good managers perceive themselves as beyond passport and good organizations as beyond nationality.

In 1983, the author conducted a study to determine the impact of cultural diversity on organizations (Adler, 1983d). Montreal was selected as the location for the study because it has the largest English-speaking population in the predominantly French Canadian province of Quebec. In the study, sixty organization development (OD) consultants described the impact, good or bad, of cultural diversity on their organizations and jobs. Two-thirds said they saw no impact. Of the one-third who experienced an impact, only one consultant saw it as positive. It is interesting that, although media reports daily attest to the impact of bilingualism and biculturalism on the social, political, and economic environment of Quebec, the majority of the surveyed consultants perceived no influence on the world of work.

A survey of management research published in twenty-four academic and professional journals (Adler, 1983b) reveals that fewer than 5 percent of the articles refer to either international or domestic multiculturalism. American researchers conducted the vast majority of the studies in the United States, yet assumed their findings to be universally true.

In the follow-up to the Montreal OD study (Adler, 1983d), seventy-five Canadian OD consultants described the impact of culture on their organizations. However, this time, the questionnaire asked for both the positive *and* negative impacts of culture. The majority of the questionnaire respondents *did* report an impact of cultural diversity on their organizations, and almost half saw the potential for the impact to be positive. A positive impact was not necessarily related to the lack of a negative impact, and the respondents also reported the possibility of the impact of cultural diversity being neither positive nor negative.

---

Originally published in *The 1986 Annual: Developing Human Resources* by J. William Pfeiffer & Leonard D. Goodstein (Eds.), San Diego, CA: Pfeiffer & Company. Adapted from: Nancy J. Adler, *International Dimensions of Organizational Behavior* (Boston: Kent Publishing Company, 1986), pp. 76-98. © 1986 by Wadsworth, Inc. Reprinted by permission of Kent Publishing Company, a division of Wadsworth, Inc.

The two parts of the study differed in that the original interviewees were provided with neither the idea of cultural diversity nor a model of its possible positive and negative impacts, whereas the questionnaire respondents were provided with both. It appears that managers can perceive the impact of culture and its positive and negative potentials once they are alerted to the concept but tend not to be aware of it otherwise.

Cultural diversity does exist and affects the ways in which we operate within the organization (Hofstede, 1980; Laurent, 1983). Many people associate cultural recognition with simplistic, primitive thinking. They label managers who recognize the diversity within organizations as prejudiced, racist, sexist, or ethnocentric. Cultural norms, especially in North America, encourage managers to blind themselves to gender, race, and ethnicity—to evaluate people according to their professional skills only. This approach causes problems because it confuses recognition with judgment. People from different cultural groups behave differently, and that difference affects their relationship to the organization (recognition). People from one ethnic group are not inherently better or worse than those from another group (judgment); they are simply different. Not recognizing cultural differences is unproductive. It is judgment, not recognition, of cultural differences that leads to inappropriate, racist, sexist, and ethnocentric attitudes and behaviors. Choosing not to see cultural diversity limits our ability to manage it, that is, to minimize the problems it causes while maximizing the advantages it allows.

In a fascinating study (Burger & Bass, 1979), managers from fourteen countries described the work and career goals of their foreign colleagues. In every paired combination of the fourteen countries, managers saw their foreign colleagues as more similar to themselves than they actually were. Although people are *not* the same, we *perceive* them to be the same—to have the same needs and aspirations. Cultural blindness is therefore both perceptual and conceptual. We neither “see” nor “want to see” differences. However, any form of effective cross-cultural management must start with a concerted effort to recognize cultural diversity without judging it—to perceive difference where difference exists.

## **DIVERSITY CAUSES PROBLEMS**

Cultural diversity generally is perceived as a source of problems. International executives attending management seminars in France were asked to list the advantages and disadvantages of cultural diversity to their organizations (Laurent & Adler, 1981-1983). Although every executive could list disadvantages, less than a third (30 percent) could list an advantage.

In the first Montreal study described earlier (Adler, 1983d), only one of the sixty OD consultants mentioned an advantage to the organization from cultural diversity. Similarly, the fifty-two corporate and academic experts participating in the 1981 McGill International Symposium on Cross-Cultural Management (Adler, 1983a) found it easier to identify the problems that diversity causes than to suggest the benefits it creates.

As shown in Figure 1, problems created by cultural diversity most frequently occur in convergent processes and at times when the organization needs employees to think or act in similar ways. Communication (converging on similar meanings) and integration (converging on similar actions) become more difficult. People from different cultures fail to understand one another. They do not work in the same ways nor at the same pace. Thus, the potential for increased ambiguity, complexity, and confusion becomes greatest when the organization or project requires clarity and convergence of direction.

<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
<p><i>Culturally Synergistic Advantages:</i></p> <p>Expanding meanings:  multiple perspectives  greater openness to new ideas  multiple interpretations</p> <p>Expanding alternatives:  increased creativity  increased flexibility  increased problem-solving skills</p>	<p><i>Disadvantages of Cultural Diversity:</i></p> <p>Increased ambiguity, complexity, and confusion  Difficulty in reaching converging meanings, miscommunication, difficulty in reaching agreement  Difficulty in reaching converging actions, difficulty in reaching agreement on specific actions</p>
<p><i>Culture-Specific Advantages:</i></p> <p>Better understanding of foreign employees  Ability to work more effectively with foreign clients  Ability to market more effectively to foreign customers  Increased understanding of political, social, legal, economic, and cultural environment of foreign countries</p>	<p><i>Culture-Specific Disadvantages:</i></p> <p>Overgeneralization in organizational policies, practices, and procedures  Ethnocentrism</p>

**Figure 1. The Advantages and Disadvantages of Cultural Diversity**

This problem also can arise when culturally diverse organizations attempt to do business with one another. For example, the settlement of a licensing agreement between a Japanese company and a Swiss company “became much more difficult due to: big differences in the decision-making and legal systems between the two countries, the inability of the Swiss to understand the Japanese language, the long distances, and the lack of spontaneity. In one’s own country, these difficulties would not exist or could easily be overcome” (Laurent & Adler, 1981-1983). In another situation:

In line with the American parent company’s policies, European subsidiaries attempted to design a common system for developing historical medical data on all employees. Personnel managers from the United Kingdom, Germany, Holland, Sweden, Luxembourg, Spain, and Italy convened a meeting to agree on how and what could be accomplished. Despite good procedures from the American parent company, limitations imposed by the variety of national legislation, cultural concerns, and the need for consultation with work councils and trade unions prior to reaching an agreement imposed limitations on the scope of information available. In a domestic setting, the

variety of constraints would be reduced and (those remaining) clearly understood by all persons involved in developing the system. The system would have been developed much more quickly (Laurent & Adler, 1981-1983).

Problems also result when organizations overgeneralize acceptance of practices and processes. For example, one multinational firm tried to sell baby food in an African nation without adapting the marketing strategies developed for Western countries to the African culture. The firm used its regular label showing a baby and stating the type of baby food in the jar. Unfortunately, the local population was accustomed to visual representation and interpreted the labels to mean that the jars contained ground-up babies! Sales, of course, were terrible (Ricks, 1983).

## **DIVERSITY ALSO PROVIDES ADVANTAGES**

Although cultural diversity causes the most problems in convergent processes, it leads to the most advantages in divergent processes, e.g., when the organization wants to expand its perspective, approach, range of ideas, operations, product line, or marketing strategies. Diversity becomes an advantage in starting a new project, creating a new idea, developing a new marketing plan, planning a new operation, or assessing trends from a new perspective. The multiple perspectives brought to problem solving increase the chances of avoiding “group think.” Overall, the advantages of diversity include enhanced creativity, flexibility, and problem-solving skills. This is especially true of complex problems involving large numbers of qualitative factors (Hayles, 1982; Ziller, 1972) and in working with culturally distinct client groups. International managers attending executive programs in France (Laurent & Adler, 1981-1983) described the following examples of treating cultural diversity as a resource rather than as a problem.

1. *New-product development.* A U.S. pharmaceutical firm developed a new anticancer drug based on an initial discovery made in its Italian subsidiary, research conducted in conjunction with the U.S.-based National Cancer Institute, new techniques from Sweden, new therapy indications from Japan and China, and major funding from Germany and the United States.

2. *Acceptance of new ideas.* New ideas that seem threatening or absurd when mentioned by someone from one’s own country may be easier to “hear” when suggested by foreigners. For example, during the energy crisis, American and British workers found the lower thermostat settings to be restrictive. When a British team went to Korea to design the Pony automobile, it found that the Koreans had to break the ice on their water before they could wash their products. Thereafter, the low thermostat settings at home no longer seemed so restrictive.

3. *Recognition of the need for communication and cooperation.* A European firm created a technical and field support center with the involvement of all its European subsidiaries. By involving all countries in defining the “where,” “how,” and “why” of

operations, the center avoided the one-nation dictatorial decisions that, in the past, had caused continual conflicts among them.

4. *New perspectives, neutrality.* An American/French partnership required an outside audit of its Algerian subsidiary. The American partner unsuccessfully proposed an American firm. Similarly, the French partner proposed a French firm. The two finally agreed on a French-affiliated office of an American accounting firm that agreed to assign two French-speaking British citizens to do the job.

## **STRATEGIES FOR MANAGING CULTURAL DIVERSITY**

The extent to which managers recognize cultural diversity and its potential advantages and disadvantages affects the organization's approach to managing that diversity. As shown in Table 1, organizational members' most common response to cultural diversity is *parochial*—perceiving neither cultural diversity nor its impact on the organization. In parochial organizations, members believe that “our way is the *only* way” to organize and manage. The second most common response is *ethnocentric*—recognizing diversity but viewing it only as causing problems. In ethnocentric organizations, members believe that “our way is the *best* way” to organize and work. Because members see others' ways as inferior, they view differences as causing the organization's problems. Only in those cases in which organizational members explicitly recognize the concept of culture can the response to cultural diversity be *synergistic*—leading to both advantages and disadvantages. In synergistic organizations, the members believe that “our way and their way differ, but neither is inherently superior to the other.” Members of synergistic organizations believe that the *combination* of various approaches is best.

These various perceptions and assumptions have different implications for organizations' approaches to managing diversity. Parochial organizations assume the impact of culture to be negligible; their selected strategy is to ignore cultural diversity. This strategy precludes the possibility of minimizing negative impacts and enhancing positive impacts.

Ethnocentric organizations assume that the only impacts of culture are negative; their strategy is to *minimize* cultural diversity. They can implement this strategy by attempting to select a culturally homogeneous work force or by attempting to socialize all workers into the behavioral patterns of the dominant culture. Ethnocentric organizations also preclude the possibility of benefiting from diversity.

Synergistic organizations view cultural diversity as having both positive and negative possibilities; their strategy is to minimize potential problems by managing the *impacts* of cultural diversity rather than the diversity itself. They also manage the impacts to increase the potential advantages. They train their members to recognize cultural differences and to use them to create advantages for the organization.

**Table 1. Organizational Strategies for Managing Cultural Diversity<sup>1</sup>**

Type of Organization	Perceived Impact of Cultural Diversity on Organization	Strategy for Managing the Impact of Cultural Diversity	Most Likely Outcomes of Strategy	Frequency of Perception and Strategy
<b>Parochial:</b> Our way is the only way.	<b>No impact:</b> Cultural diversity has no recognized impact on the organization.	<b>Ignore differences:</b> Ignore the impact of cultural diversity on the organization.	<b>Problems:</b> Problems will occur but they will not be attributed to culture.	<b>Very common</b>
<b>Ethnocentric:</b> Our way is the best way.	<b>Negative impact:</b> Cultural diversity will cause problems for the organization.	<b>Minimize differences:</b> Minimize the sources and impact of cultural diversity on the organization. If possible, select a monocultural work force.	<b>Some problems and few advantages:</b> Problems will be reduced as diversity is decreased while the possibility of creating advantages will be ignored or eliminated; problems will be attributed to culture.	<b>Common</b>
<b>Synergistic:</b> The combination of our way and their ways may be the best way.	<b>Potential negative and positive impacts:</b> Cultural diversity can simultaneously lead to problems and advantages for the organization.	<b>Manage differences:</b> Train organizational members to recognize cultural differences and use them to create advantages for the organization.	<b>Some problems and many advantages:</b> Advantages to the organization will be realized and recognized; some problems will continue to occur and will need to be managed.	<b>Very uncommon</b>

The first two strategies, ignoring and minimizing cultural differences, occur naturally and are, therefore, quite common. Only when members of an organization recognize both its cultural diversity and its potential positive impact is it likely that the organization will attempt to manage the diversity. The approach to diversity, not the diversity itself, determines the actual positive and negative outcomes.

<sup>1</sup> Source: Nancy J. Adler, "Organizational Development in a Multicultural Environment." *Journal of Applied Behavioral Science*, 19(3), Summer 1983, pp. 349-365.



## **CULTURAL SYNERGY**

According to Buckminster Fuller (1981), synergy involves “a new way of thinking . . . which helps to free one from outdated patterns and can break the shell of permitted ignorance.” Synergy is “the behavior of whole systems that cannot be predicted by the behavior of any parts taken separately . . . . In order to really understand what is going on, we have to abandon starting with parts, and we must work instead from whole to particular.” In their book *Managing Cultural Synergy*, Moran and Harris (1981) emphasize that “the very differences in the world’s people can lead to mutual growth and accomplishment that is more than the single contribution of each party to the intercultural transaction.”

Cultural synergy requires organizational policies and practices based on, but not limited to, the cultural patterns of individual organizational members and clients. Culturally synergistic organizations create new forms of management and organization that transcend the individual cultures of their members (Adler, 1980).

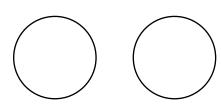
Several assumptions underlie the synergistic approach (Adler, 1983c). Although the most common organizational assumption, based on the “melting pot” myth, is *homogeneity*—the belief that all people are basically the same—cultural synergy assumes *heterogeneity*—the belief that many different cultural groups exist within society and that each maintains its distinctiveness. Secondly, whereas a common assumption is that the similarities among people are most important, cultural synergy assumes that similarities and differences are of equal importance. Cultural synergy refutes the parochial “our way” approach and assumes that many, equally good ways of living and working exist. Cultural synergy assumes *equifinality*, that is, that many equivalent ways (“equi”) to reach a final goal (“finality”) exist and that no one culture’s way is inherently superior. Finally, although most people tend to be ethnocentric, the synergistic approach assumes *cultural contingency*—that there are many equally good ways to reach a goal. The best way depends on the culture of the people involved.

A survey of 145 executives from around the world (Laurent & Adler, 1981-1983) indicated that 83 percent preferred the synergistic approach, yet only 33 percent said that their organizations currently used a synergistic approach to multinational and multicultural problem solving.

### ***Culturally Synergistic Problem Solving***

As is shown in Figure 2, the process of developing culturally synergistic solutions to organizational problems involves description of the situation, cultural interpretation, and cultural creativity (Adler, 1980).

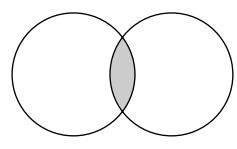
Step 1: Description of the situation  
(two separate cultures)



Describe the situation

What is the situation from your cultural perspective? From the other cultural perspective(s)?

Step 2: Cultural interpretation



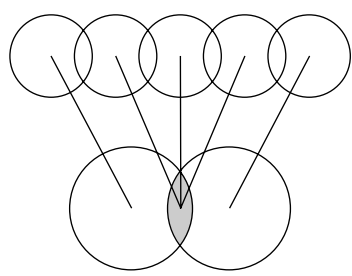
Determine the underlying cultural assumptions

What are the cultural assumptions that explain your behavior? What are those that explain the other cultures' behavior?

Assess cultural overlaps

What are the cultural similarities and differences?

Step 3: Cultural creativity



Create culturally synergistic alternatives

Create new alternatives based on, but not limited to the cultures involved.

Select an alternative

Does the potential solution fit your cultural assumptions? Does it fit the other cultures' assumptions? Is it new?

Implement culturally synergistic solution(s)

Implement solution(s) and observe the impact from more than one cultural perspective. Refine the solution based on multicultural feedback.

**Figure 2. Culturally Synergistic Problem Solving<sup>2</sup>**

**Step 1: Description of the Situation**

This is one of the most difficult and critical steps in finding solutions to complex problems. Across cultures, divergent values and perceptions magnify the difficulty of problem definition. In one example (Adler, 1980), an American sales manager conveyed the following concern: "I'm an 'open-door manager.' I expect my employees to come to me when they have problems. But these Japanese never come to you until it's a crisis . . . until it's too late to do anything." To the American manager, the "problem" had begun weeks earlier; to the Japanese sales representative, the situation became a "problem" only that morning. When questioned later about his behavior, the Japanese salesman replied that "Americans see everything as a problem!" In analyzing the

<sup>2</sup> Adapted from Nancy J. Adler (1980), "Cultural Synergy: The Management of Cross-Cultural Organizations." In W. Warner Burke and Leonard D. Goodstein (Eds.), *Trends and Issues in OD: Current Theory and Practice*. San Diego, CA: Pfeiffer & Company, pp. 163-184.

situation, it became clear that Westerners often see life as a series of problems to be resolved, whereas non-Westerners frequently view life as a series of situations to be accepted (Stewart, 1979). Thus, Americans define situations as problems much earlier than do the Japanese.

In another situation (Adler, 1980), an Egyptian executive, after entertaining his Canadian guest, offered joint partnership in a business venture. The Canadian, delighted with the offer, suggested that they meet again the next morning (along with their lawyers) to fill in the details. The Egyptians never arrived. At issue was the perceived meaning of inviting lawyers. The Canadian saw the lawyers' presence as facilitating the successful completion of the negotiation; the Egyptian interpreted it as signaling the Canadian's mistrust of his verbal commitment. Egyptians frequently rely on a personal relationship developed between bargaining partners.

The first step in the process of cultural synergy involves recognizing that a conflict situation exists—even when the problem does not make sense from one's own cultural perspective. The situation then must be described from each culture's perspective, without interpretation or evaluation from any one culture's point of view.

### *Step 2: Cultural Interpretation*

Once organizational members recognize a problem, the synergistic approach is to analyze it from each culture's perspective and to identify and interpret similarities and differences in thoughts, feelings, and actions. This step, therefore, involves role reversal: the members of each culture must assume the roles of people from the other cultures. This approach assumes that behavior is rational from the perspective of the person behaving but that cultural biases lead us to misunderstand the logic of another culture's behavioral patterns (Adler, 1980). Multiple perspectives enhance understanding and options. For example, an American engineer who was teaching Iranians to use a complex machine was disappointed in the achievement of his trainees and gave them poor reviews. One trainee came to the American and said, "I thought that you were my friend; why don't you give me a better review?" The American was furious. Later, in analyzing and interpreting the underlying cultural assumptions, the American realized the importance that Iranians place on friendship relative to task accomplishment, and the trainee became aware that Americans base their system of equity on competence rather than on relationship (Stewart, 1979).

### *Step 3: Cultural Creativity*

Organizations can help people from different cultures to enhance their productivity and job satisfaction. People from one culture can contribute to people from another culture, and the organization must discover what each can contribute and develop plans that are compatible with the cultural assumptions of all groups. However, it should not imitate any particular culture's assumptions, but should transcend the behavioral patterns of each. Selection of the best alternative becomes possible when preceded by adequate description and interpretation. The following example illustrates this process.

*Problem Situation:* A Uruguayan doctor at a major California hospital became concerned when he realized that a Filipino nurse was using a particular machine improperly for patient treatment. He instructed the nurse on the proper procedure and asked if she understood. She said she did. Two hours later the patient was doing poorly; the nurse continued to administer the treatment improperly. The doctor again queried the nurse, and she again affirmed her understanding of the procedure.

*Interpretation:* In analyzing the situation, the doctor realized that many Filipinos will not contradict people in respected positions. To the nurse, the doctor's status was clearly above hers: he was a man, she was a woman; he was older, she was younger; he was a doctor, she was a nurse. Based on her cultural assumptions, she could not tell the doctor that she did not understand without implying that he had given poor instructions, causing him to lose face. The doctor, however, expected the nurse to ask questions if she did not understand his instructions. He considered it a sign of incompetence to assume responsibility for a patient's care without understanding the manner of treatment.

*Synergistic Solution:* After considering the situation, the hospital administrator suggested a culturally synergistic solution. After giving his instructions, the doctor was to ask the nurse to *describe* the procedure that she would follow. As the doctor listened, he could assess the accuracy of the nurse's understanding and identify what needed to be explained further. The nurse, not being asked directly if she understood, would not be forced to say "no" to a superior.

## **Implementation**

Organizations must plan the implementation of synergistic solutions carefully. Before organizational members will understand the need for changes, they must develop cultural self-awareness as well as an understanding of the other cultures' assumptions and perspectives. Without this twofold understanding, proposed changes often appear absurd. The following describes a synergistic scheduling plan implemented by an American air freight company for its routes between Japan and the United States.

*Problem Situation:* American sales representatives of a U.S.-based air freight company with extensive Asian operations generally promised customers specific dates and hours for arrivals of freight shipments. However, the shipments often arrived late. American customers usually would "understand and forgive" these delays if provided with an adequate explanation, whereas Japanese customers expected the company to keep its promises and lost faith in the company when it did not. The Japanese sales representatives often refused to promise delivery times until the plane had arrived on the runway or they could be certain that their promises would be kept.

*Interpretation:* The company needed to design a uniform "promising" system that would be culturally appropriate for both American and Japanese employees and clients. From the American perspective, the system had to be definite enough to develop credibility with customers. From the Japanese perspective, the promises to customers had to conform to reality sufficiently so that no one would lose face.

*Synergistic Solution:* After analyzing the cultural dynamics, the sales representatives agreed that they should begin promising delivery within a range of time, rather than at specific times. For instance, they would promise delivery “early Thursday afternoon,” rather than at 2:03 p.m. This solution recognized the values of both cultures without upsetting either’s business practices.

## **CONCLUSION**

Cultural synergy is an approach to managing the impact of cultural diversity. The approach allows organizations to solve problems effectively in cross-cultural environments. Synergistic solutions create new forms of management and organization by recognizing and transcending the individual, ethnic cultures of employees and clients. The synergistic approach recognizes both the potential positive and negative impacts of cultural diversity and manages those impacts rather than attempting to eliminate the diversity itself.

Organizations need not implement a synergistic solution all at once; they can introduce it gradually as the need for cross-cultural problem solving becomes evident.

In introducing culturally synergistic problem solving to an organization for the first time, line managers and human resource professionals are involved in the process of managing change. The major change is that of perspective. Most organizations find it helpful to begin the process with cross-cultural communication workshops in which employees have the opportunity to become more culturally self-aware and more cross-culturally aware. Following these communication workshops, organizations can begin to address their culturally based conflict situations. As the organization addresses problems from a synergistic perspective, it will accumulate the knowledge to address future problems. Although initial problems must be addressed explicitly, formally (workshops and seminars), and slowly (developing awareness prior to attempting to solve problems), later problem-solving sessions can become more implicit, more informal, and less time consuming. The learning acquired during the initial stages becomes a part of the organization’s increasing perspective and skills.

The synergistic approach will become increasingly more necessary if businesses and organizations are to compete successfully in the increasingly multicultural domestic environment and in the world of international business.

## **REFERENCES**

- Adler, N.J. (1983a, Spring-Summer). Cross-cultural management: Issues to be faced. *International Studies of Management and Organization*, 13(1-2), 7-45.
- Adler, N.J. (1983b, April). Cross-cultural management research: The ostrich and the trend. *Academy of Management Review*, 8(2), 226-232.
- Adler, N.J. (1980). Cultural synergy: The management of cross-cultural organizations. In W.W. Burke & L.D. Goodstein (Eds.), *Trends and issues in OD: Current theory and practice*. San Diego, CA: Pfeiffer & Company.

- Adler, N.J. (1983c). Domestic multiculturalism: Cross-cultural management in the public sector. In W. Eddy (Ed.), *Handbook on public organization management*. New York: Marcel Dekker.
- Adler, N.J. (1983d, Summer). Organizational development in a multicultural environment. *Journal of Applied Behavioral Science*, 19(3), 349-365.
- Burger, P., & Bass, B.M. (1979). *Assessment of managers: An international comparison*. New York: Free Press.
- Fuller, R.B. (1981). *Critical path*. Washington, DC: St. Martin's Press/World Future Society.
- Hayles, R. (1982, July). *Costs and benefits of integrating persons from diverse cultures into organizations*. Paper presented at the Twentieth International Congress of Applied Psychology, Edinburgh, Scotland.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.
- Laurent, A. (1983, Spring-Summer). The cultural diversity of western conceptions of management. *International Studies of Management and Organization*, 13(1-2), 75-96.
- Laurent, A., & Adler, N.J. (1981-1983). *Cultural synergy survey*. Unpublished survey of participants in seminar on managerial skills for international business, European Institute of Business Administration (INSEAD), Fontainebleau, France.
- Moran, R.T., & Harris, P.R. (1981). *Managing cultural synergy*. Houston, TX: Gulf.
- Ricks, D.A. (1983). *Big business blunders: Mistakes in multinational marketing*. Homewood, IL: Dow Jones Irwin.
- Stewart, E.C. (1979). *American cultural patterns: A cross-cultural perspective*. Yarmouth, ME: Intercultural Press.
- Ziller, R.C. (1972). Homogeneity and heterogeneity of group membership. In C.G. McClintock (Ed.), *Experimental social psychology*. New York: Holt, Rinehart and Winston.

## ■ DELEGATION: A PROCESS AS WELL AS A STRATEGY

**Alex Lowy and Peter Finestone**

In this era of increasing specialization, the practice of management too often is reduced to a set of “modular” competencies acquired in brief and intense learning sessions. By pursuing specific skills in isolation, we lose sight of the multifaceted and interrelated nature of managing.

Delegation is and always should be an integrated part of a manager’s job. This article presents a process model for delegating that recasts it in real time and recognizes that preparation and follow-through are critical to successful delegation.

Theories about effective delegation abound, exemplified by such advice as “Do not delegate responsibility without the requisite authority” and “Delegate down to the level of the organization that has to deal with the problem.” Most often, delegation is treated as a supervisory skill, a static, somewhat abstract activity that requires only the carrying out of certain steps (see Figure 1).

1. Describe the task.
2. Outline expected results.
3. Discuss resources.
4. Confirm understanding.
5. Solicit ideas.
6. Establish methods of working and reporting.

**Figure 1. Typical Rules for Successful Delegation**

Although helpful in framing the act of delegation itself, such models distort the sequential nature of delegation. Viewed more fully in context, delegation is:

1. A *process* that encompasses events occurring over a much wider time frame than that required for the delegation intervention itself.

---

Originally published in *The 1986 Annual: Developing Human Resources* by J. William Pfeiffer & Leonard D. Goodstein (Eds.), San Diego, CA: Pfeiffer & Company.

2. *An interpersonal phenomenon* both dependent on and enacted through the work units of (a) the delegator and his or her subordinate and (b) the delegator and his or her boss.
3. A *system event* determined to a great extent by organizational, job, and people variables.
4. A *strategy* employed by every manager to create the behavioral reality that most suits his or her perceived needs.

Beginning with the writing of Weber (1946) and Taylor (1911), theorists have tried to make the task of managing a more rational, systematic, and efficient undertaking. In the past decade, management theorists have offered us an often contradictory yet rather compelling view of management, an experience that is less predictable and more harried than had previously been realized. Most managers have little time for reflection and careful planning because they spend most of their time either in face-to-face encounters or in putting out “fires.” Most of them have found ways to incorporate planning into their other daily activities. Talks with key subordinates may be centered around an important situation. Moments between meetings may be spent scribbling thoughts about how to approach an emerging problem. Successful managers make the time to develop strategies in those areas in which anticipation and preparation are necessary (McCall & Segrist, 1980; Mintzberg, 1973).

The following, three-phase model illustrates the importance of developing a strategy and following through in the delegation process and offers a guide to managers. In each of the phases described, components of the model are separated into three major parts of the manager’s job: (a) interpersonal—the social, interactional aspects of managing; (b) informational—receiving, interpreting, and disseminating information; and (c) decisional—activities associated with problem solving and implementation (Mintzberg, 1973).

## **THE THREE-PHASE MODEL OF DELEGATION**

### **Phase 1: The Assessment**

The predelegation phase is the manager’s opportunity to plan and organize the distribution of work within his or her unit. This step too often is foregone in the interest of expediency and the solving of today’s pressing problems. However, it is the quality of this diagnosis and planning that will largely determine the success of delegation. Managers who are too busy to prepare to delegate usually are those who “hoard” unreasonable quantities of work themselves or, alternatively, “dump” assignments on staff members without providing them with sufficient notice to allow them to plan their own work schedules.

The predelegation phase is the responsibility of the manager and primarily is done alone. The key questions in this phase are:



*Content Questions*

1. What work needs to be done?
2. What can/should be delegated?
3. What is the best match of work with individual employees' abilities and interests?

*Process Questions*

1. What is the best approach in delegating to a specific employee?
2. What is the manager's relationship with the employee? Is there a problem with communication or trust that needs attention?
3. How does the employee feel about the work in question?
4. What is the employee's current work load and level of performance?

Figure 2 outlines the interpersonal, informational, and decisional aspects of the assessment phase.

<i>Interpersonal</i>	<i>Informational</i>	<i>Decisional</i>
<ol style="list-style-type: none"><li>1. Determine degree of trust.</li><li>2. Establish open lines of communication.</li></ol>	<ol style="list-style-type: none"><li>1. Understand limits of delegation.</li><li>2. Clarify job to be done.</li><li>3. Research system's demands and expectations.</li><li>4. Consider employee's ability.</li><li>5. Understand components of supervisor's job.</li></ol>	<ol style="list-style-type: none"><li>1. Select work to be delegated.</li><li>2. Select appropriate employee.</li></ol>

**Figure 2. Phase 1, The Assessment**

***Phase 2: The Interaction***

The interaction phase is the heart of the delegation process; it determines, more than anything else, the outcome of a delegated function. The face-to-face discussion of and assignment of work are central to the process. The extent to which it is managed well will give meaning to the preparatory and follow-up work done in Phases 1 and 3.

The key questions in Phase 2 are:

*Content Questions*

1. What work is to be delegated?
2. How can this work be described most clearly?
3. What resources will be made available to the employee?
4. What levels of authority, accountability, and responsibility will be given along with the work?

### *Process Questions*

1. What is the manager's relationship with the employee? What impact might this have on the discussion?
2. How can the manager help to create an atmosphere of trust that will be conducive to better communication?
3. What is the best place to hold the interaction discussion?
4. How much time should be set aside?
5. Is there any information that the manager should provide for the employee's consideration prior to the meeting?

Figure 3 outlines the interpersonal, informational, and decisional aspects of the interaction phase.

<i>Interpersonal</i>	<i>Informational</i>	<i>Decisional</i>
<ol style="list-style-type: none"> <li>1. Establish communication channels through openness.</li> <li>2. Create a climate of trust and respect; reinforce ability.</li> <li>3. Discuss hopes and fears.</li> <li>4. Develop mutual commitment.</li> <li>5. Be reasonable.</li> </ol>	<ol style="list-style-type: none"> <li>1. Describe project fully.</li> <li>2. Outline expected outcomes.</li> <li>3. Define parameters and resources.</li> <li>4. Articulate system expectations.</li> <li>5. Obtain feedback from employee.</li> </ol>	<ol style="list-style-type: none"> <li>1. Decide on degree of delegated authority, accountability, and responsibility.</li> <li>2. Agree on method of work.</li> <li>3. Agree on nature, means, and timing of reporting.</li> <li>4. Agree on standards of performance.</li> <li>5. Ensure that employee has accepted (or rejected) the work.</li> </ol>

**Figure 3. Phase 2, The Interaction**

Because the interaction phase is primarily a communication process, success depends on both the communication skills of the manager and the employee and the quality of the existing relationship between them. Where there is bad feeling or poor communication between manager and employee, the likelihood that understanding and motivation will result is very low. A manager cannot delegate successfully unless the staff member accepts the work willingly and competently. If the manager's dependence on the employee is to be secure, there must be a high degree of clarity in communication and a sense of commitment to what is agreed on.

*Trust* between the manager and employee creates greater openness in the discussion about the tasks in question and the ability and readiness of the employee to accept the assignment. This includes trust that the employee will fulfill his or her commitment, which means that the manager should fulfill his or her obligations and then allow the employee to get on with the job.

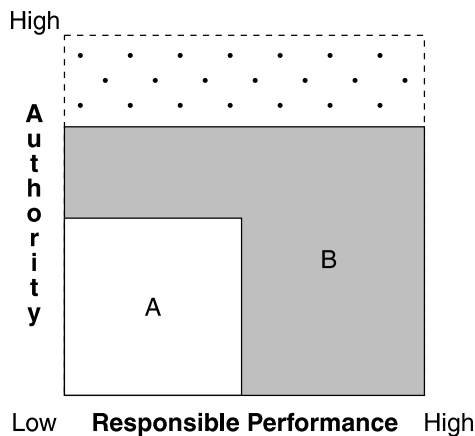
*Clarity* is needed in describing the tasks being delegated. Only when expectations, guidelines and resources are clearly understood can the job be accomplished as desired.

The manager should not assume that the employee understands what is desired simply because he or she asks no questions or raises no objections. It is the manager's responsibility to solicit feedback from the employee in order to ascertain the employee's degree of understanding.

*Contracting* between the manager and the employee regarding how and when the work will be completed is the last pillar on which the interaction rests. Standards and time frames must be discussed and agreed on.

### *The Authority Gap*

There is one way in which many managers undermine their desired outcomes. This is by creating an "authority gap," withholding an unreasonable portion of authority from the employee even when it is needed to accomplish a given task. Figure 4 depicts the relationship between performance and authority. When an employee performs consistently in a competent manner, it is quite reasonable for that person to expect increased autonomy and discretion in the execution of his or her responsibilities.



**Figure 4. The Authority Gap**

Rectangle A reflects a healthy balance between the two factors, both, in this case, being relatively low. However, as performance continues to improve, authority should, but often does not, increase correspondingly. Rectangle B reflects this condition, with the portion of authority not realized representing the "authority gap."

Although it will not always be possible for managers to delegate all the authority desired by employees, sufficient consideration should be given to this question to ensure that authority is not being withheld for the wrong reasons, thus short changing the employee, the manager, and—in the long run—the organization.

### **Phase 3: The Follow-Through**

Out of sight, out of mind . . . . Once a manager has delegated a task, the demands and pressures of ongoing work create other priorities, often leaving only a faint memory of what has been delegated until a product or outcome from the process is needed. Expecting results from the delegatee without following through with support, information, and resources is unreasonable. It is true that some employees will successfully carry out even the most difficult tasks without management follow-through. Most often, however, failure to follow through with what was promised at the time of delegation will undermine and frustrate the efforts of the employee. When this happens, the manager fails as well as the employee.

The key questions in Phase 3 are:

#### *Content Questions*

1. Does the employee have all the resources and authority necessary to do the job?
2. When will reporting meetings be conducted?
3. When is the task to be completed?
4. How is progress toward agreed-on goals to be monitored? How is it to be measured?

#### *Process Questions*

1. What kind of support is most needed in this instance with this employee?
2. What is the appropriate balance of freedom, structure, and support?
3. How flexible is the manager prepared to be in allowing the employee to make his or her own decisions?

Figure 5 presents the interpersonal, informational, and decisional aspects of the follow through phase.

<i>Interpersonal</i>	<i>Informational</i>	<i>Decisional</i>
<ol style="list-style-type: none"> <li>1. Encourage independence.</li> <li>2. Allow freedom.</li> <li>3. Support initiative, responsibility, and creativity.</li> <li>4. Be available.</li> <li>5. Compliment efforts and reward results.</li> <li>6. Share feelings, show interest.</li> <li>7. Be open to suggestions.</li> <li>8. Accept mistakes as inevitable.</li> </ol>	<ol style="list-style-type: none"> <li>1. Share all pertinent information.</li> <li>2. Gather information (do not hover).</li> <li>3. Monitor system.</li> <li>4. Provide honest feedback.</li> <li>5. Ask for ideas and opinions</li> </ol>	<ol style="list-style-type: none"> <li>1. Assess results.</li> <li>2. Correct when necessary.</li> <li>3. Decide on modifications.</li> <li>4. Evaluate performance.</li> <li>5. Plan for the future.</li> </ol>

**Figure 5. Phase 3, the Follow-Through**

## **DELEGATION IN CONTEXT**

Following the three-phase model presented here will help managers to plan and utilize delegation more effectively. However, to achieve a fuller appreciation of delegation in context, we must also consider its social and strategic implications.

Under ideal conditions, delegation is employed to organize and distribute the work load in an effort to maximize the usefulness of available human and technical resources. The manner in which this process is conducted, however, does more than simply organize and distribute the work; it contributes to the social norms of the organizational unit. Both the style and the content of delegation help to shape the prevailing organizational climate. Where delegation is conducted with clarity and trust, employees are likely to feel a sense of involvement and responsibility. Where poor planning and withholding of autonomy and authority typify the way in which work is delegated, employees tend to feel less like “sharing” in the work and are likely to have feelings of powerlessness.

The implications and impact of organizational “climate” or “culture” have been well documented (Deal & Kennedy, 1982; Ouchi, 1981; Peters & Waterman, 1982). A committed and motivated work force will help to improve the quality of work and reduce operating costs. Less healthy organizational climates promote less employee commitment and interest, which reduce effectiveness and restrict problem solving and creativity.

Pursuing this view of the organization as interconnected systems, we find three major forces that affect the success of a delegation effort. As shown in Figure 6, these are the manager; the employee; and the organization’s policies, procedures, and norms.

<b>Manager</b>	<b>Employee</b>	<b>Organization</b>
<ul style="list-style-type: none"> <li>▪ Self-confidence</li> <li>▪ Willingness to delegate</li> <li>▪ Ability to organize work</li> <li>▪ Knowledge of the work</li> <li>▪ Familiarity with the employee’s skills and interests</li> <li>▪ Concern for the employee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Self-confidence</li> <li>▪ Ability to do the work</li> <li>▪ Willingness to accept responsibility</li> </ul>	<ul style="list-style-type: none"> <li>▪ Organizational values</li> <li>▪ Nature of the work</li> <li>▪ Structure of how work is done</li> <li>▪ Structure of reporting relationships and management accountability</li> <li>▪ Reward system</li> </ul>

**Figure 6. The Three Forces That Affect Delegation**

Delegation as a power-sharing or power-withholding vehicle is constrained by factors in each of these categories. Delegating full authority to an employee in an organization in which managers are expected to make decisions and then live or die by them is more risky than it is in an organization in which employee learning is highly valued and understandable errors are accepted. It is important that organizational leaders recognize that structure, norms, decision-making procedures, and reward systems all strongly affect managers’ ability and tendency to delegate effectively. Equally important are the personal characteristics of the individuals involved. Self-confidence on both

sides is of major importance. Insecure managers generally fear the loss of control, and insecure employees lack the confidence in themselves to take on challenging work. For delegation to be fully effective, the manager must be willing and able to share, and the employee must be willing and able to take on the work.

Delegation works best when all three elements are working together toward the realization of valued personal and/or organizational goals. Instead of assigning work either in a random and reactive manner or in a repetitive, status-bound, and traditional way, managers should explore how the delegation process can be employed creatively and for optimum mutual benefit.

For example, if the manager's goal is to increase efficiency while freeing up more of his or her own time for other work, a directive delegating approach with clear reward contingencies may work best. If the goal is to "turn around" a sluggish work force or to initiate employee development for future replacement of key individuals, a more participative approach probably is needed. Matching the delegating style to the specific requirements of each situation creates new potential for all involved and increases the relevance of delegation as a strategic process and tool.

## **SUMMARY**

Delegation is much more than a skill that is used only when work is handed to another person. Effective delegation is an ongoing process that results from the continual application of good interpersonal and managerial practices. As such, it takes time and effort. The payoffs include better organization of the work, greater productivity, increased job satisfaction, and more time for the manager.

The three-phase model is a convenient way to help managers to plan and conduct their delegation responsibilities in a complete and reasonably sequenced manner. This process can help to integrate successful delegation into the manager's job as a strategic and always human process.

## **REFERENCES**

- Deal, T., & Kennedy, A. (1982). *Corporate cultures*. Reading, MA: Addison-Wesley.
- McCall, M., & Segrist, C. (1980). *In pursuit of the manager's job: Building on Mintzberg*. Greensboro, NC: Center for Creative Leadership.
- Mintzberg, H. (1973). *The nature of managerial work*. New York: Harper & Row.
- Ouchi, W.G. (1981). *Theory Z*. Reading, MA: Addison-Wesley.
- Peters, T., & Waterman, R. (1982). *In search of excellence: Lessons from America's best-run companies*. New York: Harper & Row.
- Taylor, F.W. (1911). *The principles of scientific management*. New York: Harper & Row.
- Weber, M. (1946). *From Max Weber: Essays in sociology*. (N.H. Gerth & C. Wright Mills, Ed. and Trans.) New York: Oxford University Press.

## ■ THE USE OF BEHAVIORALLY BASED SCALES IN PERFORMANCE APPRAISAL

### John Sample

Organizations accomplish their goals and objectives through effective utilization of human, financial, informational, and material resources. Appraising performance is one of the most important functions of any developer of human resources. Timely, behaviorally specific information about staff performance is necessary for effective placement, evaluation, development, and promotional decisions.

Effective performance appraisal also is necessary to meet Equal Employment Opportunity Commission (EEOC) requirements, which now cover any measurement tool or procedure that impacts any significant personnel decision. Performance appraisals are viewed as “tests,” and they must be job related and valid (Casio, 1982). However, most appraisal forms and procedures are subjective judgments of various traits that are thought to be important on the job. In *Wade v. Mississippi Cooperative Extension Service* (1976), a U.S. District Court held that such trait-rating systems are often biased and not job related and that there must be (a) a relationship between the appraisal instrument and job/task analysis, and (b) evidence that the appraisal instrument is a valid predictor of job performance.

A typical appraisal intervention is some form of goal or objective setting. Goal-oriented approaches have several advantages, one of which is to separate organizational means (resources and activities) from intended ends (outcomes and results) (Kaufman, 1982). However, such approaches may measure only selective aspects of an individual's total contribution to the organization (Goodale, 1977). A suggested alternative is the collaborative development and routine use of behaviorally based methods that assess job dimensions or competencies not measurable by goal or trait approaches. Two such methods are behavioral expectation scales (BES) and behavioral observation scales (BOS).

### **Development of Criteria**

The effectiveness of a human resource management and development program can be measured by functional relationships between predictor variables (e.g., employment tests, job interviews) and criteria variables (e.g., performance ratings, time to reach required performance). In this context, Toops (1944) states that in “making predictions, generally there must be . . . a unitary, general success score, or criterion score, for each

---

Originally published in *The 1986 Annual: Developing Human Resources* by J. William Pfeiffer & Leonard D. Goodstein (Eds.), San Diego, CA: Pfeiffer & Company.

person” (p. 271). However, not all management decisions involve *prediction*. A manager may wish to *evaluate* the consequences of a particular personnel action or program. According to Casio (1982), the distinction between predictors and criteria is as follows: “If evaluative standards such as written or performance tests are administered *before* a personnel decision is made (i.e., to hire, to promote), the standards are predictors. If evaluative standards are administered *after* a personnel decision has been made (i.e., to evaluate performance effectiveness), the standards are criteria” (p. 102). Without relevant predictors and criteria, a manager may not be able to generate performance measures that have utility throughout the HRD cycle (Smith, 1976).

## **BES, BARS, AND BOS**

Behavioral expectation scales (BES) and behaviorally anchored rating scales (BARS) differ from behavioral observation scales (BOS) in one major respect: BES and BARS are based on inferred (but not necessarily observed) performance (Smith & Kendall, 1963); BOS are based on actual, observed performance (Latham & Wexley, 1977).

In their original research, Smith and Kendall (1963) bemoaned the existing technology for developing effective performance-rating scales. One of their major concerns was with the proclivity of scale developers, especially psychologists, to impose their own values in scales. A second concern was with the unjustified assumption that scale developers would agree on important characteristics of employees. A third concern was that scales need to have at least face validity for the respondent. Smith and Kendall concluded that:

Better ratings can be obtained, in our opinion, not by trying to trick the rater (as in forced-choice scales) but by helping him to rate. We should ask him questions which he can honestly answer about the behaviors which he can observe. We should reassure him that his answers will not be misinterpreted, and we should provide a basis by which he and others can check his answers. (p. 151).

### ***Developing BES***

The development of behavioral expectation scales (BES) is a sequence of five phases.

#### ***Phase I: Development of Performance Dimension***

People who are knowledgeable about a specific position (job incumbents, their supervisors, customers or clients, etc.) help to develop performance dimensions for the position. These dimensions define the critical parts of the job. There usually are between five and ten dimensions (Schwab, Henmon, & DeCotiis, 1975). The development may include an analysis of available job descriptions, a published job/task analysis, etc. Performance dimensions usually are generated as a group activity.



### *Phase II: Development of Critical Incidents*

A group of job-knowledgeable individuals generates specific examples of job behaviors (effective, average, and ineffective performance). This phase utilizes the critical-incident method developed by Flannagan (1954).

### *Phase III: Retranslation*

A different group of job-knowledgeable people allocates a randomly ordered list of behavioral incidents to the performance dimensions identified in Phase I. This ensures that behavioral incidents are matched correctly to performance dimensions. A behavioral incident is eliminated from further consideration if the raters are not in agreement about which performance dimension it relates to. This process reduces the percentage of acceptable behaviors. The literature suggests from 50 to 80 percent for agreement (Casio, 1982; Schwab et al., 1975; Smith & Kendall, 1963).

### *Phase IV: Scale Development*

Once the critical incidents are assigned to appropriate performance dimensions, a five- or seven-point scale is used to indicate the extent to which each incident represents a specific level of performance (highly effective, moderately effective, or very ineffective). Means and standard deviations are computed for each behavioral item, and items with standard deviations exceeding an arbitrary standard (e.g., 1.50 or 1.75) are eliminated from further consideration (Campbell, Dunnette, Arvey, & Hellervik, 1973).

### *Phase V: Final Scale Development*

Smith and Kendall (1963) advocated the construction of a vertical, graphic scale for each performance dimension. Typically, each dimension is supported with six to nine behavioral incidents. Figure 1 is an example of a performance dimension with behavioral anchors, using a seven-point scale. The behavioral incidents are concise statements of observable behavior. Smith and Kendall (1963) advocate the editing of all behavioral incidents so that they represent “not actual behavior but inferences or predictions from observations” (p. 150).

The training and development competency study by the American Society for Training and Development (McLagan, 1983) adapted Smith and Kendall’s approach for developing behavioral anchors. Thirty-one competencies (as opposed to job dimensions) were identified in the knowledge and skill areas of the training and development field. At least two behavioral anchors were developed for each competency. Figure 2 provides examples of basic, intermediate, and advanced behavioral anchors for the competency “adult-learning understanding.”

Scale Values	Job Dimension
	Program management: planning, organizing, and scheduling program activities, assignments, and due dates
7 Excellent	Could be expected to develop a comprehensive program plan, document it well, obtain required approval, and distribute the plan to all concerned.
6 Very Good	Could be expected to plan, communicate, and observe deadlines; state weekly where the program stands relative to plans; maintain up-to-date charts of program accomplishments and backlogs; and use these to optimize any required modifications of schedule.
	Could be expected to experience minor operational problems, but communicates effectively.
5 Good	Could be expected to lay out all the parts of a program and schedule for each part, seek to stay ahead of schedule, and allow for slack.
4 Average	Could be expected to make a list of due dates and revise them as the program progresses, usually adding unforeseen events.
	Could be expected to have a sound plan, but does not keep track of deadlines; does not report slippages in schedules or other problems as they occur.
3 Below Average	Could be expected to have plans that are poorly defined and time schedules that frequently are unrealistic.
	Could be expected not to plan more than a day or two ahead, with no concept of a realistic due date.
2 Very Poor	Could be expected to have no plan; work segments are not scheduled.
	Could be expected to do little or no planning for project assignments.
1 Unacceptable	Could be expected seldom, if ever, to complete program because of lack of planning; does not seem to care.
	Could be expected to fail consistently due to lack of planning; no inquiry about how to improve.

**Figure 1. Example of a Behaviorally Anchored Rating Scale for Program Management**

### ***Developing BOS***

The procedures for developing behavioral observation scales (BOS) are similar to those for developing BES. The researcher meets with people who are knowledgeable about the job position. Flannagan's (1954) critical-incident method is used to generate behavioral examples of work performance. Care is taken by the researcher to help participants to avoid describing traits or attributes. Dunnette (1976) reports that fourteen or fifteen participants can produce between two hundred and three hundred behavioral incidents during several sessions. In successive sessions, the behavioral incidents are edited and

COMPETENCY	SAMPLE BEHAVIORS ILLUSTRATING LEVELS OF EXPERTISE		
	Basic	Intermediate	Advanced
<p>1. <i>Adult-Learning Understanding</i></p> <p>Knowing how adults acquire and use knowledge, skills and attitudes. Understanding individual differences in learning.</p>	<p>When preparing visuals for a presentation, the T&amp;D specialist assures that there are <i>no more than five to seven</i> points on each slide.</p> <p>Knowing that support and review are important after a learning experience, the T&amp;D specialist implements a series of <i>follow-up brochures that review key points and application ideas</i> from a course.</p>	<p>In order to assure that the managers participating in a management development program get the most out of their learning, the T&amp;D specialist develops a half-day module on <i>how to self-manage the learning process</i>. The module is designed to be <i>highly participative</i> and presents the latest findings about <i>how adults learn</i>.</p> <p>When asked to develop a career development program, the T&amp;D specialist develops a program that <i>uses participative methods, learning contracts, and continuing learning plans</i>.</p> <p>A writer preparing a self-study manual for experienced nurses includes action-planning modules at the end of each section to <i>assure that the nurses have a formal opportunity to relate the theories to their own practices</i>.</p>	<p>Microcomputer customers complain that the written instructions and information provided by local representatives is too confusing. The learning specialist reviews the manuals, interviews customers, and observes local representatives. He or she then <i>develops a workshop entitled "How to teach adults about microcomputers,"</i> complete with a set of job aids for interpreting the manuals. The course is presented to all company representatives.</p> <p>A T&amp;D specialist, interested in exploring the applications of a broad range of learning theories to the training and development field, <i>invites ten leading learning theorists</i> to be featured at a one-day colloquium. The T&amp;D specialist <i>identifies the issues to be addressed and moderates and provides commentary on discussions during the meeting</i>.</p>

**Figure 2. Example of Behavioral Anchors for a Competency  
(From McLagan, 1983, p.5)<sup>1</sup>**

<sup>1</sup> 1 From P.A. McLagan, *Models for Excellence*, 1983, American Society for Training and Development.

classified into performance dimensions, and incidents that describe essentially the same dimension are grouped into one performance dimension (Latham & Wexley, 1977). A five-point Likert scale is developed for each behavioral item, and the rater records the frequency with which the employee was observed demonstrating the indicated behavior. Several performance dimensions and their accompanying behavioral items compose a behavioral observation scale (BOS) (see example in Figure 3). Individual scores are determined by summing the raters' responses to all the behavioral items (Latham et al., 1976).

<b>Dimension: Planning, Organizing, and Scheduling Program Activities</b>					
<b>Behavioral Items</b>	<b>Never (0-19%)</b>	<b>Seldom (20-39%)</b>	<b>Sometimes (40-59%)</b>	<b>Generally (60-79%)</b>	<b>Always (80-100%)</b>
1. Develops a comprehensive program plan and documents it well.	1	2	3	4	5
2. Obtains required approval and distributes plan to all concerned.	1	2	3	4	5
3. Regularly assesses performance of staff in relation to work plans.	1	2	3	4	5

**Figure 3. Example of a Behavioral Observation Scale (BOS) for a Program Manager**

### ***BES AND BOS: ADVANTAGES AND DISADVANTAGES***

It has been over twenty years since Smith and Kendall (1963) first described the developmental procedures for behavioral expectation scales (BES), but the literature from organizational and industrial psychology still reports the effectiveness of BES and BOS formats. The apparent advantages of BES and BOS are significant and are as follows:

1. The developmental procedures directly involve those who are most affected by a performance-measurement system—those being rated and those who perform as raters. According to Campbell et al. (1973), the development of BES for store managers was a valuable learning experience because they “seldom, if ever, give careful attention to what they really mean by effective performance” (p. 22). Studies by Burgar (1978), Friedman and Cornelius (1976), and Warmke and Billings (1979) strongly support participation in as many phases of scale development as possible.
2. Behavioral scales provide the rater with performance dimensions and behavioral items that are specific and nonambiguous (Fogli, Hulin, & Blood, 1971).

Because the behavioral items are written in the language of the user, they are less subject to misinterpretation (Smith & Kendall, 1963). Behavioral scales, when developed properly, are content valid and job related (Goodale, 1977; Latham, Fay, & Saari, 1979).

3. Research on the psychometric properties of BES suggests that they have demonstrated medium to high reliability (Burnaska & Hollman, 1974; Fogli et al., 1971; Landy, Farr, Saal, & Freytag, 1976; Smith & Kendall, 1963). In at least one study, BES correlated highly with objective performance measures (Casio & Valenzi, 1978). BES seem to possess adequate convergent validity but have questionable discriminant validity (Campbell et al., 1973; Dickinson & Tice, 1973; Zedeck & Baker, 1972). Field tests indicate that BES are superior to typical, graphic rating scales (in terms of reliability, validity, and freedom from halo and leniency error) (Borman & Vallon, 1974; Burnaska and Hollman, 1974; Campbell et al., 1973; Keavney & McGann, 1975).

Several apparent disadvantages also are worth mentioning. According to several sources, BES are not clearly superior to other, more traditional, and more easily developed rating formats (Atkin & Conlon, 1978; Schwab et al., 1975).

1. BES and BOS assess only behavior. Individual contributions to program or agency goals are better assessed by means of a goal-setting system, such as management by objectives (MBO) (Dawson, 1981; Odiorne, 1970). A comprehensive management plan could include an integrated BES and MBO system (Baird, Beatty, & Schneier, 1982; Schneier & Beatty, 1979).
2. The development of BES is costly and time consuming. The development of BES for college-instructor performance generally requires many hours of participant time (to create and scale incident descriptions) and as many as eighty hours of professional and clerical time (for editing, questionnaire development, data tabulation, statistical analysis, and final construction). Two shortcut methods for BES development are discussed by Green, Sauser, Fagg, & Champion (1981), and according to those researchers, the alternative methods do not significantly jeopardize the quality of behavioral-item development.
3. The developmental procedures for BES create item wastefulness. According to DeCotiis (1978), current BARS scaling procedures “inevitably result in the rejection of a large percentage of the behavioral item pool” (p. 684). The development of behavioral observation scales (BOS) eliminates this problem by using more of the item pool (Latham & Wexley, 1977).
4. A significant disadvantage with BES and BOS is that the rater must attempt to recall employee behavior over a six- to twelve-month rating period. If the rater does not make systematic observations at consistent intervals over time, he or she is inviting “virtually every type of rating error possible” (Bernardin & Smith, 1981, p. 463). To alleviate this problem, the rater can maintain a journal of

specific critical incidents (both positive and negative) that are observed during the rating period (Goodale, 1977).

A useful approach would be to provide rater training that emphasizes the necessity for observing and recording specific behavior as a means for avoiding rater error (Bernardin & Pence, 1980; Fay & Latham, 1982; Spool, 1978). Bernardin and Pence (1980) believe that emphasis “should be placed on training raters to observe behavior more accurately and fairly than on providing illustrations of how to or not to rate” (p. 65).

Some of the problems associated with behavioral expectations scales (BES) can be overcome with the development of behavioral observation scales (BOS). As has been discussed earlier, a BES is a vertical, graphic, rating scale (see Figure 1), with the behavioral scales being a seven-point continuum. The rater reviews the performance dimensions (e.g., “planning and organizing, interpersonal relations”) and behavioral anchors for each dimension. The rater then checks the behavioral anchor that best describes what the employee could be expected to demonstrate. According to Latham and Wexley (1977), “A potential problem is that the behaviors that the manager has seen the employee demonstrate may not resemble the specific anchors on any of the scales. Thus the manager is required to extrapolate from observed behaviors those that could be ‘expected’ as defined by the scale anchors” (p. 267).

The BOS format utilizes a five-point scale for each behavioral anchor (see Figure 3), and the rater indicates the frequency with which the behavior was observed. Thus, only observed behaviors are rated, and the rater is not required to infer or extrapolate actual behaviors. An additional advantage of BOS is that the final scale utilizes more behavioral items than does the BES format. In at least one study, BOS were rated by users as more practical than BES (Fay & Latham, 1982).

## **ADDITIONAL USES FOR BEHAVIORALLY BASED SCALES**

This article has emphasized the use of behaviorally based scales in performance appraisal; however, these approaches also may be used for other purposes.

### ***Recruitment, Selection, Placement, and Socialization***

A legally defensible job analysis can be based in part on behaviorally based scales. This will aid in the recruitment, selection, and placement of human resources. Job descriptions and specifications frequently do not include behavioral expectations. Behavioral specificity enables the manager to more effectively fit the person to the job. Once a person is on the job, socialization (i.e., the process of learning the organization’s norms and values) can be enhanced with behaviorally based scales.

## ***Evaluation***

Program evaluators can use behavioral-expectation and observation data in their summative and formative reports. Personnel can be evaluated using behaviorally based methods. The behavioral responses of clients and customers to sales and marketing people can be evaluated using behaviorally based scales. Blood (1974) suggests that such scales can be useful in assessing agreement on organizational policy and communication patterns. Additionally, behaviorally based scales can serve as “criteria against which to evaluate predictors for selection and promotion decisions” (Campbell et al., 1973).

## ***Training and Development***

Blood (1974) cites a compelling need for the use of BES in the development of training programs in which “the skills to be trained for are specified in terms of actual job behaviors rather than simply the name of the skill domain . . . . Trainees in a program based on these materials would learn expected behaviors, and they would learn how their performance is to be evaluated” (p. 514).

## ***Promotion and Transfers***

It has been over twenty-five years since Douglas McGregor (1957) described his uneasy feeling about performance appraisal. McGregor’s concern was that traditional performance-appraisal systems suffer from a lack of behavioral specificity, making it difficult to give meaningful feedback to organizational personnel. The use of behaviorally based methods, along with goal- and objective-setting measures, can facilitate career development. Although good performance might lead to promotion, poor performance now might lead to transfer, so that employees’ skills are more congruent with their jobs.

## ***SUMMARY***

Several factors should be considered when using behaviorally based scales in a performance-appraisal system. Human resource management (from recruitment to termination) should rely on timely and accurate performance information.

Performance appraisal affects not only the person being appraised; it also should encourage each manager to provide feedback that is behaviorally specific, consistent, and thorough. The critical-incident method is useful for monitoring performance on a regular basis.

The appraisal process is one of many ways in which employees are socialized into the organization’s culture. Rating errors (e.g., consistent leniency or harshness; prejudice regarding race, sex, or age; the tendency to rate everyone “average”) manifest an unhealthy organizational culture.

No performance-appraisal system is perfect or without tradeoffs. BARS assess only behavior. Individual contributions to organizational results may be better assessed through some form of goal setting such as management by objectives. A comprehensive organization development intervention could include an integrated BARS and MBO system.

The development of behaviorally based scales may be time consuming, but such scales provide a relevant and legally job-related, performance-appraisal system that is consistent with the assumptions and objectives of human resource development.

## REFERENCES

- Atkin, R.S., & Conlon, E.J. (1978). Behaviorally anchored rating scales: Some theoretical issues. *Academy of Management Review*, 3, 119-128.
- Baird, L.S., Beatty, R W., & Schneier, C.E. (1982). *The performance appraisal sourcebook*. Amherst, MA: Human Resources Development Press.
- Bernardin, H.J., & Pence, E.G. (1980). The effects of rater training: Creating new response sets and decreasing accuracy. *Journal of Applied Psychology*, 65, 60-66.
- Bernardin, H.J., & Smith, P.C. (1981). A clarification of some issues regarding the development and use of behaviorally anchored rating scales (BARS). *Journal of Applied Psychology*, 66, 458-463.
- Blood, M.R. (1974). Spinoffs from behavioral expectation scale procedures. *Journal of Applied Psychology*, 59, 513-515.
- Borman, W.C., & Vallon, W.R. (1974). A view of what can happen when behavioral expectation scales are developed in one setting and used in another. *Journal of Applied Psychology*, 59, 197-201.
- Burgar, P.S. (1978). Have behavioral expectation scales fulfilled our expectations?: A theoretical and empirical review. *JSAS Catalog of Selected Documents in Psychology*, 8, 75-76 (Ms. No. 1745).
- Burnaska, R.G., & Hollman, T.D. (1974). An empirical comparison of the relative effects of rater response biases on three rating scale formats. *Journal of Applied Psychology*, 59, 307-312.
- Campbell, J.P., Dunnette, M.D., Arvey, R.D., & Hellervik, L.V. (1973). The development and evaluation of behaviorally based rating scales. *Journal of Applied Psychology*, 57, 15-22.
- Casio, W.F. (1982). *Applied psychology in personnel management*. Reston, VA: Reston Publishing.
- Casio, W.F., & Valenzi, E.R. (1978). Relations among criteria of police performance. *Journal of Applied Psychology*, 63, 22-38.
- Dawson, T. (1981). Management by objectives. *Lifelong Learning: The Adult Years*, 4, 30-33.
- DeCotiis, T.A. (1978). A critique and suggested revision of behaviorally anchored rating scales: Developmental procedures. *Educational and Psychological Measurement*, 38, 681-690.
- Dickinson, T.L., & Tice, T.E. (1973). A multitrait-multimethod analysis of scales developed by retranslation. *Organizational Behavior and Human Performance*, 9, 421-438.
- Dunnette, M.D. (1976). Aptitudes, abilities and skills. In M.D. Dunnette (Ed.), *Handbook of industrial and organizational psychology*. Chicago: Rand McNally.
- Fay, C.H., & Latham, G.P. (1982). Effects of training and rating scales on rating errors. *Personnel Psychology*, 35, 105-116.



- Flannagan, J.C. (1954). The critical incident technique. *Psychological Bulletin*, 51, 327-358.
- Fogli, L., Hulin, C.L., & Blood, M.R. (1971). Development of first level behavioral job criteria. *Journal of Applied Psychology*, 55, 3-8.
- Friedman, B.A., & Cornelius, E.T. (1976). The effect of rater participation in scale construction of the psychometric characteristics of two rating scale formats. *Journal of Applied Psychology*, 61, 212-216.
- Goodale, J.G. (1977). Behaviorally based rating scales: Toward an integrated approach to performance appraisal. In W.C. Hammer and F.L. Schmidt (Eds.), *Contemporary problems in personnel* (rev. ed.). New York: John Wiley.
- Green, S.B., Sauser, W.I., Fagg, J.N., & Champion, C.H. (1981). Shortcut methods for delivering behaviorally anchored rating scales. *Educational and Psychological Measurements*, 41, 761-765.
- Kaufman, R. (1982). Holistic human resource development: Beyond techniques and procedures. In J.W. Pfeiffer and L.D. Goodstein (Eds.), *The 1982 annual for facilitators, trainers, and consultants*. San Diego, CA: Pfeiffer & Company.
- Keavney, T.J., & McGann, A.F. (1975). A comparison of behavioral expectation scales and graphic rating scales. *Journal of Applied Psychology*, 60, 695-703.
- Landy, F.J., Farr, J.L., Saal, F.E., & Freytag, W.R. (1976). Behaviorally anchored scales for rating the performance of police officers. *Journal of Applied Psychology*, 32, 299-311.
- Latham, G.P., Fay, C.H., & Saari, L.M. (1979). The development of behavioral observation scales for appraising the performance of foremen. *Personnel Psychology*, 32, 299-311.
- Latham, G.P., & Wexley, K.N. (1977). Behavioral observation scales for performance appraisal purposes. *Personnel Psychology*, 30, 255-268.
- Latham, G.P., Wexley, K.N., & Pursell, E.D. (1975). Training managers to minimize rating errors in the observations of behavior. *Journal of Applied Psychology*, 60, 550-555.
- McGregor, D. (1957). An uneasy look at performance appraisal. *Harvard Business Review*, 35, 89-94.
- McLagan, P.A. (1983). *Models for excellence*. Washington, DC: American Society for Training and Development.
- Odiorne, G.S. (1970). *Training by objectives*. New York: Macmillan.
- Schneier, C.E., & Beatty, R.W. (1979). Combining BARS and MBO: Using an appraisal system to diagnose performance problems. *Personnel Administrator*, 24(9), 51-60.
- Schwab, D.P., Henman, H.G., & DeCotiis, T. (1975). Behaviorally anchored rating scales: A review of the literature. *Personnel Psychology*, 28, 549-562.
- Smith, P.C. (1976). Behaviors, results and organizational effectiveness: The problem of criteria. In M.D. Dunnette (Ed.), *Handbook of industrial and organizational psychology*. Chicago: Rand McNally.
- Smith, P.C., & Kendall, L.M. (1963). Retranslation of expectations: An approach to the construction of unambiguous anchors for rating scales. *Journal of Applied Psychology*, 47, 149-155.
- Spool, M.D. (1978). Training programs for observers of behavior: A review. *Personnel Psychology*, 31, 853-888.
- Toops, H.A. (1944). The criterion. *Educational and Psychological Measurement*, 4, 271-297.
- Wade v. Mississippi Cooperative Extension Service*. 528 F. 2nd 508 (5th Cir.1976).
- Warmke, D.L., & Billings, R.S. (1979). A comparison of training methods for altering the psychometric properties of experimental and administrative performance ratings. *Journal of Applied Psychology*, 64, 124-131.

Zedeck, S., & Baker, H.T. (1972). Nursing performance as measured by a behavioral expectation scale: A multitrait-multirater analysis. *Organizational Behavior and Human Performance*, 7, 457-466.

## ■ APPLYING A CONSULTING MODEL TO MANAGERIAL BEHAVIOR

**Terry Newell**

Several factors are forcing organizations to rethink basic management tenets that have been held since America became an industrial society nearly a century ago. Today, increasing competition in the world market demands new ways of thinking and operating in our organizations. The industrial society could rely on a plentiful supply of cheap, relatively uneducated labor. Information processing and the provision of services now dominate the economy and the employment market, and the workers needed today are better educated, more expensive (Yankelovich & Immerwahr, 1983), and in shorter supply. The number of people entering the work force will drop by nearly 6 million between 1984 and 1995 (The Future Environment, 1986). More women hold jobs outside the home. Employees are demanding better benefit packages, flexible hours, participation in decision making, and a host of other considerations. In short, the jobs of today's workers are different; their ways of thinking are different; and the ways in which they are managed must be different. The hierarchical management structures and authoritarian managerial behaviors that characterized most assembly-line production operations and carried over into most large organizations are no longer appropriate to a service and information society in which innovation and responsiveness are essential.

### **THE NEED FOR INNOVATION AND AUTONOMY IN THE WORKPLACE**

Inexorable economic and demographic changes demand changes in our ways of managing organizations. Deputy Treasury Secretary Richard Darman stated that “[There is a tendency] in large-scale corporate America to be like the government bureaucracy [that] corporate executives like to malign: bloated, risk-adverse, inefficient, and unimaginative” (Corwin, 1987, p. 12). Since 1980, eighty-nine of the one hundred largest United States companies have reorganized to reduce the number of management layers. Other estimates indicate that over a half-million managers have been let go by United States firms in the last five years, and a total of two to three million will be cut by 1995 (Middle Managers, 1985; Nielson, 1985; Snyder, 1984).

---

Originally published in *The 1988 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. The author is the director of the Horace Mann Learning Center in the United States Department of Education. This article was written by him in his private capacity. No official support or endorsement by the United States Department of Education is intended or should be inferred. However, because this article was written by an employee of the Federal government, it is in the public domain and may be reproduced by anyone in whatever quantity he or she wishes.

In a study of worker attitudes using national polling techniques, Yankelovich and Immerwahr (1983) found that employees highly value and want more discretion in how they do their jobs. Maccoby (1981) suggests that the “gamesman” leadership style he described in the 1960s now must give way to a different approach that takes into account the changed “social character” of the work force: “It is becoming more generally accepted,” he notes, “that hierarchical and policing-style management causes resentment, sabotage, costly absenteeism, and a negative attitude to the business” (p. 58).

### ***Current HRD Models Are Too Limited***

Human resource development (HRD) practitioners have not been idle participants in this arena. Since the Hawthorne studies in the 1930s, they have contributed ideas and techniques to help free the potential in managers and their employees. But there is a gap between what HRD has offered and what managers have used. Part of the problem may be that many of the HRD models just do not suit managers’ needs.

The traditional approach to management training focuses on the basic functions a manager performs: planning, organizing, delegating, monitoring, and controlling. In his studies of managers, Mintzberg (1975) discovered that they seldom sit still long enough to devote concentrated attention to most of these functions, especially planning. He suggested that, instead, managers vary among ten roles such as liaison, disturbance handler, resource allocator, and disseminator. Unfortunately, Mintzberg’s research was more descriptive than prescriptive; few managers are aware of it, and few HRD professionals have translated it into something that managers can use.

The current trend seems to be a focus on leadership. In addition to Maccoby (1981), Bennis and Nanus (1985), Kanter (1983), and Peters and Austin (1985) have written excellent, yet largely descriptive books. Much of their writing is applicable to managers, but their points serve more as goals to strive for than as road maps or instructions. The closest anyone has come to a practical guide to management is Hersey and Blanchard’s work on Situational Leadership® (1982). Furthermore, the focus of all these works is on the manager as the person in charge of the situation. But if employees are to assume more autonomy, participate more in decision making, and take matters more into their own hands, we need a model of management that tells how *they* should behave as well. We need a model that makes sense in organizations that are less hierarchical and more lateral, less authoritative and more collegial in their relationships.

## ***MANAGERS AND THE CONSULTING ROLE***

If, as Naisbitt (1982) suggests, the new leader “is a facilitator, not an order giver” (p. 188), then the consulting model that HRD practitioners use with managers is an appropriate model for managers to use with their subordinates. Subordinates also can use it to improve their own abilities to participate effectively in decision-making processes.

The consulting model suggests a new language for talking about management. The terms “manager,” “superior,” “boss,” and “supervisor” connote a relationship in which one person does the thinking, gives the orders, and—at least from nine to five—is viewed as more worthwhile than others. In contrast, the terms used most often in organizational consulting, such as “facilitator,” “helper,” “trainer,” and “consultant,” connote a more equal relationship. Because language is a powerful influence on how we think and, therefore, act, adopting consulting language may be a significant way to break down the old mental and behavioral patterns of both managers and employees. This is not to say that managers must give up their power—one of the primary elements that distinguishes them from consultants. On the contrary, the manager who begins to think of his or her supervisory responsibilities in terms associated with consulting may actually gain personal power with subordinates.

The consulting model offers a rich behavioral repertoire for managers and employees. Figure 1 presents a model of consulting developed by Lippitt and Lippitt (1986). To adapt this model for managerial purposes, we replace the word “consultant” with the word “manager” and the word “client” with the word “employee.”

The continuum in Figure 1 thus moves from one extreme (on the right) in which the manager (consultant) advocates a specific solution to the other extreme (on the left) in which he or she just observes and comments on what the employee (client) is doing. In between are six additional roles from which the manager may choose. Each offers a different degree of employee involvement and managerial leverage.

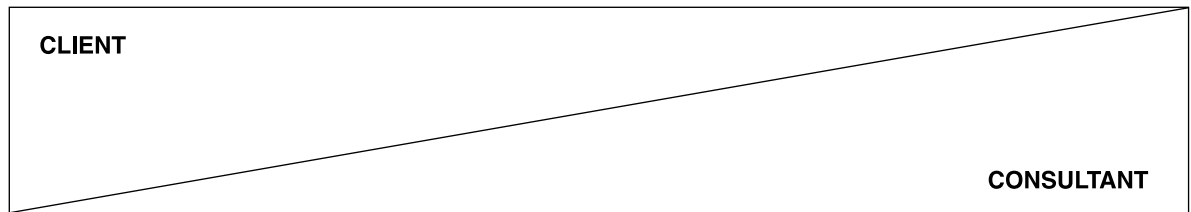
### ***Participative Management and Consulting Roles***

The two extremes on the continuum probably are the ones played least frequently by managers in effective organizations. The advocate manager is the hard charger who knows what needs to be done and only needs to sell it to his or her employees. Many managers sense that they are not very effective in this role, and employees increasingly are rejecting this type of leadership. On the other hand, many managers fear the observer/reflector role because they believe that it requires them to sit back and let employees make the decisions. In fact, many managers who reject participative management do so because they think that this is what they are being asked to do.

As we move toward the center of the continuum in Figure 1, we come across roles that are more acceptable to most managers. The fact that such role choices exist releases managers from the “either-or” thinking that says they must be autocrats or marshmallows with their employees.

The role continuum thus helps to define participative management. Although many management books encourage managers to become participative, few tell how to do so. These eight roles, however, suggest eight behavioral alternatives for increasing employee involvement. They are not managerial functions—such as planning, monitoring, or controlling—but behavioral *options* a manager has for working with employees in carrying out these functions. Figure 2 illustrates the relationship between managerial functions and role choices. If this figure were viewed as a matrix, each of its

**Objective Observer    Process Counselor    Fact Finder    Identifier of Alternatives and Linker to Resources    Joint Problem Solver    Trainer/Educator    Information Specialist    Advocate**



**LEVEL OF CONSULTANT ACTIVITY IN PROBLEM SOLVING**

**Nondirective** **Directive**

	Observes problem-solving process and raises issues mirroring feedback	Gathers data and stimulates thinking	Identifies alternatives and resources for client and helps assess consequences	Offers alternatives and participates in decisions	Trains client	Regards, links, and provides policy or practice decisions	Proposes guidelines, persuades, or directs in the problem-solving process
--	---	--------------------------------------	--	---	---------------	---	---

**Figure 1. Multiple Roles of the Consultant**

Management Functions	Consulting Roles							
	<i>Objective Observer</i>	<i>Process Counselor</i>	<i>Fact Finder</i>	<i>Identifier of Alternatives</i>	<i>Joint Problem Solver</i>	<i>Trainer/Educator</i>	<i>Information Specialist</i>	<i>Advocate</i>
Envisioning Planning Organizing Scheduling Budgeting/ Resource Allocation Delegating Monitoring Controlling	<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;">             Behaviors to operate as a trainer/educator in conducting planning           </div>							

**Figure 2. Relationship of Consulting Roles and Management Functions**

cells would contain discrete behaviors that define how a manager implements a given consulting role for a given managerial function.

Figure 3 presents some of the behaviors that are associated with each consulting role. The behaviors are listed opposite the role where they are most likely to be found or for which they are of paramount importance. Effective management, however, is likely

Role	Behaviors Commonly Used in Implementing the Role
<b>Advocate</b>	<ul style="list-style-type: none"> <li>■ Clarifies the message to be communicated.</li> <li>■ Identifies needs and characteristics of audience.</li> <li>■ Identifies appropriate approach/media.</li> <li>■ Speaks and writes clearly and persuasively.</li> <li>■ Analyzes effectiveness of advocacy effort.</li> <li>■ Modifies approach and content as needed.</li> </ul>
<b>Information Specialist</b>	<ul style="list-style-type: none"> <li>■ Presents state-of-the-art information on technical subjects.</li> <li>■ Presents information on the business environment and the health of the business/organization.</li> </ul>
<b>Trainer/Educator</b>	<ul style="list-style-type: none"> <li>■ Assesses learning styles.</li> <li>■ Identifies learning objectives.</li> <li>■ Plans learning experience consistent with principles of adult learning.</li> <li>■ Uses a variety of training approaches to meet diverse learner needs.</li> <li>■ Arranges learner practice.</li> <li>■ Asks and responds to questions.</li> <li>■ Assesses degree of learning and provides appropriate reinforcement.</li> <li>■ Arranges for on-the-job follow-up/reinforcement.</li> </ul>
<b>Joint Problem Solver</b>	<ul style="list-style-type: none"> <li>■ Establishes and builds problem-solving teams.</li> <li>■ Conducts or facilitates problem-solving sessions using appropriate problem-solving techniques.</li> <li>■ Conducts or facilitates action planning based on solution identified.</li> </ul>
<b>Alternative Identifier/ Resource Linker</b>	<ul style="list-style-type: none"> <li>■ Conducts or facilitates lateral-/creative-thinking exercises.</li> <li>■ Researches topics to identify helpful people, places, publications.</li> <li>■ Links self and others to people, places, publications.</li> <li>■ Identifies pros and cons of options under consideration.</li> </ul>
<b>Fact Finder</b>	<ul style="list-style-type: none"> <li>■ Identifies the need for data to address questions about organizational issues.</li> <li>■ Identifies diagnostic models to assess economic, political, social, and technical health of the business/organization.</li> <li>■ Designs research and evaluation approaches to gather needed data.</li> <li>■ Uses soft and hard data-collection methods to gather information about problems and opportunities.</li> <li>■ Organizes data to answer questions.</li> </ul>
<b>Process Counselor</b>	<ul style="list-style-type: none"> <li>■ Negotiates process-consultation role with individuals and groups.</li> <li>■ Assists in facilitation and diagnosing interpersonal, group, and organizational leadership, goal-setting, decision-making, problem-solving, communication, and conflict-management processes.</li> <li>■ Uses models of interpersonal, group, and organizational effectiveness to guide diagnosis and intervention.</li> <li>■ Involves individuals and groups in analyses of diagnostic data and in action planning.</li> <li>■ Intervenes in the system consistent with negotiated role.</li> </ul>
<b>Objective Observer</b>	<ul style="list-style-type: none"> <li>■ Creates a climate of acceptance, trust, and neutrality.</li> <li>■ Observes individual, interpersonal, and group behavior.</li> <li>■ Actively listens to communications.</li> <li>■ Facilitates open, assertive, authentic communication among individuals and groups.</li> <li>■ Feeds back observations in specific, behavioral, nonjudgmental terms consistent with agreed-on observer role.</li> </ul>

**Figure 3. Behaviors Associated with Consulting Roles**

to call on behaviors from various roles in any given situation as the manager switches from advocate to problem solver to process counselor to information specialist, and so on, in a flow of managerial action.

As an example, we might assume that a manager has been an effective advocate and “sold” employees on using a particular model to carry out the unit’s planning cycle. The manager might then wish to teach the model to the staff. To do this, the manager would first need to understand the learning styles of the employees. The manager would then identify how to teach the planning model taking these style preferences into account. This might include some combination of written materials (for example, an article on the planning model, instructions in its use), visual materials (a film on planning), practice exercises (a case-study activity or actually working through a sample plan), and on-the-job experience. The manager would need to blend these activities in ways conducive to adult learning (that is, making the training relevant, experience based, relatively learner controlled, and so forth). The manager also would need to plan for adequate evaluation and on-the-job follow-up to confirm that the planning model is learned and used.

This approach is quite different from the more common, more directive approach characterized by the manager who starts and stops with the advocate role. As an advocate, the manager assumes that the problem is solved when the employees have verbally agreed to use the planning model. Only later is the manager likely to find that the employees have neither accepted nor learned how to use the model. Such a manager mistakes verbal acquiescence for behavioral implementation.

It also is important to note that all eight of the role choices and their associated behaviors allow for some degree of employee and managerial participation. The application of the consulting model to managerial behavior does not imply that the manager withdraws from the scene. Although each of the eight roles in Figure 1 provides some level of employee participation, the manager is needed or influential to some degree in all of them. Because the manager participates in each role, he or she affects the outcome. Even when the manager serves as “observer,” the observations can be valuable to the group and can impact the decision or task. This may help to address the concern of mid-level managers that the intent of employee participation is to eliminate their roles.

Employees also have influence in all parts of the model. The consulting model suggests that employees, like clients, can initiate events, not just react to orders. This is especially true when the manager operates in a problem-solving or alternative-identifier role. Yet even when the manager is an advocate, he or she is more a salesperson than a dictator. Employees still can actively influence actions to be taken.

Because managers and employees both have influence in this model, both must accept responsibility for the results. Managers traditionally have instituted systems such as “pay for performance” and “management by objectives” to hold employees accountable. To the extent that such systems are “top down,” they often fail, because they imply that the employees’ behavior is controlled by someone else. When employees lack influence, they point to scapegoats (managers and others) as the causes



of failure. When employees have choices and can influence events and outcomes, when they take responsibility for solving problems themselves, true accountability results.

### ***All Levels in the Organization Benefit***

The consulting roles presented in the Lippitts' model also can be used by managers to operate effectively in dealing with their own supervisors. Managers can gain more influence by encouraging their own supervisors to serve as trainers or joint problem solvers, thus allowing them more participation. A positive chain reaction can begin at either end. As employees become more participative and assume more responsibility, their manager is freed to become more participative with and assume more responsibility from his or her supervisor, thus freeing that person to do more important things in his or her role. Conversely, as a top manager becomes more participative, his or her subordinate managers assume more responsibility. They have time to do so because as they themselves become more participative, their employees assume more responsibility. The final effect is that managers are freed to do more of what they are really paid to do, plan, while employees are involved more in the work that they do. The more the system can train managers and employees to consult, the less time managers need to spend in directing and supervising. Obviously, managers, employees, and the organization all benefit from this.

Consulting skills also help managers and employees in functioning horizontally within the organization, in situations in which they have no direct line authority (such as when serving on a task force, advisory board, or in coordinating projects with other departments). A participative, consultative model is particularly suited to situations involving such horizontal integration and internal coordination.

Managers and employees in staff units such as the HRD and personnel departments also need consultative skills. These functions often are viewed as regulators and "police" partly because their members do not apply a consulting orientation in their work. Personnel units traditionally measure their success by the extent to which their hiring policies, payroll systems, and appraisal forms are complied with by managers rather than by the extent to which they develop differing hiring, payroll, and appraisal systems to meet the differing needs of organizational units.

### ***FLEXIBILITY IN THE CONSULTING ROLE***

An effective consultant will vary the role he or she plays according to the needs and stages of the consulting relationship. The same is true for managers. The eight roles in the consulting model provide considerable variety—more so than many management models. Contrary to many of these models, which suggest that a given situation calls for a particular style of management, the consulting continuum suggests that a single situation may call for multiple roles in a dynamic interaction that requires rapid shifts of managerial behavior. The example that follows illustrates this point.

## The Situation

A unit in the finance office has had excessive delays for the past three months in processing payments received. This has led to a loss of profits because of loss of interest on the funds. The director of the unit has been told to cut processing time by 30 percent for the next quarter.

### The Traditional Manager

Reviewing the processing logs of her employees, the manager sees that one long-term employee is well below average, although this alone is not enough to cause all the delays. The manager calls a staff meeting and probes for “why things have gotten out of control.” The employees look at one another, and one finally speaks up: “It’s the people in the mail room; they take forever to even get the checks here.” Another adds, “We’ve had equipment down.” A third chimes in, “People have been out on vacation.”

Dissatisfied with what she views as “excuses,” the manager calls a separate meeting with the problem employee and urges him to improve. The manager then meets with the director of mailing operations to see if the mail flow can be improved. She is told that “not everything can have top priority.” She also decides to institute a daily processing log to replace the weekly log now being used, in the hope that closer monitoring will speed things up and allow her to spot problems sooner. Finally, she promises cash incentives to employees who approve their average processing times.

After two months, the processing time has been cut by only 12 percent, largely because of the efforts of one employee who needs the cash incentive. The performance of the problem employee is no better, and it is rumored that he is looking for another job. The other employees are grumbling about “spending so much time filling out logs that we can’t get our work done.” Tension seems to be developing between them and the “rate buster” employee.

### The Consultant Manager

The manager calls her staff together and presents the data that her supervisor has shared with her. Most of the staff members have seen the figures before, because they are posted at the end of each week. The manager *advocates* that the group use force-field analysis to look at the problem. The employees agree, although most of them are not familiar with the process. The manager says that she will *train* them in how to use it.

As a result of the analysis, a number of problems are identified. The group agrees to engage in *joint problem solving*. It further agrees that three problems must be given priority and that action plans must be developed to deal with them:

1. It is agreed that weekly logs do not provide warning of problems early enough, especially about problems caused by staff absences that overload other employees. Substitution of daily logs, using the unit’s computer equipment, would allow the manager to schedule the work flow more evenly. It is agreed that written logs are too time consuming.
2. The employees suggest that the job of the long-term employee be restructured to remove him from check processing and to give him more administrative tasks such as designing time-saving changes in the work flow. His knowledge of the organization and his long-term relationship with the mail room are cited. His work load will be picked up in part by a secretary who wants to learn check processing and by the time saved by new work procedures.
3. The employees recommend that the incentive program be changed to put less emphasis on cash and more on nontaxable awards. A list of such awards is generated.

After two months, the processing time has been reduced by 34 percent. The staff is working more harmoniously, and the long-term employee has *identified three alternatives* for cutting processing time further. These will be explored by the total group in a meeting the following week. Two of the procedures resulted from force-field analyses that the employee conducted with other staff members. The manager sat in on the meeting and provided process feedback to both the long-term employee and the group members. Furthermore, the revised awards program has succeeded because of its use of time off as an incentive. An option to select cash instead has been of benefit to one employee who needs the extra money.

## **Tradeoffs**

Each of the consultative managerial roles is appropriate under certain circumstances. Each serves certain ends. For example, when faced with a crisis situation that calls for quick action, a manager may need to be an advocate. There may be little time for involvement and, if the manager has the required information, little need to draw on the resources of the group. Of course, the employees will have little involvement in the decision and will learn very little about how to handle similar situations in the future.

Tradeoffs occur with all role choices. As Table 1 shows, these tradeoffs involve the speed with which decisions are made, the extent to which the group contributes, the extent of group commitment to the decision made, and the extent of employee development. The tradeoffs are similar to those suggested by Vroom (1973). The mid-continuum roles of joint problem solver and identifier of alternatives may represent the optimum approach for managers who need to solve complex problems while developing the problem-solving capabilities of their employees.

## **CONSULTING ROLES AND MANAGERIAL SKILLS**

The consulting model directs attention to a range of skills not traditionally viewed as essential for managers. As Lippitt and Lippitt (1986) point out, consultants have two kinds of expertise. They have technical skills that enable them to be content experts in particular fields (for example, training technologies, systems analysis, survey design, quantitative methods, strategic planning, and so forth). They also have process expertise; they know what process to use with people to accomplish a given goal and they know how to give feedback to groups to help them to improve their interactions and their processes such as problem solving, decision making, and so on.

Managers, on the other hand, usually are content or technical specialists, but frequently they do not have process skills. Many traditional managers still do not consider process expertise to be an essential managerial skill—if, in fact, they even know what the term means. They approach each situation as if it were primarily a technical problem, using whatever process “common sense” suggests. This lack of awareness of process concepts and skills may help to explain why technical experts often fail as managers and why so many managers become authoritative. Lacking the ability to “work a group,” they become prescriptive and dogmatic while wondering why giving an order is not enough to ensure that it is carried out. The consulting model changes the definition of managerial skills by legitimizing—in fact, requiring—process skills.

Figure 4 shows the types of skills most often needed by managers in the eight consulting roles. The placement of skills opposite roles in the figure is suggestive, not exact. Many of the skills are useful in more than one role, and other skills could be added.

**Table 1. Characteristics of Consecutive Managerial Roles**

Managerial Role	Managerial Approach to Employees	Degree to Which Managerial Approach Leads to:			
		<i>Past Decisions</i>	<i>Group Commitment to Decisions</i>	<i>Development of Group Members</i>	<i>Use of Group Resources</i>
Advocate	“Do it my way.” (Salesperson)	High	Low	Low	Low
Information Expert	“I can tell you how to do that.” (Technician)	High	Low	Low	Low
Trainer/Educator	“Let me teach you how to do that.” (Teacher)	Moderate	Moderate	Moderate	Moderate
Joint Problem Solver	“Let’s work together on how to do that.” (Colleague)	Moderate	High	High	High
Identifier of Alternatives	“Have you considered doing it this way?” (Resource)	Moderate	High	High	High
Fact Finder	“If you collect some data before deciding, I can help.” (Researcher)	Low	High	High	High
Process Counselor	“You’re working together well as a group in doing that.” (Group Coach)	Low	High	High	High

Several observations can be made about Figure 4. First, the importance of process skills tends to increase as the manager becomes less directive. Again, this may explain why managers who lack these skills feel more comfortable staying in more directive, content-oriented roles.

Second, many of these skills are not part of traditional management training. The ones that are, such as developing employees or solving problems, often are treated only

briefly or are optional. In some training programs, “techniques” are presented without the underlying concepts being explained fully. This can result in managers who are not able to modify techniques to fit various situations or who can use a technique only in the exact situation described in the training program.

<b>Managerial Role</b>	<b>Knowledge/Skill</b>
Advocate	<ul style="list-style-type: none"> <li>▪ Marketing</li> <li>▪ Public speaking</li> <li>▪ Public relations</li> </ul>
Information Expert	<ul style="list-style-type: none"> <li>▪ Technical expertise in the business of the organization</li> </ul>
Trainer/Educator	<ul style="list-style-type: none"> <li>▪ Training-needs assessment</li> <li>▪ Learning-style assessment</li> <li>▪ Task/job analysis</li> <li>▪ Training design</li> <li>▪ Learning-materials development</li> <li>▪ Experiential-learning/adult-learning principles</li> <li>▪ Behavior modeling</li> </ul>
Joint Problem Solver	<ul style="list-style-type: none"> <li>▪ Problem-solving methods</li> <li>▪ Management of change</li> <li>▪ Group dynamics</li> <li>▪ Action-planning techniques</li> </ul>
Identifier of Alternatives	<ul style="list-style-type: none"> <li>▪ Creative-thinking skills</li> <li>▪ Networking</li> <li>▪ Computer conferencing</li> </ul>
Fact Finder	<ul style="list-style-type: none"> <li>▪ Organizational diagnosis</li> <li>▪ Data collection (e.g., survey design, interviewing, focus-group processes)</li> <li>▪ Research and evaluation</li> <li>▪ Management analysis</li> </ul>
Process Counselor	<ul style="list-style-type: none"> <li>▪ Process consultation</li> <li>▪ Organizational behavior</li> <li>▪ Conflict management</li> <li>▪ Team development</li> <li>▪ Counseling</li> </ul>
Observer/Reflector	<ul style="list-style-type: none"> <li>▪ Active listening and feedback</li> <li>▪ Observation skills</li> <li>▪ Third-party mediation</li> </ul>

**Figure 4. Managerial Roles and Skills**

Third, Figure 4 implies that HRD practitioners need to share with managers the knowledge and skills that now define the consulting profession. This will demystify consulting and make managers less dependent on consultants. Consultants may fear that they will lose business as a result. In fact, it will make managers more educated consumers of consulting services. As managers learn more about and become more involved in HRD, they will demand more of it in and for their organizations.

## **MANAGERIAL ETHICS**

The consulting literature devotes a fair amount of attention to ethical considerations, largely because organizational consulting practice has roots in the helping professions, such as psychology and therapy. Hierarchical management, on the other hand, is rooted in industrial and military models in which the emphasis is on rules, routines, and respect for authority. As a result, it often tends to pay less formal attention to the role of ethics in business practice. Fairly recent tragedies in industries such as chemicals (Bhopal, India), pharmaceuticals (toxic-shock syndrome), automotive manufacturing (potentially fatal defects in several car models), and in finance (insider stock trading) and government (the Iran-Contra affair) illustrate this point. In most of these cases, there is evidence that managers knew of serious problems but did little to acknowledge or solve them.

The consulting model can help to correct this situation because the examination of values and the discussion of ethics in decision making are part of the consulting role. For example, consultants believe that it usually is essential to confront differences rather than to suppress them. Most consultants have found that ignored conflicts impede progress. Similarly, managers will need to learn to be more willing to deal with conflict, accepting that disagreements often are healthy. They will have to convey to their employees that it is permissible to challenge the boss. This will encourage, rather than discourage, challenging the impact of potential business decisions on employee or public health, safety, and trust.

Effective consultants also conform to certain ethical standards—in some cases, to written standards such as those of the American Psychological Association. Such standards usually require that a consultant inform all parties in an intervention of his or her loyalties and of any conflicts of interest that could affect decisions to be made. Managers might benefit from such written codes, especially if they were enforced by managers themselves rather than by outside forces such as legislatures, courts, and investigative bodies.

## **IMPLICATIONS FOR HRD PRACTITIONERS**

Although managers can improve their performance and their organizations by behaving more like organizational consultants, it will not be easy to effect this change. For decades, they have been told to behave in hierarchical, authoritarian ways and have been rewarded for doing so.

The first step for HRD practitioners will be to make managers aware of alternative behaviors and their potential for improving their performance, the performance of their employees, and their organizations. Books such as *In Search of Excellence: Lessons from America's Best-Run Companies* (Peters & Waterman, 1982), *Megatrends: Ten New Directions Transforming Our Lives* (Naisbitt, 1983), *The Change Masters: Innovation for Productivity in the American Corporation* (Kanter, 1983), and *Leaders: The Strategies for Taking Charge* (Bennis & Nanus, 1985), and the wealth of spinoffs

from these best sellers help to create a climate that encourages new managerial behavior and lends it credibility and legitimacy. Human resource development professionals can share these materials and ideas with managers to help create a more receptive environment.

At this stage, HRD practitioners should be most concerned with encouraging acceptance of new concepts and the language that goes with them. Many managers either are beginning to recognize the need to facilitate work, to collaborate, to solve problems, and to consult or are being exhorted by their leaders to do so. But managers lack a conceptual model to organize and guide such behavioral change. By providing them with a framework in which to think about these things, HRD practitioners can have a powerful influence on how managers act. As has been pointed out earlier, talk is the first step toward action.

As a second step, the consulting model can be used to help managers to diagnose their organizational cultures, their work units, their own behavior, and the behavior of their employees. When managers accept the concepts in the consulting model, they will find it appropriate and useful to ask questions such as the following:

- “What kind of environment do we foster (advocate, problem solver, observer/reflector)?”
- “Does the environment match the tasks we have to complete?”
- “Are we able to change the environment and our own behaviors to reflect the roles and skills needed for what we have to do?”
- “How flexible are we?”

A manager who recognizes that his or her behavior is encouraging staff members to act as advocates (each trying to sell a point of view) when working together as problem solvers can gain an important insight that is not readily available in most approaches to management or organizational diagnosis. Instruments and data-feedback processes that assist in this type of diagnosis also can be quite useful.

Third, HRD practitioners can incorporate consulting skills into managerial training. Managers can make their own managerial values explicit and compare them to those of effective consulting practices. They can be given specific skills such as how to enter into “contracts” with their employees, how to collect data and diagnose problems, how to do action planning, and how to terminate a contract and move on to other business. They also can be taught the skills for each of the consulting roles and when each of these skills is appropriate. They can be taught how to become aware of process as well as product.

Fourth, HRD practitioners can stress the need for consulting skills in the design of managerial selection systems. The heart of any selection process is an analysis of what the job requires. Human resource development professionals can point out, through reference to the literature and through data collected about what effective managers in

the organization already do, that consulting skills are among those that should be assessed when decisions are made about hiring people for management jobs.

Fifth, consulting skills and measures of those skills can be built into performance-appraisal systems for both managers and employees. It is appropriate to ask, for example, how well a manager engages the group in problem solving and whether he or she knows when and how to perform as an alternative identifier. Many organizations whose appraisal systems focus on the “bottom line” need this process focus but do not know what process behaviors to measure. The consulting model provides a framework for this.

Finally, HRD practitioners can help managers and formal associations of managers to discuss ethical standards for managerial behavior and to formulate managerial codes of ethics.

## **CONCLUSION**

No model applies to every situation. Managers are not always called on to act as consultants. Some managerial tasks have nothing to do with consulting, and some decisions must be reserved for the manager. However, the situations in which a manager must be the “boss” are less numerous than may be commonly believed. More and more organizations are involving employees in appraising their own performance, in scheduling their own time, in suggesting ways to improve the work flow, and in providing input and making decisions related to their work. When employee participation is encouraged, motivation increases and negative behaviors such as slowdowns and failure to comply with standards are decreased. The consulting model frees managers from the restrictions of their traditional roles. Its flexibility benefits the organization by allowing maximum knowledge of the task to be applied to any work situation.

## **REFERENCES**

- Bennis, W., & Nanus, B. (1985). *Leaders: The strategies for taking charge*. New York: Harper & Row.
- Corwin, N. (1987). Norman Corwin’s “Words without music.” *New Management*, 4(3), 12.
- The future environment for federal workforce training and development: An analysis of long-term trends and their implications*. (1986, January). McLean, VA: Human Technology, Inc., and The Futures Group.
- Hersey, P., & Blanchard, K.H. (1982). *Management of organizational behavior* (4th ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Kanter, R.M. (1983). *The change masters: Innovation for productivity in the American corporation*. New York: Simon & Schuster.
- Lippitt, G., & Lippitt, R. (1986). *The consulting process in action* (2nd ed.). San Diego, CA: Pfeiffer & Company.
- Maccoby, M. (1981). *The leader*. New York: Simon & Schuster.
- Middle managers are still sitting ducks. (1985, September 16). *Business Week*, p. 34.



- Mintzberg, H. (1975). The manager's job: Folklore and fact. *Harvard Business Review*, 53(4), 49-61.
- Naisbitt, J. (1983). *Megatrends: Ten new directions transforming our lives* (6th ed.). New York: Warner Books.
- Nielson, J. (1985). Management layoffs won't quit. *Fortune*, 112, 46-49.
- Peters, T., & Austin, N. (1985). *A passion for excellence: The leadership difference*. New York: Random House.
- Peters, T.J., & Waterman, R.H., Jr. (1982). *In search of excellence: Lessons from America's best-run companies*. New York: Harper & Row.
- Snyder, D. (1984). *The strategic context of education in America*. Washington, DC: National Education Association.
- Snyder, D. (1986). *The strategic context of management in America*. Unpublished manuscript.
- Vroom, V.H. (1973, Spring). A new look at managerial decision making. *Organizational Dynamics*, pp. 66-80.
- Yankelovich, D., & Immerwahr, J. (1983). *Putting the work ethic to work*. New York: Public Agenda Foundation.

## ■ PERFORMANCE COACHING

### Udai Pareek and T. Venkateswara Rao

Performance coaching is an integral part of performance appraisal. Any organization interested in administering a good performance-appraisal system that aims at developing employees must practice effective performance coaching. Although performance coaching can be provided by anyone who is senior (in competence, knowledge, experience, or hierarchical position, for example) to the employee being coached, this article concentrates on the coaching provided by a manager to a subordinate. In this context performance coaching can be defined as the help that a manager provides to subordinates in analyzing their performance and other job behaviors for the purpose of increasing their job effectiveness. A manager can provide coaching at any of various stages in a subordinate's development (for example, soon after a subordinate has been hired or when the subordinate faces difficulties or problems).

The objectives of coaching are as follows:

1. To provide a nonthreatening atmosphere in which the subordinate can freely express tensions, conflicts, concerns, and problems;
2. To develop the subordinate's understanding of his or her strengths and weaknesses;
3. To enhance the subordinate's understanding of the work environment;
4. To increase the subordinate's personal and interpersonal effectiveness by giving feedback about behavior and assistance in analyzing interpersonal competence;
5. To review the subordinate's progress in achieving objectives;
6. To identify any problems that are hindering progress;
7. To assist in generating alternatives and a final action plan for dealing with identified problems;
8. To encourage the subordinate to set goals for further improvement;
9. To contract to provide whatever support the subordinate needs while implementing the action plan; and
10. To help the subordinate realize his or her potential.

Few managers exhibit skill in coaching without training. Human resource development (HRD) professionals need to be aware of the growing importance of coaching; in the

---

Originally published in *The 1990 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. Adapted with the permission of the authors, from *Performance Counselling* (CR Reading 18), by U. Pareek and T.V. Rao, 1978, New Delhi Learning Systems.

future they will be called on to teach this critical skill. Consequently, this article addresses the essentials of coaching that HRD professionals may need to know in order to teach managers how to coach subordinates.

## **CONDITIONS FOR EFFECTIVE COACHING**

Coaching is a means rather than an end in itself. A subordinate's performance does not automatically develop in positive ways because coaching takes place. But when done effectively, coaching can be quite useful in helping a subordinate to integrate with the organization and to develop a sense of involvement and satisfaction. When training managers in coaching skills, the HRD professional should emphasize that the following conditions are necessary if coaching is to be effective:

1. *A general climate of openness and mutuality.* At least a minimum degree of trust and openness is essential. If the organization or the unit in which the subordinate works is full of tension and mistrust, coaching cannot be effective.

2. *A helpful and empathic attitude on the part of the manager.* The manager as coach must approach the task as an opportunity to help, must feel empathy for the subordinate being coached, and must be able to convey both helpfulness and empathy to the subordinate.

3. *The establishment of an effective dialogue.* Coaching is collaborative rather than prescriptive. It is based on the subordinate's achievement of performance goals set in concert with his or her manager. Consequently, the coaching process should be one in which both the manager and the subordinate participate without inhibition and engage in a discussion that eventually results in a better understanding of the performance issue involved.

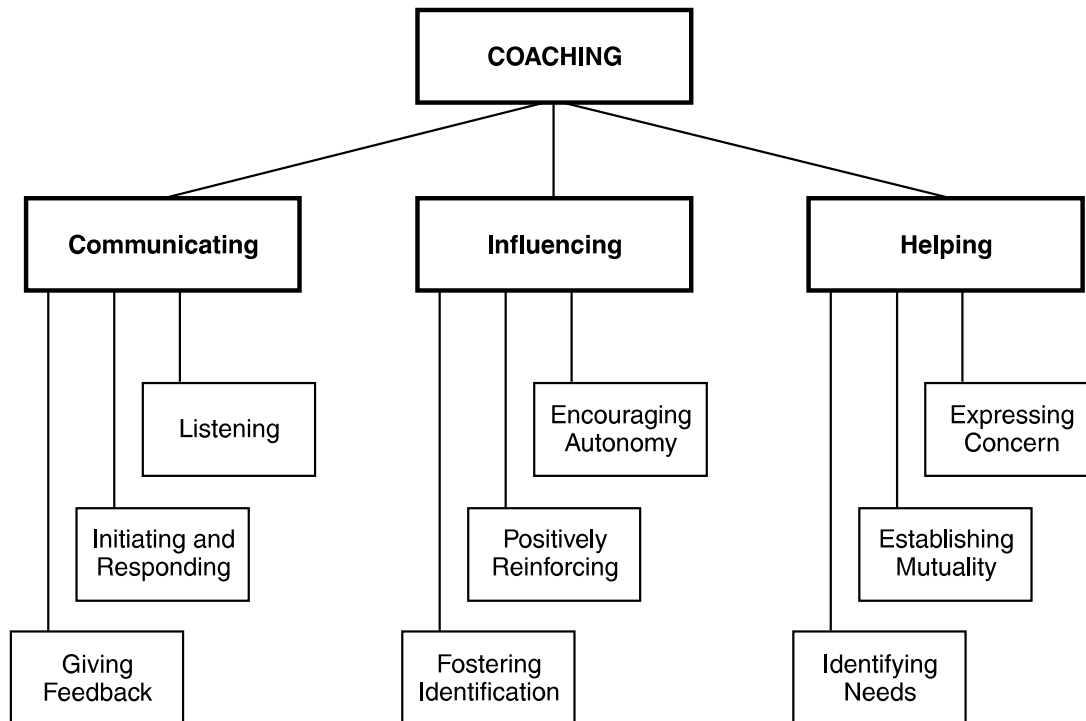
4. *A focus on work-related goals.* Work-related goals should be the exclusive concern of a coaching effort; attention should be given only to behaviors and problems that directly relate to the subordinate's achievement of those goals. During the course of the discussion, issues that are not work related may arise; but when this happens the manager should refocus the dialogue on improvement in the organizational setting.

5. *Avoidance of discussion about salary, raises, and other rewards.* The purpose of coaching is to help a subordinate plan improvements in performance, and discussing the linkage between performance and rewards may interfere with this purpose.

## **THE THREE PROCESSES INVOLVED IN COACHING**

Coaching involves three main processes that the HRD professional can help managers to master: communicating, influencing, and helping. When *communicating*, the manager listens (receives messages), initiates and responds (gives messages), and gives feedback. When *influencing*, the manager persuades the subordinate to move in a particular direction by positively reinforcing desirable behavior; encourages the subordinate to

exercise more autonomy; and fosters the subordinate's identification with the manager as someone whose experience, skill, and influence are greater than the subordinate's own. When *helping*, the manager expresses concern and empathy for the subordinate, establishes the mutuality of the relationship, and assists the subordinate in identifying his or her developmental needs. During the helping phase of a coaching session, both parties respond to the needs of the other. These processes and their components are illustrated in Figure 1 and described in detail in the following paragraphs.



**Figure 1. The Processes Involved in Coaching**

### ***Communicating***

The general climate of a coaching session should be congenial to increase the chances that the subordinate will be receptive. Accordingly, it is important for the manager to remember that communication is greatly influenced by how the problems and issues to be discussed are perceived by both parties. Communication can become distorted if the manager and subordinate do not establish empathy for each other and try to understand each other's point of view. In addition, nonverbal communication is as important as verbal communication; gestures, posture, and tone are critical.

There are three elements of communicating: listening, initiating and responding, and giving feedback.

## *Listening*

Listening involves paying careful attention to the messages sent by another person. Consequently, the coaching session should, if at all possible, take place in an environment that is free from interruptions so that the manager can concentrate totally on the situation at hand. Not only must the subordinate's cognitive message be heard; but the feelings and concerns underlying the subordinate's ideas must also be received and understood, regardless of whether the subordinate is able to voice them. Listening for hidden messages is a skill that can be practiced; a number of activities emphasize the improvement of a listener's ability to detect them (see, for example, Rao & Pareek, 1978).

The subordinate needs to know that the manager is actively listening. The manager can demonstrate that this is the case by assuming an attentive posture (leaning forward) and by maintaining eye contact with the subordinate. When the subordinate has completed a message, the manager should paraphrase, mirror, or reflect what was said to ensure that the message has been understood as intended. For example, a subordinate might say, "I'm really mad. I've tried to do my best in the past year. I've worked twice as hard as anyone else in the office, but I still haven't been promoted." The manager might respond, "You feel that you haven't been shown appropriate recognition for your hard work." Demonstrating that the message has been heard and understood aids the progress of the discussion.

## *Initiating*

During a coaching session the manager typically asks a number of questions for various purposes: obtaining information, establishing rapport, clarifying, and stimulating thinking. The questions that are asked and the manner of asking them can either facilitate or hinder the process of communicating. Some questions can make a subordinate either shut down or respond in a way that indicates dependence on the manager, whereas others can build openness and autonomy. The kinds of questions that tend to hinder the process of communicating include the following:

1. *Critical questions.* Questions that are used to criticize, reprimand, or express doubt about the subordinate's abilities create a gap between the manager and the subordinate; in addition, a sarcastic tone may be perceived as criticism even if the actual words do not seem critical. When discussing performance that has not met standards, the manager should be continually aware of appropriate phraseology and tone. For example, a question such as "Why did you fail to meet the deadline for your last project?" communicates criticism, whereas "What might account for the fact that your last project was late?" invites examination and discussion of the issue. Similarly, a question such as "How did you miss *another* deadline?" constitutes a reprimand; "How can you meet your next deadline when you failed to meet the last one?" expresses doubt in the subordinate's abilities. Critical questions undermine not only the subordinate's

confidence but also the manager's objective in conducting the coaching session; they also may lead to resentment on the part of the subordinate.

2. *Testing questions.* Questions that are asked to determine whether the subordinate is "right" or "wrong" or to discover how much the subordinate knows are evaluating or testing questions. These questions imply a superior attitude on the part of the manager, and they may make the subordinate feel as if he or she is on the witness stand undergoing a cross-examination. For example, a manager whose objective is to find out why the subordinate is missing deadlines can easily slip into this kind of posture. Again, tone is extremely important; it can convey an attitude of cross-examination regardless of whether the words do. Testing questions are similar to critical questions in their effect on the subordinate.

3. *Leading questions.* The manager may unwittingly ask a question that evokes the answer he or she wants, which may or may not be the real answer. For example, the manager may say something like "You weren't able to meet your last deadline because the maintenance department fell behind, right?" or "Were you unable to meet your last deadline because the maintenance people wouldn't cooperate?" A leading question almost seduces the respondent into giving the desired answer, which stops further exploration of the issue and may provide information that is misleading or incorrect.

Other kinds of questions can help rather than hinder in developing a healthy relationship between the manager and the subordinate and in increasing the subordinate's effectiveness:

1. *Questions conveying trust.* Questions that elicit the subordinate's help or suggestions can indicate that the manager has faith in the subordinate. For example, the manager may ask, "How do you think I should deal with this problem?" When the manager and subordinate share an open, trusting relationship, the subordinate may also ask this kind of question.

2. *Clarifying questions.* Clarifying questions are those asked for the purpose of obtaining useful information about performance issues and problems. This kind of question is frequently asked in connection with paraphrasing, mirroring, or reflecting what the subordinate has said: "You're worried about your lack of knowledge of the new system. Is that so?" Clarifying questions help to confirm understanding; they keep the manager and the subordinate at the same level throughout the conversation so that neither party becomes confused or lost.

3. *Empathic questions.* Empathic questions are those that deal with the other person's feelings; they are asked for the purpose of expressing concern rather than finding solutions to problems. For example, the manager might ask, "How did you feel when the shipping department sent the wrong order to the customer?" Such questions indicate concern about the effect of an event or a situation on the subordinate; they convey empathy, generate trust, and build the rapport that is so necessary to the success of performance coaching.

4. *Open questions.* The most useful questions are those that have no implicit answers; instead, they stimulate reflection and thinking on the part of the subordinate. Open questions invite the subordinate to be creative in exploring the various possible dimensions of an issue and to share these ideas with the manager.

### **Responding**

As is the case with the questions that a manager initiates, managerial responses to subordinate comments can be either useful or dysfunctional. Responses that are empathic, supportive, and exploratory are useful, whereas those that alienate, criticize, or deliver orders are likely to be dysfunctional. Figure 2 presents various behaviors that characterize useful and dysfunctional responses.

<b>Dysfunctional Behaviors</b>	<b>Useful Behaviors</b>
<p><i>Alienating</i></p> <ul style="list-style-type: none"> <li>Continually stressing conformity</li> <li>Failing to encourage creativity</li> <li>Passive (rather than active) listening</li> <li>Failing to give verbal responses</li> </ul>	<p><i>Empathic</i></p> <ul style="list-style-type: none"> <li>Leveling</li> <li>Building rapport</li> <li>Identifying feelings</li> </ul>
<p><i>Critical</i></p> <ul style="list-style-type: none"> <li>Criticizing</li> <li>Pointing out inconsistencies</li> <li>Repeatedly mentioning weaknesses</li> <li>Belittling</li> <li>Reprimanding</li> </ul>	<p><i>Supportive</i></p> <ul style="list-style-type: none"> <li>Acknowledging problems, concerns, feelings</li> <li>Accepting differences of opinion</li> <li>Showing understanding</li> <li>Communicating availability</li> <li>Committing support</li> <li>Expressing trust</li> </ul>
<p><i>Directive</i></p> <ul style="list-style-type: none"> <li>Prescribing</li> <li>Giving orders</li> <li>Threatening</li> <li>Failing to provide options</li> <li>Pointing out only one acceptable way</li> <li>Quoting rules and regulations</li> </ul>	<p><i>Exploring</i></p> <ul style="list-style-type: none"> <li>Asking open questions</li> <li>Reflecting</li> <li>Sharing</li> <li>Probing</li> </ul> <p><i>Closing</i></p> <ul style="list-style-type: none"> <li>Summarizing</li> <li>Concluding</li> <li>Contracting for follow-up and help</li> </ul>

**Figure 2. Dysfunctional and Useful Managerial Responses.**

### **Giving Feedback**

Giving feedback is important in terms of increasing the subordinate's self-awareness, particularly with regard to strengths and weaknesses. If properly given, feedback results in greater rapport between the supervisor and the subordinate. Feedback is effective (Pareek, 1977) when the manager ensures that it:

- Is descriptive rather than evaluative;
- Is focused on the subordinate's behavior rather than the subordinate as a person;
- Concerns behavior that is modifiable;
- Is specific and based on data rather than general and based on impressions;
- Provides data from the manager's own experience;
- Reinforces positive new behavior and what the subordinate has done well;
- Suggests rather than prescribes avenues for improvement;
- Is continual rather than sporadic;
- Is based on need and is elicited by the subordinate;
- Is intended to help;
- Satisfies the needs of both the manager and the subordinate;
- Is checked with other sources for verification;
- Is well timed; and
- Contributes to the rapport between the manager and the subordinate and enhances their relationship.

The manager might want to discuss the characteristics of effective feedback with the subordinate before the coaching session. It also might be helpful to discuss possible reactions with the subordinate. The subordinate should be encouraged to view the feedback in terms of exploring ways to improve his or her performance; defensive reactions such as the following should be discouraged:

- Denying the feedback instead of accepting responsibility for the behavior being discussed;
- Rationalizing instead of analyzing why the behavior was shown;
- Assuming that the manager has negative feelings about the subordinate instead of trying to understand the manager's point of view;
- Displacing (expressing negative feelings when the manager may not "fight back") instead of exploring the feedback with the manager;
- Accepting automatically and without exploration instead of eliciting more information in order to understand the feedback and the behavior;
- Taking an aggressive stance toward the manager instead of seeking his or her help in understanding the feedback;
- Displaying humor and wit instead of concern for improvement;
- Exhibiting counterdependence (rejecting the manager's authority) instead of listening carefully to the feedback;



- Showing cynicism or skepticism about improvement instead of accepting the feedback and planning to check it with other people; and
- Generalizing instead of experimenting with alternatives for improvement.

### ***Influencing***

Influencing is an effort to have an impact on the subordinate. It involves increasing the subordinate's autonomy, practicing positive reinforcement, and fostering the subordinate's identification with the manager.

#### ***Increasing the Subordinate's Autonomy***

Influencing is often thought of as decreasing the autonomy of the influenced person and directing him or her into channels that are predetermined by the person exerting influence. However, the positive influencing that takes place during a coaching session has the opposite effect; the person who is influenced is granted a wider scope of decision making. Flanders (1970) makes a distinction between these two different kinds of influencing: One is called the *direct* mode, which restricts the freedom of the person being influenced; the other is called the *indirect* mode, which increases the freedom of the influenced person.

Flanders classifies criticism and punishment as direct influencing and encouragement as indirect. When a person is criticized or punished, those activities for which he or she receives this censure are inhibited or avoided in the future; consequently, the individual's freedom is restricted. On the other hand, when a person is praised or positively recognized, he or she feels encouraged to take more initiative in exploring new directions, thereby experiencing greater freedom and autonomy. For coaching to have the intended effect, the manager must use the indirect mode by accepting the subordinate's feelings as well as his or her own, expressing those feelings, acknowledging and praising good ideas contributed by the subordinate, and raising questions that promote thinking and exploration.

#### ***Positively Reinforcing***

Skinner (1971) has established that change in behavior can only be brought about through positive reinforcement as opposed to punishment or negative reinforcement. Therefore, because change cannot take place without experimentation and risk taking, influencing in the coaching session involves providing encouragement and reinforcing success so that the subordinate is inclined to take more initiative and to try new, desirable behaviors.

#### ***Fostering Identification***

Levinson (1962) has stressed the importance of the process by which the subordinate identifies with the manager. One major influence that helps a subordinate to develop is

the opportunity to associate and identify with people who have greater experience, skill, and influence. According to McClelland (1976) this identification is the first stage in the development of psychological maturity; it is a legitimate need that should be fulfilled. Levinson (1962) identifies several ways in which the influencer may block such identification: lack of time, intolerance for mistakes, complete rejection of dependency needs, repression of rivalry, and failure to examine the relationship shared by the influencer and the person being influenced. Levinson also suggests that the manager as influencer should examine his or her own process of identifying with others and interacting with subordinates.

## ***Helping***

In a broad sense the entire spectrum of performance coaching can be seen as helping. However, the specific task of helping during a coaching session involves particular activities: expressing concern and empathy, establishing mutuality, and assisting the subordinate in identifying developmental needs.

### ***Expressing Concern and Empathy***

Without demonstrating genuine concern for the subordinate, the manager cannot provide effective helping during a coaching session. The manager must be able to empathize with the subordinate and to reflect this empathy in the tone of the conversation and the kinds of questions asked. In the absence of real concern, a coaching session can degenerate into an empty ritual.

### ***Establishing Mutuality***

Coaching entails receiving help as well as giving it. Unless the mutuality of the helping relationship is established during the coaching session so that both parties feel free to ask for and provide help, coaching cannot be effective. Mutuality is based on trust and the genuine perception that each party has something important to contribute. Although the manager is in a superior position, he or she must demonstrate willingness to learn and to receive help from the subordinate.

### ***Identifying Developmental Needs***

The ultimate purpose of performance coaching is the systematic and specific identification of a subordinate's developmental needs. Once these needs have been identified, plans can be made regarding ways to fulfill them. For example, Sperry and Hess (1974) have advocated the use of contact counseling, a coaching process based on transactional analysis. In this process the manager uses the techniques of keying, responding, and guiding. *Keying* involves "reading" the subordinate; the supervisor uses an appropriate frame of reference to perceive what the subordinate means by his or her verbal and nonverbal responses. In *responding*, the manager replays what was learned

from keying in a manner that communicates understanding of the subordinate's message. The final technique, *guiding*, consists of motivating or helping the subordinate to change his or her behavior in a way that accomplishes objectives more effectively.

Morrissey (1972) has suggested a few other techniques: the "you-we" technique, the second-hand compliment, the advice-request technique, and summarizing. When employing the *you-we* technique, the manager uses "you" to compliment the subordinate and "we" to designate a need for improvement: "You are doing a great job; we have a problem." The *second-hand compliment* involves relaying a compliment from a third party: "Ms. Reynolds says that you've done an excellent job for her." The *advice-request* technique consists of asking the subordinate for suggestions and advice with regard to the performance issue at hand. Finally, *summarizing* at the end of the coaching session helps to clarify the decisions made and the responsibilities assumed and integrates the entire discussion.

## **THE SEQUENTIAL PHASES OF COACHING DURING A PERFORMANCE REVIEW**

One of the goals of coaching is to help the subordinate to grow and develop in the organization. Every manager coaches subordinates, either knowingly or unknowingly, in the course of the day-to-day work life. An effective manager, in a coaching capacity, helps subordinates to become more aware of their strengths and weaknesses, to improve on their strengths, and to overcome their weaknesses. By establishing mutuality and providing support as well as the proper emotional climate, a manager helps subordinates to develop. Mutuality involves working with each individual subordinate to develop future plans of action for growth and contribution to the organization; support involves acceptance of each subordinate as a total person and encouraging that subordinate with warmth.

Coaching requires certain interpersonal skills that the HRD professional can assist a manager in acquiring if the manager is genuinely interested in developing subordinates. These skills are particularly important at the time of performance review. Although a good manager coaches subordinates regularly whenever the need arises, a formal performance review provides an especially important opportunity. Such a review passes through phases that correspond to certain skills on the part of the manager: rapport building, exploring, and action planning. Figure 3 presents these three phases, the activities that characterize them, and the coaching behaviors that help as well as those that hinder the progress of each activity.

<b>Phases</b>	<b>Helpful Behaviors</b>	<b>Hindering Behaviors</b>
<b><i>Rapport Building</i></b>		
Attending	Observing rituals Conversing about personal matters Smiling	Discussing behavior immediately
Listening to feelings, concerns, problems	Indicating physical attention (posture) Maintaining eye contact Responding (verbally and non-verbally) Eliminating or excluding telephone calls, noise, and disturbances	Indicating distraction (paying attention to other things, such as telephone calls) Signing letter, talking to others during conversation
Accepting	Communicating feelings and concerns Paraphrasing feelings Sharing own experience	Failing to respond Listening passively for a long period
<b><i>Exploring</i></b>		
Investigating	Mirroring or paraphrasing Asking open questions Encouraging subordinate to explore	Criticizing Avoiding or hedging
Identifying the problem	Asking questions to focus on the specific problem Encouraging subordinate to generate information Narrowing the problem	Suggesting what the problem is
Diagnosing	Asking exploratory questions Generating several possible causes	Suggesting the cause
<b><i>Action Planning</i></b>		
Searching	Generating alternative solutions Asking questions about possible solutions	Advising
Decision making	Asking questions about feasibility, priority, pros and cons Discussing solutions and jointly choosing one Discussing an action plan Establishing a contingency plan	Directing Devising an inflexible plan and holding the subordinate to it

**Figure 3. The Sequential Phases of Performance Coaching.**

## **Rapport Building**

In the rapport-building phase the manager attempts to establish a climate of acceptance, warmth, support, openness, and mutuality. This is done by adopting the subordinate's frame of reference, by listening and becoming attuned to the subordinate's problems and feelings, by communicating understanding to the subordinate, and by expressing empathy for and genuine interest in the subordinate. The manager should strive to foster the subordinate's confidence so that he or she opens up and frankly shares perceptions, problems, concerns, feelings, and so forth. Three basic managerial activities are involved in this phase:

1. *Attending.* In the opening rituals of a coaching session, the manager should convey that he or she is attending to the subordinate and considers the session important. Generally a coaching session is held in the manager's office, where the manager can engage in certain behaviors to set the stage properly: offering the subordinate a chair, closing the door to ensure privacy, and asking the secretary not to allow phone calls or other disturbances. All such rituals must come out of the manager's genuine concern for the subordinate and for the objectives of the session; most subordinates can tell when the manager is merely playing the part of concerned coach.

2. *Listening.* As has already been discussed, active listening is essential to effective coaching and includes such signs of attention as leaning forward and maintaining eye contact. The manager also must remember to concentrate on nonverbal as well as verbal messages.

3. *Accepting.* Establishing a climate of acceptance is a necessary part of establishing rapport. The subordinate must feel that he or she is wanted, that expressing differences of opinion is acceptable, and that the manager is interested in understanding him or her as a person rather than simply as a role incumbent. The manager helps the subordinate to develop these feelings by listening and by paraphrasing, mirroring, or reflecting the subordinate's message; this approach makes the subordinate feel understood and valued and assists in building a climate of acceptance, thereby facilitating the coaching process.

## **Exploring**

In the exploring phase the manager attempts to help the subordinate better understand himself or herself and the performance problem at issue. The subordinate's situation, strengths, weaknesses, difficulties, and needs are all dealt with. This phase requires great skill on the part of the manager. No one enjoys being told about weaknesses, so the better approach is to assist the subordinate in discovering them for himself or herself. The following activities are characteristic of this phase:

1. *Investigating.* The manager helps the subordinate to investigate various dimensions of the problem, to discover any related but previously unidentified issues, and to surface any concerns. This is done by asking open questions and encouraging the subordinate to talk more about any issue that he or she mentions.

2. *Identifying the problem.* After investigating, the manager should ask questions designed to help the subordinate to focus on the specific problem involved. These questions should both narrow the problem and generate information about it. For example, if the subordinate says that others do not cooperate with him or her, the manager may ask questions to narrow the problem to the subordinate's relationship with a few specific coworkers; then questions may be asked to help the subordinate see what he or she does that hinders cooperation.

3. *Diagnosing.* Investigating and identifying the problem should lead to diagnosing it. Without diagnosis there is no basis for solving any problem. Again, open questions are useful:

- “Why do you think people are put off when you talk with them?”
- “Can you recall occasions when you received full cooperation? What might account for the cooperation you received on those occasions?”
- “What personal limitations of yours especially bother you?”

Ultimately this activity leads to the generation of several alternative causes of a problem.

### **Action Planning**

In the action-planning phase the manager and the subordinate jointly plan specific action steps designed to solve the performance problem and to further the subordinate's development. Three activities are involved in the action-planning phase:

1. *Searching.* The main function of the manager during searching is to help the subordinate think of alternative ways to deal with the problem. A number of alternatives may be discussed, such as training, job rotation, increased responsibility, and role clarification. Generating alternatives should be primarily the responsibility of the subordinate; the manager should offer suggestions only after the subordinate seems to have run out of ideas.

2. *Decision making.* After alternatives have been generated, the manager helps the subordinate to assess the advantages and disadvantages of each alternative, to raise questions about the feasibility of the various alternatives, to choose the best alternative, and to finalize a step-by-step action plan. Both parties should be aware that the action plan may need to be revised after implementation has begun, depending on various contingencies that might arise.

3. *Supporting.* The final and crucial stage of coaching is to communicate the intention to provide specific support to the subordinate in implementing the agreed-on action plan. After considerable discussion the manager and the subordinate should create a contract detailing the support to be provided as well as the system to be used for monitoring the implementation and following up. After the contract has been created, the coaching session may be brought to a close.

## **TIPS FOR EFFECTIVE COACHING**

The following are useful tips for performance coaching that the HRD professional may want to share with managers:

1. *Make sure that the subordinate is willing to learn from coaching.* On some occasions a subordinate does not ask for performance coaching, but is, in effect, forced into it. When coaching is provided without having been sought, it may be of limited value and frustrating to the manager as well as the subordinate. In such a situation the manager would do well to forget about performance coaching and instead talk to the subordinate about his or her interest or lack of interest in growth. If the manager establishes the proper climate, such a discussion can lead to openness on the part of the subordinate. However, if the subordinate has serious difficulty in dealing with the manager, a problem-solving session should be the first step.

2. *Encourage the subordinate to function independently.* Sometimes subordinates are so loyal and their manager so protective that they become totally dependent on the manager. From time to time every manager should reflect on whether he or she is unintentionally fostering this kind of relationship. It is important to allow subordinates to make their own decisions and thereby increase their autonomy. The same principle holds true in a coaching situation: The subordinate should bear the main responsibility for determining what action to take.

3. *Make sure that the subordinate understands the purpose of the coaching.* If the subordinate does not understand the purpose or has unrealistic expectations, he or she may not receive the manager's message in the proper perspective. If it is obvious that the subordinate has some misunderstandings, it is a good idea to spend the first session addressing them; then another session can be scheduled for the actual coaching effort.

4. *Minimize arguments.* One argument is sufficient to make both the manager and the subordinate defensive. The manager should try to accept everything the subordinate says and build on it. Acceptance is the best way of helping the subordinate to achieve self-realization.

5. *Ensure adequate follow-up.* Good coaching sessions will ultimately fail to produce effective results if follow-up is inadequate. When the manager follows up through informal exchanges, this approach goes a long way toward communicating interest in the subordinate. But when the manager fails to follow up, the subordinate may feel that the coaching was artificial and, consequently, may lose interest in improving the performance at issue.

## **CONCLUSION**

As organizations become more and more interested in avoiding costly turnover and initial job training, a greater emphasis will be placed on performance coaching as a means of retaining employees. Performance coaching is a difficult, intense task for a manager; it requires patience and the use of several particular skills. But it is well worth

the effort. Over time it can enhance an employee's strengths, minimize weaknesses, and help the employee to realize his or her full potential, thereby benefiting the employee, the manager, and the organization as a whole.

Human resource development professionals can help managers to become acquainted with and acquire the skills that are essential to effective coaching, and in the future they will be asked to provide this help more and more often. As they do so, they will not only provide a valuable service to organizations but will also promote their own credibility.

## **REFERENCES**

- Flanders, N. (1970). *Analyzing teacher behavior*. Reading, MA: Addison-Wesley.
- Levinson, H. (1962). A psychologist looks at executive development. *Harvard Business Review*, 40, 69-75.
- McClelland, D.C. (1976). Power is the motivator. *Harvard Business Review*, 54(2), 100-110.
- Morrisey, G.L. (1972). *Appraisal and development through objectives and results*. Reading, MA: Addison-Wesley.
- Pareek, U. (1977). Interpersonal feedback: The transaction for mutuality. *ASCI Journal of Management*, 6(2), 196-210.
- Pareek, U., & Rao, T.V. (1971). Behaviour modification in teachers by feedback using interaction analysis. *Indian Educational Review*, 6(2), 11-46.
- Rao, T.V., & Pareek, U. (1978). *Performance appraisal and review: Operating manual*. New Delhi, India: Learning Systems.
- Skinner, B.F. (1971). *Beyond freedom and dignity*. New York: Alfred A. Knopf.
- Sperry, L., & Hess, L.R. (1974). *Contact counseling*. Reading, MA: Addison-Wesley.



# ■ **SEXUAL HARASSMENT OF WOMEN IN THE WORKPLACE: MANAGERIAL STRATEGIES FOR UNDERSTANDING, PREVENTING, AND LIMITING LIABILITY**

**Joyce Lynn Carbonell, Jeffrey Higginbotham, and John Sample**

## ***SEXUAL HARASSMENT: AN OVERVIEW***

The workplace is changing. Although women no longer are confined to pink-collar or female ghetto jobs, they often are stereotyped as incapable of performing the same quality or quantity of work as men. Female entry into male-dominated occupations can create situations in which the females are singled out and made to feel unwelcome solely because of gender, work performance notwithstanding. Such reactions pose a challenge to managers and executives. Because managers and executives look to human resource development (HRD) professionals for advice about such challenges, HRD practitioners need to be knowledgeable about sexual-harassment issues.

Common sense and good management practice dictate that inaccurate stereotypes and notions of disparate treatment based on gender be eliminated. In addition, prejudicial treatment is prohibited by law (42 U.S.C. 2000e-2). Under Title VII of the 1964 Civil Rights Act, commonly referred to as “Title VII,” when an employer causes, condones, or fails to eliminate unfair treatment of women in the workplace, liability may ensue (42 U.S.C. 2000e-5; 42 U.S.C. 2005e-6).

This article focuses on the problem of sexual harassment of women in the workplace. Beginning with a definition of sexual harassment, the article describes the problem and outlines the legal conditions and liability for sexual-harassment claims. The article concludes with recommended managerial strategies for preventing and reducing the risk of a successful lawsuit alleging claims of sexual harassment.

### ***Defining Sexual Harassment***

Sexual harassment is more easily recognized than defined. However, the Equal Employment Opportunity Commission (EEOC) Guidelines on Discrimination Because of Sex (1987) specify the types of conduct that are considered sexual harassment.

---

Originally published in *The 1990 Annual: Developing Human Resources*, by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. Updated for *Addressing Sexual Harassment in the Workplace*. San Diego, CA: Pfeiffer & Company.

This article is based on Title VII of the Civil Rights Act of 1964 and subsequent court cases. For information about later amendments to Title VII, see the “Summary of the Civil Rights Act of 1991” in the “Reading” section of *Addressing Sexual Harassment in the Workplace*.

Although these guidelines do not carry the force of law, they do “constitute a body of experience and informed judgment to which courts and litigants may properly resort for guidance” (*General Electric Co. v. Gilbert*, 1976, at 141-142). These guidelines describe sexual harassment as follows:

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment. (p. 141).

Others define sexual harassment differently. Farley (1978, p. 33), for example, describes sexual harassment as “unsolicited, nonreciprocal male behavior that asserts a woman’s sex role over her functioning as a worker.” This definition avoids detailing the specific acts involved and summarizes that nature of sexual harassment as the unwillingness or failure to see women as coworkers or subordinates and the willingness to see them as sexual objects. Safran (1976, p. 149) defines sexual harassment as sexual activity that is “one sided, unwelcome, or comes with strings attached.” Harassment bears no resemblance to a normal sexual relationship, which would be free of the element of threat to one’s job or livelihood that is the hidden agenda of sexual harassment.

Whatever definition one chooses for sexual harassment, the basic elements remain the same. Harassment constitutes a threat in that the victim may be required to comply sexually or suffer a consequence. In other circumstances the threat may take the form of ongoing harassment that interferes with work by making the atmosphere intimidating and unpleasant. The courts have identified these two aspects respectively as *quid pro quo harassment* and *hostile environment harassment*. *Quid pro quo harassment* is the more easily recognized of the two because the threat is designed to produce a specific result. *Hostile environment harassment* is more difficult to define because it may stem from what Bem and Bem (1970) have called a “nonconscious ideology.” Harassers in a group may not perceive their behavior as wrong or abnormal, seeing it more as a form of male prerogative. Before attempting to change such behavior, managers must understand the extent and dynamics of such harassment.

### ***The Extent of the Problem***

Early studies of sexual harassment used nonrandom samples of large populations (Crull, 1982; Safran, 1976). Other researchers have randomly sampled the workplace to investigate sexual harassment more accurately (Jensen & Gutek, 1982). The United States Merit Systems Protection Board (MSPB) study of 23,000 employees in 1981 is the most comprehensive of such studies to date, and its results support the findings of the earlier nonrandom surveys. In the MSPB sample, 42 percent of the females reported experiencing some form of sexual harassment. Although women of any age can be

harassed, the majority of women who were harassed were between the ages of sixteen and nineteen. Similarly, more single and divorced women reported being victims of harassment. Tangri, Burt, and Johnson (1982) describe this as personal vulnerability and note that dependence on the job greatly increases the incidence of harassment. Most harassers of women were older, were married, and were more likely to be coworkers than supervisors. Serious forms of harassment, however, were more likely to come from a supervisor than a coworker.

Results of the MSPB survey support earlier reports that sexual harassment has serious negative effects on the employees being harassed; these effects translated into a cost of \$267 million over a two-year period (MSPB, 1988). Included in this figure were costs for training new employees, costs of treating the health problems of the harassed employees, and the costs of absenteeism and lost productivity. If the psychological, social, and physical effects on harassment victims do not create sufficient interest for intervention, the economic costs of harassment must.

### ***Psychological and Sociological Explanations***

The traditional view of sexual harassment of women involves the belief that harassing behavior is biologically based—that men cannot help themselves. Thus, sexual harassment is labeled “normal.” Harassment, however, is not “normal,” nor is it related to sexuality. Rather it is a question of *power* and *control*. Men and women are socialized to roles that attribute more power to men than to women. Sexual harassment on the job is an inappropriate and exaggerated extension of stereotyped social roles. Sexual harassment occurs because of socialization, stereotypes, and traditional organizational structures.

Women traditionally were socialized to be polite, passive, and submissive; men were socialized to be more aggressive. On the average, women have lower status and lower salaries than men. Expectations of appropriate behavior also differ. Konrad and Gutek (1986, p. 423) report that men may see the workplace as a “potential arena for sexual conquests.” In contrast, women may perceive sexual advances at work as potential threats because they are likely to be in subordinate positions to men (Gutek & Dunwoody, 1987).

In general, the “double standard” persists at work. As Hyde (1980) and others point out, behavior is evaluated differently for males and females. Sexual behavior at work also will be viewed differently by males and females. This coincides with the finding that 67 percent of men and only 20 percent of women report that they would be flattered by harassment (Gutek, 1985).

The term “sex-role spillover” refers to the transfer of gender-role expectations to the workplace, even though those expectations are irrelevant or inappropriate to the job (Gutek & Morash, 1982). For example, sex-role spillover involves behaviors such as expecting women to make and serve coffee, to run errands, or to act “motherly” or “wifely.” Once such a role is established, it extends to other expectations, such as

dressing in a sexually attractive way. This type of spillover is most likely to occur in situations in which women work in low-status jobs.

In high-status or male-dominated jobs, spillover is less likely; women tend to do the same tasks as men. Instead there is more likely to be an attempt to put women in their place by restoring traditional roles. Sexual harassment is both a way of reasserting traditional status relationships and a way to establish control through the threat of harassment.

The organizational model of sexual harassment posits that institutions may provide a structure that makes harassment possible (Tangri, Burt, & Johnson, 1982).

Organizations that are highly structured and stratified are more conducive to sexual harassment because they allow negative consequences for failure to acquiesce to sexual demands. This organizational structure can be used to control women's behavior in the workplace. Those more vulnerable in the organization, such as trainees or those who "need" their jobs, are more likely to be harassed. This fact, combined with other sociocultural factors, makes women the more likely victims.

Thus, harassment occurs when employers and coworkers confuse employment expectations with sex-role expectations and when males are threatened because females have invaded what they believe is their territory—the traditionally all-male jobs. Unfortunately sexual harassment is pervasive and affects both morale and productivity.

## **LEGAL CONDITIONS FOR SEXUAL-HARASSMENT CLAIMS**

Courts have imposed liability on employers and coworkers for participating in, condoning, or permitting sexual harassment at work under two theories that parallel the EEOC guidelines. These two theories on which liability may be found have been referred to as *quid pro quo liability* and *hostile environment liability* (*Katz v. Dole*, 1983).

*Quid pro quo liability* is established when a sexual act is the prerequisite condition to employment, promotion, or any other job benefit. The converse also is true; *quid pro quo liability* can be found when the refusal to engage in a sexual act results in being fired, denied promotion, or having a job or benefit withheld. Unlike the hostile working environment situation, the plaintiff in a *quid pro quo* case must prove that the sexual demand was linked to a tangible, economic aspect of the harassed employee's compensation, term, condition, or privilege of employment (*Henson v. City of Dundee*, 1982; *Vermett v. Hough*, 1986).

*Hostile environment liability* is the second legal theory on which sexual harassment can be predicated. Individuals who must work in an atmosphere made hostile or abusive by the unequal treatment of the sexes are denied the equal employment opportunities guaranteed by law and the Constitution (*Henson v. City of Dundee*, 1982; U.S. Constitution, Amendment 14). As the Court of Appeals for the Eleventh Circuit said:

Sexual harassment which creates a hostile or offensive environment for members of one sex is every bit the arbitrary barrier to sexual equality at the workplace that racial harassment is to racial

equality. Surely, a requirement that a man or woman run a gauntlet of sexual abuse in return for the privilege of being allowed to work and make a living can be as demeaning and disconcerting as the harshest of racial epithets (*Henson v. City of Dundee*, 1982, note 7, at 902).

The elements of a hostile environment case were most clearly spelled out in *Henson v. City of Dundee* (1982). To prevail in such a suit, the court noted that the plaintiff must establish the existence of four elements. First, as in all Title VII cases, the employee must belong to a protected group. This requires only “a simple stipulation that the employee is a man or a woman” (*Henson v. City of Dundee*, 1982, at 903). Second, the employee must show that he or she was subject to unwelcome sexual harassment. Third, the harassment must have been based on sex and if it were not for the employee’s sex, the employee would not have been subjected to the hostile or offensive environment. Fourth, the sexual harassment must have affected a term, condition, or privilege of employment. Details of the second, third, and fourth elements of a hostile environment case will be explored further in the sections that follow.

### ***Unwelcome Sexual Harassment***

The Supreme Court has addressed the issue of what constitutes unwelcome sexual harassment. In *Meritor Savings Bank v. Vinson* (1986), a bank employee alleged that following completion of her probationary period as a teller trainee, her supervisor invited her to dinner; during the course of the meal, the supervisor suggested that they go to a motel to have sexual relations. The employee at first declined, but eventually agreed because she feared she might lose her job by refusing. Thereafter, over the course of the next several years, the employee alleged that the supervisor made repeated demands for sexual favors. She alleged that she had sexual intercourse forty or fifty times with her supervisor, was fondled repeatedly by him, was followed into the women’s restroom by him, and was raped forcibly on several occasions. In defending the suit, the defendant bank averred that because the employee had voluntarily consented to sexual relations with her supervisor, the alleged harassment was not unwelcome and was not actionable.

The Supreme Court disagreed. The Court stated that “the fact that sex-related conduct was ‘voluntary,’ in the sense that the complainant was not forced to participate against her will, is not a defense to a sexual-harassment suit brought under Title VII” (*Meritor Savings Bank v. Vinson*, 1986, at 2406). The focus of a sexual-harassment claim “is whether [the employee] by her conduct indicated that the alleged sexual advances were unwelcome, not whether her actual participation in sexual intercourse was voluntary” (*Meritor Savings Bank v. Vinson*, 1986, at 2406). Sexually harassing conduct is unwelcome if the “employee did not solicit it or invite it, and the employee regarded the conduct as undesirable or offensive” (*Moylan v. Maries County*, 1986).

Conduct is deemed unwelcome based on a “totality of circumstances” analysis. Conduct alleged to be sexual harassment must be judged by a variety of factors, including the nature of the conduct; the background, experience, and actions of the

employee; the background, experience, and actions of coworkers and supervisors; the physical environment of the workplace; the lexicon of obscenity used; and an objective analysis of how a reasonable person would react and respond in a similar work environment (*Rabidue v. Osceola Refining Co.*, 1986). Rather than risk making an incorrect, ad hoc determination of whether conduct is or is not unwelcome in each instance of alleged sexual harassment, managers should be prepared to take appropriate action when such conduct first appears to be offensive and unwelcome.

### **Harassment Based on Sex**

Another element of a Title VII claim of sexual harassment requires that the harassment be directed against an employee based on the employee's sex. Conduct that is offensive to both sexes is not sexual harassment because it does not discriminate against any protected group (*Bohen v. City of East Chicago, Ind.*, 1986; *Henson v. City of Dundee*, 1982). "The essence of a disparate treatment claim under Title VII is that an employee . . . is intentionally singled out for adverse treatment on the basis of a prohibited criterion" (*Henson v. City of Dundee*, 1982, at 903).

The prohibited criterion here is the employee's sex. In quid pro quo cases, meeting this requirement is self-evident. The request or demand for sexual favors is made because of the employee's sex and would not otherwise have been made. However, it is not always as clear in a hostile environment based on sexual harassment in which ". . . the plaintiff must show that but for the fact of her [or his] sex, [the employee] would not have been the object of harassment" (*Henson v. City of Dundee*, 1982, at 904).

An example of unwelcome conduct directed at an employee that would not have occurred but for that employee's sex is found in *Hall v. Gus Construction Co.* (1988). Three female employees of a road-construction firm filed suit alleging sexual harassment by fellow male employees. The offending and unwelcome conduct included instances of men's using sexual epithets and nicknames; repeated requests to engage in sexual activities; physical touching and fondling of the women; exposure of the men's genitals or buttocks; display of obscene pictures to the women; urinating in the women's water bottles and in the gas tank of their work truck; refusing to perform necessary repairs on their work truck until a male user complained; and refusing to allow the women restroom breaks in a town near the construction site.

In finding the firm guilty of sexual harassment, the court concluded that the "incidents of harassment and unequal treatment . . . would not have occurred but for the fact that [the employees] were women. Intimidation and hostility toward women because they are women can obviously result from conduct other than explicit sexual advances" (*Hall v. Gus Construction Co.*, 1988, at 1014).

Business managers and executives should be aware that any type of unwelcome conduct that is directed at an employee because of the person's sex may constitute sexual harassment. The lesson is to be alert and to stifle any conduct that threatens disparate treatment because of the employee's sex.

## **Harassment Affecting a Condition of Employment**

Title VII prohibits discrimination based on sex with respect to “compensation, terms, conditions, or privileges of employment” (42 U.S.C. 2000e-2). It readily can be seen how quid pro quo sexual harassment constitutes sexual discrimination with regard to compensation, terms, conditions, or privileges of employment; but a sexually hostile environment also can affect a condition of employment, without any economic or tangible job detriment suffered.

This is the case because one of the conditions of any employment is the psychological well-being of the employees (*Meritor Savings Bank v. Vinson*, 1986; *Rogers v. EEOC*, 1981). When the psychological well-being of employees is adversely affected by an environment polluted with abusive and offensive harassment based solely on sex, Title VII provides a remedy. “[T]he language of Title VII is not limited to ‘economic’ or tangible discrimination. The phrase ‘terms, conditions or privileges of employment’ evinces a Congressional intent ‘to strike at the entire spectrum of disparate treatment of men and women’ in employment” (*Meritor Savings Bank v. Vinson*, 1986, at 2404).

However, the sexual harassment “must be sufficiently severe or pervasive ‘to alter the conditions of the victim’s employment and create an abusive working environment’” (*Meritor Savings Bank v. Vinson*, 1986, at 2406). Isolated incidents (*Fontanez v. Aponte*, 1987; *Petrosky v. Washington-Greene County Branch*, 1987; *Sapp v. City of Warner Robins*, 1987; *Strickland v. Sears, Roebuck & Co.*, 1987) or genuinely trivial ones (*Katz v. Dole*, 1983; *Moylan v. Maries County*, 1986) will not give rise to sexual-harassment liability.

## **LIABILITY FOR SEXUAL-HARASSMENT CLAIMS**

### **Theories of Liability**

At least three broad categories of conduct can be identified that generally lead to a legal finding of sexual harassment. First, liability invariably follows when allegations of quid pro quo sexual harassment are proven (*Arnold v. City of Seminole*, 1985). Demands for sex acts in exchange for job benefits are the most blatant of all forms of sexual harassment. In addition, when a job benefit is denied because of an employee’s refusal to submit to the sexual demand, a tangible or economic loss is readily established.

Second, courts frequently conclude that sexual harassment exists when the offending conduct was intentionally directed at an employee because of the employee’s sex, was excessively beyond the bounds of job requirements, and detracted from the actual accomplishment of the job. When such conduct becomes so pervasive that the offending employee’s attention is no longer focused on job responsibilities and when significant time and effort are diverted from work assignments to engage in the harassing conduct, courts have concluded that sexual harassment exists.

This principle can be illustrated by examining a law enforcement case. *In Arnold v. City of Seminole* (1985), a female police officer chronicled a series of events and conduct to which she was subjected because she was female. The offensive conduct that created a hostile working environment included the following:

1. A lieutenant told her he did not believe in female police officers;
2. Superior officers occasionally refused to acknowledge or speak to her;
3. Obscene pictures were posted in public places within the police station with the female officer's name written on them;
4. Epithets and derogatory comments were written next to the officer's name on posted work and leave schedules;
5. False misconduct claims were lodged against her;
6. Work schedules were manipulated to prevent the female officer from being senior officer on duty, thus denying her command status;
7. She was singled out for public reprimands and not provided the required notice;
8. Members of the female officer's family were arrested, threatened, and harassed;
9. Other officers interfered with her office mail and squad car;
10. Attempts to set up the female officer in an illegal drug transaction were contemplated; and
11. The female officer was not provided equal access to station-house locker facilities.

Based on this amalgam of proof, which far exceeded any claim of office camaraderie, the court ruled that the female officer had indeed been subjected to an openly hostile environment based solely on her sex.

The third category of finding sexual harassment generally results from conduct or statements that reflect the belief that women employees are inferior by reason of their sex or that women have no rightful place in the work force. For example, sexual harassment was found when a supervisory employee stated that he had no respect for the opinions of another employee because she was a woman (*Porta v. Rollins Environmental Services*, 1987). Similarly, the court found sexual harassment in the case of a supervisor who treated his male employees with respect but treated his female employees with obvious disdain. The supervisor called women employees "Babe" and "Woman" in derogatory fashion and indicated his belief that women should not be working at all (*DelGado v. Lehman*, 1987).

### ***Employer Liability for Sexual Harassment***

One of the primary goals of Title VII is to eliminate sexual harassment from the workplace (*Arnold v. City of Seminole*, 1985; Equal Employment Opportunity Commission Guidelines on Discrimination Because of Sex, 1987). However, to the extent to which it does not do so, civil liability remedies are available against both the



employer and the offending coworkers and/or their supervisors. Both are obvious matters of concern for business managers.

In *Meritor Savings Bank v. Vinson* (1986, at 2408), the Supreme Court ruled that employer liability would be guided by agency principles, although it declined “to issue a definitive rule on employer liability.” Three such agency principles can be identified as follows:

1. When a supervisory employee engages in quid pro quo sexual harassment, that is, the demand for sex in exchange for a job benefit, the employer is liable. As one court explained:

In such a case, the supervisor relies upon his apparent or actual authority to extort sexual consideration from an employee . . . . In that case the supervisor uses the means furnished to him to accomplish the prohibited purpose . . . . Because the supervisor is acting within at least the apparent scope to the authority entrusted to him by the employer when he makes employment decisions, his conduct can fairly be imputed to the source of his authority (*Henson v. City of Dundee*, 1982, at 910).

2. In cases of sexual harassment by supervisory employees that creates a hostile working environment, courts have held the employer liable (*Katz v. Dole*, 1983).
3. If the sexually hostile working environment is created at the hands of coworkers, the employer will be liable if it knew or reasonably should have known of the harassment and if it took no remedial action.

These three principles suggest ways to prevent liability for sexual harassment. Managers and executives must not engage or participate in any conduct that encourages, suggests, or constitutes sexual harassment. When such conduct comes to the attention of any manager, *he or she must take immediate corrective action*. Further, all managers have an *affirmative obligation* to monitor the workplace to ensure that sexual harassment does not become a widespread practice.

## **MANAGERIAL STRATEGIES TO PREVENT AND REDUCE LIABILITY**

The potential for sexual-harassment allegations and lawsuits exists in any workplace. The best strategies to prevent and to reduce liability may be to establish policies and procedures that require the reporting of sexual harassment and to train supervisors and employees to recognize and resolve such problems within the organization. Following is a list of suggested strategies for preventing sexual harassment and limiting liability:

1. Determine the extent and nature of harassment.
  - Apply survey research methods, including confidential interviews with a random sample of employees.
  - Employ an internal personnel specialist or external consultant knowledgeable in EEOC matters.

- Review personnel records, especially exit interviews, for excessive turnover rates for women.
  - Be prepared to take appropriate action if incidents of sexual harassment are reported.
2. Develop a written policy that includes the following components:
    - The legal basis in Title VII prohibiting discrimination in employment;
    - Any applicable state statutes that complement Federal laws and procedures;
    - A statement that harassment on the basis of sex is prohibited by law and is contrary to organizational policy;
    - Identification of specific behaviors that constitute sexual harassment; and
    - An outline of consequences, including progressive discipline and possible discharge.
  3. Charge employees with the responsibility to report harassment or discriminatory practices using the following steps:
    - Warn the offending party that such behaviors are unwelcome and that they must stop.
    - Report the offensive behavior to a supervisor, manager, or designated individual, first verbally and then, if the offensive action continues, in writing.
  4. Communicate the policy by posting it in the workplace and by making the policy a part of the orientation of new employees, especially supervisors.
  5. Require corporate attorneys to become knowledgeable in EEOC matters, especially sexual harassment. Secure competent labor relations attorneys and/or external consultants who can advise corporate staff on preventive and rehabilitative strategies.
  6. Make supervisors responsible for keeping the workplace free of harassing, abusive, disorderly, or disruptive conduct and for initiating necessary disciplinary action as follows:
    - Warn offenders that they must cease such behaviors or face disciplinary action.
    - Develop a written record of testimony from the complainant, the offender, witnesses, and any other knowledgeable parties when a warning does not resolve the matter.
    - Remove the victim from the work environment, with his or her consent, until the matter is resolved.
    - Counsel the supervisor, complainant, and offender as appropriate and necessary.

- Refer the complainant and the file to the designated staff office responsible for employment relations/EEOC.
  - Initiate appropriate disciplinary action, including corrective action by higher-level management, in cases in which the supervisor has not taken appropriate action.
7. Provide an impartial appeal or complaint procedure to supplement supervisory channels; such a procedure should provide for the following:
- Timely notice to all parties involved (complainant, alleged offender, supervisors, and witnesses);
  - Opportunity for a fair and impartial review by objective and responsible members of the organization;
  - Corrective action steps to make the complainant/victim “whole” again as quickly as possible, including back pay, promotion, or other opportunities lost because of the harassment;
  - Identification of other employees in situations similar to that of the victim and action steps to make them “whole,” including back pay, promotions, or other opportunities lost because of harassment; and
  - Assistance for complainants who choose to pursue action independently by filing directly with EEOC or equivalent human relations commissions at the state level or directly in court.
8. Provide training for managers, supervisors, and employees that clearly communicates information relevant to harassment. Components for accomplishing this objective include the following:
- Training for supervisors about how to identify harassment, the contents and procedures of organizational policy, counseling and disciplinary skills related to resolving minor infractions, and clarification of the scope of responsibility of supervisors; and
  - Training for employees about understanding the organization’s policy against harassment; the victim’s responsibility to communicate the “unwelcomeness” of harassing behavior to the offender and to others as prescribed in the policy; and employee rights and remedies, including options to file directly with EEOC or state commissions on human relations.

## ***Checklist for Assessing Complaints***

The following checklist may be of assistance in determining the extent to which sexual harassment has occurred:

1. *Severity of the conduct.* Behaviors generally can be placed along a continuum ranging from mild to severe. Although no hard lines can be drawn, conduct will tend toward one end of the continuum or the other.
2. *Number and frequency of encounters.* The number of incidents and the time span between them is important. A single incident may not seem severe but may become more serious if repeated often and with persistence.
3. *Apparent intent of the harasser.* Actual intent is irrelevant; the effect of the act is what is important. The question to be asked is what reasonable people would have meant had they acted in a similar manner. Also important is whether the behavior was directed at the victim or simply overheard or seen.
4. *Relationship of the two employees.* Employees expect higher standards of conduct from supervisors. What may be permissible from a coworker is inappropriate from supervisory personnel and may be more serious and more threatening because of the power relationship. Also to be considered is the nature of the interpersonal relationship; for example, it is important to assess whether or not these people generally have gotten along well, have had an ongoing feud, or have been involved romantically.
5. *Victim's provocation.* The behavior of the victim should be considered but not overweighed. Blaming the victim for causing the harassment is a common pattern that should not be allowed; however, if the complaining employee "provokes" such behavior, it loses its "unwelcome" connotation.
6. *Response of the victim.* It is generally assumed that the victim has some responsibility for communicating that harassing behavior is unwelcome. This responsibility varies with the severity of the conduct; for example, in the case of forced fondling or attempted rape, the victim has less responsibility to express objection.
7. *Effects on the victim.* An evaluation should be made of the effects of the offensive behavior on the employee. For instance, it is important to assess whether or not the employee was embarrassed, humiliated, physically injured, demoted, denied a promotion, or harmed in other ways.
8. *Working environment.* Reasonable people usually expect different behaviors depending on the nature of the working environment. Conduct appropriate in a factory may not be appropriate in an office.
9. *Public or private situations.* Different types of harassing behaviors could be more or less serious depending on whether they happened publicly or privately.
10. *Men-women ratio.* The higher the ratio of men to women in the work environment, the more likely harassment is to occur.

## CONCLUSION

Managers must effectively resolve each instance of sexual harassment. The importance of this requirement cannot be overstated. Not only is there a self-evident need to do so for conformance to sound management principles; the Supreme Court has noted that “the mere existence of a grievance procedure and a policy against discrimination” (*Katz v. Dole*, 1983; *Meritor Savings Bank v. Vinson*, 1986; *Vermett v. Hough*, 1986) will not by itself insulate an employer from liability. The grievance procedure must effectively resolve problems.

Although the law alone cannot realistically dispossess people of their personal prejudices, it can require that they not exhibit them in the workplace. It is the responsibility of all business managers and executives to see that they do not. It is also the responsibility of managers and executives to display the behavior that they wish to see in their employees. It must be demonstrated, not only by policy but also by example, that sexual harassment is neither appropriate nor tolerated. The HRD practitioner shares this responsibility by providing information, policy recommendations, and training to ensure that affirmative action is taken against sexual harassment.

## REFERENCES

- 42 U.S.C. 2000e-2.
- 42 U.S.C. 2000e-5.
- 42 U.S.C. 2005e-6.
- Arnold v. City of Seminole, 614 F. Supp. 853 (E.D. Oklahoma 1985).
- Bem, S.L., & Bem, D.J. (1970). Case study of a nonconscious ideology: Training the woman to know her place. In D.J. Bem (Ed.), *Beliefs, attitudes, and human affairs* (pp. 89-99). Belmont, CA: Brooks/Cole.
- Bohen v. City of Chicago, Ind., 799 F.2nd 1180 (7th Cir. 1986).
- Crull, P. (1982). *Sexual harassment and male control of women's work* (Research Series Report No. 5). New York: Working Women's Institute.
- DelGado v. Lehman, 665 F. Supp. 460 (E.D. Va. 1987).
- Equal Employment Opportunity Commission Guidelines on Discrimination Because of Sex. 29 C.F.R. 1604.11 (1987).
- Farley, L. (1978). *Sexual shakedown: The sexual harassment of women on the job*. New York: McGraw-Hill.
- Fontanez v. Aponte, 660 F. Supp. 145 (D. Puerto Rico 1987).
- General Electric Co. v. Gilbert, 429 U.S. 125 (1976).
- Gutek, B. (1985). *Sex and the workplace: Impact of sexual behavior and harassment on women, men and organizations*. San Francisco, CA: Jossey-Bass.
- Gutek, B., & Dunwoody, V. (1987). Understanding sex in the workplace and its effects on men, women and organizations. In A. Stromberg, L. Larwood, & B. Gutek (Eds.), *Women and work: An annual review* (Vol. 2, pp. 249-269). Beverly Hills, CA: Sage.

- Gutek, B., & Morash, B. (1982). Sex ratios, sex role spillover, and sexual harassment of women at work. *Journal of Social Issues*, 38, 55-74.
- Hall v. Gus Construction Co., 842 F.2d 1010, 1016 (8th Cir. 1988).
- Henson v. City of Dundee, 682 F.2d 897 (11th Cir. 1982).
- Hyde, J. (1980). *Half the human experience: The psychology of women* (3rd ed.). Lexington, MA: D.C. Heath.
- Jensen, I., & Gutek, B. (1982). Attributions and assignments of responsibility in sexual harassment. *Journal of Social Issues*, 38, 121-136.
- Katz v. Dole, 709 F.2d 251 (4th Cir. 1983).
- Konrad, A., & Gutek, B. (1988). Impact of work experiences on attitudes toward sexual harassment. *Administrative Science Quarterly*, 31, 422-438.
- Meritor Savings Bank v. Vinson, 106 S.Ct. 2399 (1986).
- Moylan v. Maries County, 792 F.2d 746 (8th Cir. 1986).
- Petrosky v. Washington-Greene County Branch, 45 F.E.P. Cas. 673 (W.D. Pa. 1987).
- Porta v. Rollins Environmental Services, 654 F. Supp. 1275 (D.N.J. 1987).
- Rabidue v. Osceola Refining Co., 805 F.2d. 611 (6th Cr. 1986).
- Rogers v. EEOC, 454 F.2d 234 (5th Cir. 1971).
- Safran, C. (1976, November). What men do to women on the job: A shocking look at sexual harassment. *Redbook*, pp. 149, 217-223.
- Sapp v. City of Warner Robins, 655 F. Supp. 1043 (M.D. Georgia 1987).
- Strickland v. Sears, Roebuck & Co., 46 F.E.P. Cas. 1024 (E.D. Va. 1987).
- Tangri, S., Burt, M., & Johnson, L.D. (1982). Sexual harassment at work: Three explanatory models. *Journal of Social Issues*, 38, 33-54.
- U.S. Constitution, Amendment 14.
- U.S. Merit Systems Protection Board. (1981). *Sexual harassment in the Federal workplace: Is it a problem?* Washington, DC: U.S. Government Printing Office.
- U.S. Merit Systems Protection Board. (1988). *Sexual harassment in the Federal Government: An update.* Washington, DC: U.S. Government Printing Office.
- Vermett v. Hough, 627 F. Supp. 587 (W.D. Mich. 1986).

## **SAMPLE EMPLOYER PROCEDURE AND POLICY STATEMENTS REGARDING SEXUAL HARASSMENT IN THE WORKPLACE**

### ***Memorandum to Employers Concerning Sexual Harassment Policy***<sup>1</sup>

Attached as Exhibit A is a proposed sexual harassment policy for adoption by Employer ABC and for possible inclusion in the Employer's employee handbook. We suggest that this policy be distributed to supervisors, as well as to the Employer's employees.

In addition, we suggest that a supervisory policy statement, such as the one attached as Exhibit B, which sets forth the specific points intended for supervisors, also be distributed to the supervisors.

Since the law prohibits harassment against any individual in a protected category and not just sexual harassment, it is our recommendation that the Employer not limit this policy to sexual harassment but apply it to all forms of prohibited harassment and the policy has been drafted with this suggestion in mind.

Many sexual harassment policies that we have been called upon to review have indicated that any employee, at any level, found to be engaging in any form of sexual harassment will be dismissed. We do not believe in such a strongly worded policy. The reason for this is that telling tasteless sexual or racial jokes may be found to be a form of sexual or racial harassment if an employee finds the joke to be offensive; however, a first offense may not merit discharge. In addition, sometimes employees view corrective discipline as harassment, which is one of the reasons that this particular subject area, particularly sexual harassment, is such a difficult one with which to deal. Often the mere process of talking about the harassment complaint will stop whatever behavior is perceived as harassing. However, there may be some blatant and demeaning behavior that will call for immediate dismissal. In such a situation, however, all the facts should be clearly understood and without question and should not be simply one person's word against the other.

In addition, some policies we have reviewed contain a traditional form of complaint procedure through the supervisory hierarchy. Based upon the very nature of harassment, and particularly sexual harassment, it does not appear to us that this would be the most satisfactory way to deal with complaints of harassment. For example, the complaint might be against the immediate supervisor or others in authority in the employee's department and thus, the employee may not want to discuss that complaint with the immediate supervisor. In addition, it is important that a complaint of harassment come to the attention of top management where it can be appropriately handled. We have found in many cases we have handled dealing with sexual harassment, that while top management has never been aware of the complaint, many of the supervisors have been and in fact, many of the supervisors were themselves the alleged harassers. The

---

<sup>1</sup> Adapted with permission from the appendix to the "Sex in the Workplace" chapter of the *Employment Law Sourcebook* from the 1993 seminar entitled "The Changing Tide: Navigating Through Employment Laws Under The New Administration," presented by Alley and Alley, Chartered, Attorneys at Law, 205 Brush Street, P.O. Box 1427, Tampa, Florida 33601.

employer is strictly liable for the actions of its supervisors and is also liable for the actions of its employees when it is aware or should have known of the harassment and fails to take immediate and appropriate corrective action.

The Supreme Court of the United States in the *Meritor Savings Bank* case involving a grievance procedure that required the grievant to first take the grievance to the frontline supervisor, ruled that absence of notice of the harassment by the employer does not necessarily insulate the employer from liability. Therefore, in order to ensure that no complaints get “lost” in the complaint procedure, it is our recommendation that complaints of harassment, including sexual harassment, be funneled through either of two specific individuals, one a male and one a female, plus the Employer’s President. It should be recognized that females may well be reluctant to make complaints of sexual harassment to male personnel, whether they be supervisors, managers or personnel individuals. After all, we are talking about sex. In the same vein, males might be reluctant to make complaints of sexual harassment to female personnel. The policy attached has been drafted with this thought in mind.

If harassment is reported and confirmed by an appropriate investigation, we suggest the following procedure be followed by the Employer, but only *after* the investigation is complete and harassment is confirmed:

(a) Politely but firmly confront whomever is doing the harassing and state how you feel about his or her actions. Inform the individual that the harassment must cease immediately and document the proceedings.

(b) If harassment continues, confront the party and inform them of the consequence of this continued action, that future violations will be sufficient for discharge without warning. Once again, document the proceedings.

(c) *Always* follow up with the individual who made the complaint and assure them that corrective action has been taken and thank them for their interest and being willing to come forward. Request that they inform you if they believe they are retaliated against because of their complaint.

If harassment is reported but an investigation is inconclusive regarding the fault of the accused, we suggest that a written record of counseling be placed in the accused person’s personnel file, which would not indicate any belief in the truth of the accusations, but would confirm that while the accusations were not demonstrated to be true, that in light of the accusation having been made, the occasion was used to discuss and reaffirm the Employer’s harassment policies with the employee in question.

In addition to the attached supervisory policy statement (which is designed to be distributed to supervisors), supervisors must be made aware that the law prohibits any type of retaliation against an individual making a complaint or filing a charge against the Employer or other employees for prohibited harassment, including sexual harassment. Supervisors must be made to understand that the Employer will deal directly and forcefully with any individual who discriminates or retaliates against another individual for making a complaint or charge of prohibited harassment including sexual harassment.



## ***Sample Policy Statement Concerning Prohibited Harassment, Including Sexual Harassment<sup>2</sup>***

We at Employer ABC share a common belief that each of us should be able to work in an environment free of discrimination, and any form of harassment, based on race, color, religion, age, sex, pregnancy, national origin, handicap or marital status.

To help ensure that none of us ever feel we are being subjected to harassment, and in order to create a comfortable work environment, the Employer prohibits any offensive physical, written or spoken conduct regarding any of these items, including conduct of a sexual nature. This includes:

1. Unwelcome or unwanted advances, including sexual advances. This means patting, pinching, brushing up against, hugging, cornering, kissing, fondling, or any other similar physical contact, unless it is welcomed.
2. Unwelcome requests or demands for favors, including sexual favors. This includes subtle or blatant expectations, pressures or requests for any type of favor, including a sexual favor (this includes unwelcomed requests for dates) whether or not it is accompanied by an implied or stated promise of preferential treatment or negative consequence concerning our employment status.
3. Verbal abuse or kidding that is oriented toward a prohibited form of harassment, including that which is sex-oriented and considered unwelcome. This includes comments about our national origin, race, body, disability or appearance, where such comments go beyond mere courtesy; telling “dirty jokes” that are unwanted and considered offensive; or any tasteless, sexually-oriented comments, innuendos or actions that offend.
4. Creating a work environment that is intimidating, hostile, abusive or offensive because of unwelcome or unwanted conversations, suggestions, requests, demands, physical contacts or attentions, whether sexually oriented or otherwise related to a prohibited form of harassment.

Normal, courteous, mutually respectful, pleasant, noncoercive interactions between employees, including men and women, that are acceptable to both parties are not considered to be harassment, including sexual harassment.

If any of us believe that he or she is being subjected to any of these forms of harassment, or believes he or she is being discriminated against because other employees are receiving favored treatment in exchange, for example, for sexual favors, he or she must bring this to the attention of appropriate people in management. The very nature of harassment makes it virtually impossible to detect unless the person being harassed registers his or her discontent with the appropriate Employer representative. Consequently, in order for the Employer to deal with the problem, we must report such

---

<sup>2</sup> Adapted with permission from the appendix to the “Sex in the Workplace” chapter of the *Employment Law Sourcebook* from the 1993 seminar entitled “The Changing Tide: Navigating Through Employment Laws Under The New Administration,” presented by Alley and Alley, Chartered, Attorneys at Law, 205 Brush Street, P.O. Box 1427, Tampa, Florida 33601.

offensive conduct or situations to (the Personnel Manager/Human Resources Manager or the President. Include at least one male and one female.)

A record of the complaint and the findings will become a part of the complaint investigation record and the file will be maintained separately from the employee's personnel file.

It is understood that any person electing to utilize this complaint resolution procedure will be treated courteously, the problem handled swiftly and as confidentially as feasible in light of the need to take appropriate corrective action, and the registering of a complaint will in no way be used against the employee, nor will it have an adverse impact on the individual's employment status.

### ***Sample Supervisory Policy Statement Further Explaining Prohibited Harassment, Including Sexual Harassment<sup>3</sup>***

In order to avoid any question about possible unlawful harassment of employees, the Employer has chosen to prohibit harassment, including sexual harassment, as defined in the Employee Handbook.

Normal, courteous, mutually respectful, pleasant, noncoercive interactions between employees, including men and women, that are acceptable to both parties are not considered to be harassment, including sexual harassment. However, please keep in mind that what may be perceived as normal, courteous, etc. today while the individuals are on good terms may be perceived in the future in a vastly different way when the individuals no longer are on those same good terms.

The Employer will not tolerate prohibited harassment, including sexual harassment, of its employees by anyone—managers, supervisors, other employees or clients and customers. Prohibited harassment, including sexual harassment, can be an insidious practice. It can demean individuals being treated in such a manner. It can create unacceptable stress for the entire organization. Morale can be adversely affected. Work effectiveness can decline. Significant costs are involved and people harassing others will be dealt with swiftly and vigorously.

If you are engaged in *any* conduct that another employee finds offensive, STOP. Consider whether your actions might be improper harassment of some kind. If in doubt, seek assistance from the Personnel/Human Resources Department.

If you learn that another employee has made a complaint against you, consider whether their complaint might be justified. Meanwhile, whether the complaint is justified or not, remember three things:

1. Do not retaliate in any way against the employee who complained.
2. Consider this occasion as a reminder of the problems involved in mixing business and pleasure.

---

<sup>3</sup> Adapted with permission from the appendix to the "Sex in the Workplace" chapter of the *Employment Law Sourcebook* from the 1993 seminar entitled "The Changing Tide: Navigating Through Employment Laws Under The New Administration," presented by Alley and Alley, Chartered, Attorneys at Law, 205 Brush Street, P.O. Box 1427, Tampa, Florida 33601.

3. Review the Employer's policy, and be sure you understand it and fully comply with it at all times.

## ■ FROM CONTROLLING TO FACILITATING: HOW TO L.E.A.D.

### Fran Rees

Styles of leadership can be placed on a continuum, with a *controlling* style at one end and a *facilitating* style at the other. A team leader's position along this continuum is determined by how much he or she shares the responsibility for decision making with subordinates.

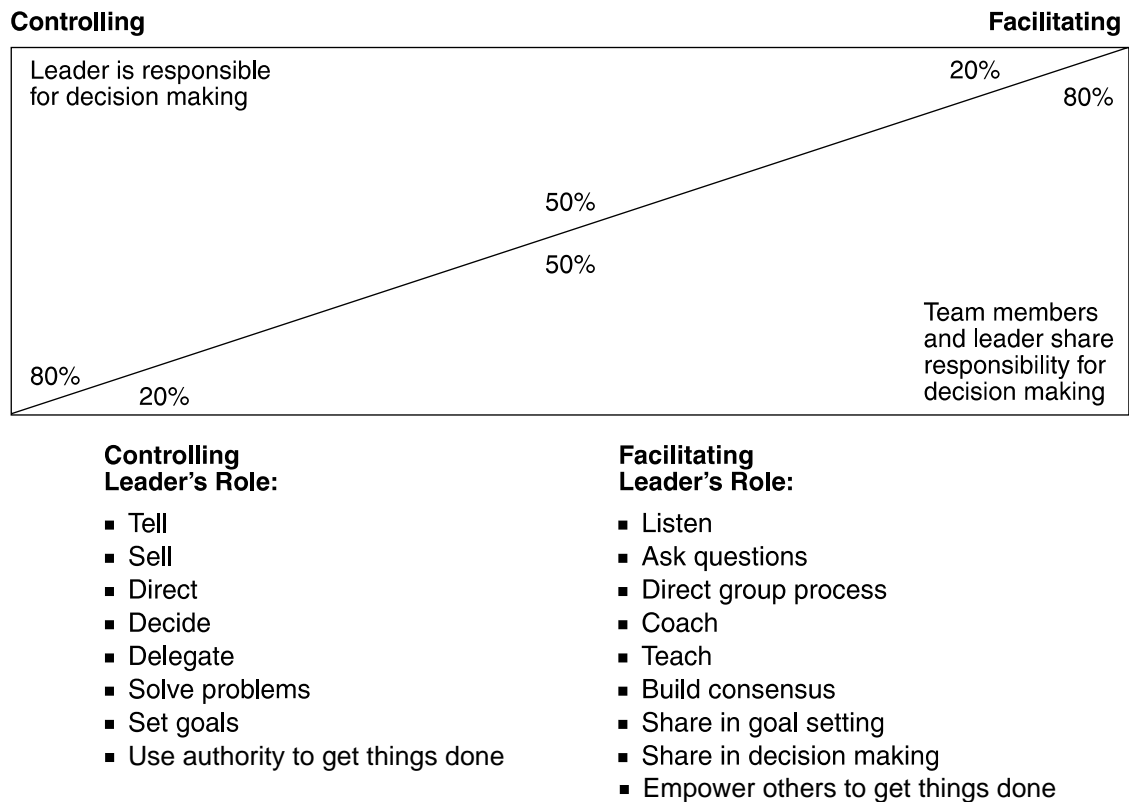
Traditionally, the role of a leader was to control his or her subordinates' tasks and actions. Leaders made decisions and communicated them to subordinates, who carried them out. In many organizations, however, the trend is away from controlling leadership and toward facilitative leadership, in which leaders and subordinates share the responsibilities of making decisions, planning to implement decisions, and carrying out these plans. The reason for the trend is that today's organizations, with their emphases on teamwork, challenge, and motivation, have found that employees are more motivated and productive if they are allowed to share in the plans and decisions that affect them and their work.

As depicted in Figure 1, the functions and behaviors of the controlling leader differ greatly from those of the facilitative leader. The leader whose style is more controlling retains full responsibility for all work accomplished and decisions made. This leader tries to control the tasks and output of the team. In contrast, the leader whose style is more facilitative shares these responsibilities with team members.

A controlling, authoritarian style of leadership can have adverse effects on a work team's communication effectiveness and morale. Because subordinates of a controlling leader are motivated by fear, they often are reluctant to reveal problems to or share opposing opinions with their leader. The frequency of upward communication is reduced, and the information conveyed is less accurate; in fact, team members selectively send the messages that they think will bring rewards and forestall punishment. Gordon (1977) found that power struggles (gossiping, backbiting, and so on), excessive submission and conformity, squelched creativity, withdrawal (both physical and psychological), and—in those who refuse to submit—rebellion and defiance also are linked to an overly controlling leadership style.

---

Originally published in *The 1992 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. Adapted from *How to Lead Work Teams: Facilitation Skills* by F. Rees, 1991, San Diego, CA: Pfeiffer & Company. This book offers complete guidelines on the facilitative style of leading a work team.



**Figure 1. Controlling Versus Facilitating Styles of Leadership**

## ***POWER, THE LEADER, AND THE WORK TEAM***

Controlling and facilitating leaders view power in different ways. Controlling leaders regard power as something to be hoarded and to be shared only cautiously. The results produced by work teams led by such leaders often are based on the leader's own abilities. Facilitative leaders, on the other hand, regard power as something to be shared, something that even can grow when spread among team members. Both types of leaders produce results. The difference is that facilitating leaders often produce *better* results because their subordinates are empowered and do not simply follow orders.

Under facilitative leaders, team members are more likely to support decisions because they have had input in the decision-making process. Because responsibility for implementing the decision is shared, team members' talents, experience, and knowledge are fully utilized. Teams led by facilitative leaders operate in win-win situations: They complete tasks by working together. In contrast, teams led by controlling leaders operate in what ultimately are win-lose situations: As perceived by the leaders, to give power to their teams means that they themselves must lose power. Thus, controlling leaders actually are at odds with their teams.

## **BECOMING A FACILITATIVE LEADER: BASIC PRINCIPLES FOR INITIATING CHANGE**

Leaders who wish to move from a controlling to a facilitative style must alter their leadership styles, their patterns of interaction with subordinates, their performance standards, their work habits, and their norms of relating to team members. It is important for leaders to realize from the outset that these changes will not necessarily be easy or smooth.

Leaders who are making the transition to a more facilitative approach will do well to remember three principles of change:

- Change takes *time*.
- Change is a *process*, not a decision.
- *Experience and practice* are essential in order to become comfortable with new behaviors.

Leaders seeking to change must acknowledge the vast effort that change requires and must not give up when more time and practice than anticipated are necessary. Change is a *process*—sometimes a very long and tedious one. Leaders who effectively implement change ensure that they and their teams have plenty of opportunities to practice new behaviors.

Following are some additional principles that will help leaders to make the transition to facilitation:

- Make one or two changes at a time. Do not attempt to revamp an entire system at once.
- Allow time for changes to solidify. Change is never easy, and people need time to learn new ways of working together.
- Reward people's efforts to change; otherwise, they will not change.
- Keep the goal in mind: to increase productivity and employee satisfaction.
- Strive to reach planned, periodic milestones toward the goal. Do not let time go by without moving in the desired direction.
- Use action plans and regular evaluations as tools to move toward the goal.
- Have patience with people. Change is difficult and even threatening for some.
- Do not overestimate your power and influence. Be realistic but positive about what can be accomplished, considering the organizational culture and any existing constraints. Acknowledge that one person alone cannot change the organization, and plan accordingly.

## **A PROCESS FOR TRANSITION**

Some leaders faced with the prospect of change may feel overwhelmed by the enormity of the situation and may feel that they do not know where to begin. The changes to be made may seem enormous and impossible, or the particular situation may not seem applicable to the process described in this article.

By breaking up the change process into smaller chunks, however, the leader can make the task manageable. The following outline of steps will help the leader to translate the conceptual change process into a series of concrete, verifiable tasks and goals:

1. *List all desired changes in the team's functioning or in the style of leadership used.* Think in terms of long-term improvements—many months to several years.

2. *Determine the strengths, support systems, and other resources that already exist and that can help in the change process.* Plan to use these strengths to advantage when beginning to make changes.

3. *Break each large change down into small steps.* For example, if the leader's goal were to become a better listener, he or she might create the following list of action steps toward the goal:

- Ask at least three questions of subordinates this week. Make an effort to listen without interrupting.
- Take a course in listening.
- Ask a friend to tell me when I interrupt and when I appear to demonstrate good listening skills.

### ***What To Expect***

It is human nature to resist change, even when the change is for the better. Change disrupts people's lives, challenges their beliefs about themselves and their world, and creates confusion and disorientation. Therefore, it is unrealistic for a leader to expect others to welcome his or her new persona without reservations or to be supportive immediately, even when the change is beneficial to them. In fact, subordinates may act almost antagonistic at first.

This phenomenon may be quite frustrating to the leader who is making an honest effort to change. It may be helpful in such situations for the leader to remember how subordinates interact with controlling leaders. They are somewhat fearful and distrustful; they have learned not to be the bearers of bad news or to disagree. When a formerly controlling leader begins to draw people out and to listen, his or her motives initially will be suspect. Subordinates may avoid saying anything controversial. Furthermore, unless the leader has been a good listener in the past, subordinates may not be accustomed to expressing their feelings and ideas to him or her.

Other people may welcome the solicitation of their feelings and opinions and may vent many of their frustrations all at once. This deluge of negativity may be difficult to deal with. The leader should try to remain open to what often are valuable criticisms; should listen actively, asking for clarification or examples when necessary; and should take notes. *Active listening* is listening without becoming defensive and without sermonizing or judging. The leader should avoid making promises during the listening session. He or she should explain that the purpose of the listening session is to look for opportunities to involve the team members in plans and decisions and that, together, they will discuss these issues at a later date.

## **HOW TO L.E.A.D.**

Leaders can use a simple four-step model to ensure employee participation and to increase productivity:

**L**ead with a clear purpose.

**E**mpower to participate.

**A**im for consensus.

**D**irect the process.

The L.E.A.D. model includes key leadership functions: setting clear goals and objectives, getting people involved, reaching consensus on important items, and paying attention to both tasks (the work) and relationships (the team).

If the leader uses this model, the following ten essentials of teamwork will be met:

1. Paying attention to all four parts of the model provides the *leadership* that any team needs.
2. Leading with a clear, stated purpose meets the need for *common goals*.
3. Empowering members to participate facilitates the high levels of *interaction and involvement* that team members need.
4. Participation and consensus help to maintain the *individual team members' self-esteem*.
5. Participation and consensus also encourage *open communication*.
6. Participation and consensus also help to build *mutual trust*.
7. Good teamwork includes a healthy *respect for differences among team members*.
8. Effective communication in teamwork includes an avenue for *constructive conflict resolution*.
9. Using all four parts of the L.E.A.D. model will ensure that there is *power within the team to make decisions*.
10. Leading with a clear purpose and directing the process ensure that the leader will *pay attention to both process and content*.



The following paragraphs offer a more detailed analysis of the L.E.A.D. model.

### ***Lead with a Clear Purpose***

When a person leads with a clear purpose, he or she uses goals to motivate the team. To be motivating, goals must be challenging, positive, and realistic. A leader can bring power and focus to a team's goals in several ways.

First, the leader should set realistic, team-oriented goals that support organizational goals. Team-oriented goals apply specifically to an individual team; they are necessary because organizational goals are not "close to home" enough to motivate a team.

Next, the leader must publish the goals and display them for all team members to see. People will not remember the goals if they are not discussed and referred to often. The goals could be posted in a meeting room on flip charts or posters; the important thing is to display visual reminders to keep the goals in front of everyone. The leader should refer to the goals often in memos, presentations, and meetings. Whenever possible, the goals should be used to guide decisions. For example, if a subordinate came to the leader with a problem or suggestion, the leader might say, "In light of our goal of 95-percent on-time deliveries, what do you think is the best solution?"

The leader should work with the team to identify milestones that will indicate progress toward the team's goals. The milestones should be prominently displayed and should have deadlines whenever possible. For example, the team that wishes to achieve 95-percent on-time delivery could post the following milestones:

- 85 percent by the end of the third quarter;
- 90 percent by the end of the fourth quarter;
- 93 percent by the end of the first quarter of next year; and
- 95 percent by the end of the second quarter of next year.

The team's progress should be tracked and recorded. Milestones achieved should be acknowledged and celebrated. Over time, the leader should allow his or her team to set its own goals, to monitor its own progress, and to plan its own celebrations.

### ***Empower To Participate***

After goals have been established and published, the leader must empower the people in his or her team to work toward achieving the goals. To *empower* means to give power or authority, to authorize, to enable, or to permit. Therefore, the leader must begin to act as facilitator by delegating the responsibility for determining how goals will be met. Although the goals themselves may be motivators, team members will not be truly empowered if they are not allowed to participate in important decisions that will affect them and their work.

Leaders can involve their teams in the decision-making process in two ways. The leader can opt for a *consultative* decision: He or she can solicit team members opinions and then make an independent decision. Alternatively, the leader can choose to make a

*consensus* decision, in which the team members must reach consensus on the decision. In a consensus decision, the leader can choose to remain neutral and facilitate the *decision-making* process or to participate actively in the decision. The leader's choice of decision style will depend on several factors, including his or her comfort with delegating the decision, his or her ability to avoid overinfluencing the group, the leader's need for involvement in the implementation of the decision, and the team members' wishes.

Of course, not every team member must be involved with every decision. Before making a decision, the leader should ask, "Who will we depend on to carry out this decision?" The people named should at least be consulted before a decision is made.

There are many other ways of empowering people to participate. For instance, the leader may decide to redesign jobs and procedures so that team members will have to interact in order to complete their work. The leader also can identify which types of decisions he or she will make and which types of decisions the team or team members will make.

Facilitative leaders encourage participation by listening more than talking and by asking more than telling. Two skills are therefore critical for good facilitators: listening and asking questions. Effective or *active listening* is required in order to make sure that one has accurately heard what the other person has said. To listen actively, the listener must observe the speaker as well as hear the words being said. Body language, tone of voice, eye contact, and other signals provide the listener with additional information about the speaker's message. The active listener must indicate his or her receptiveness and attentiveness to the speaker's message with body language: maintaining an open posture, nodding the head, remaining quiet without restless movements, and maintaining eye contact. Active listening also requires that the listener not be distracted by others, by the surrounding environment, or by difficulties that the speaker may have in getting his or her message across. It means not thinking about what one is going to say while the speaker is talking. The listener also must postpone judgment of the message until he or she has heard it in its entirety.

In addition to knowing how to listen, an active listener needs to know when to ask questions to clarify the speaker's message. The listener can repeat a brief version of what he or she thought was said (paraphrase) in order to check the accuracy of the interpretation. The listener also can ask the speaker to provide more information in order to clear up confusion. In general, it is best to give the speaker a chance to talk and to finish what he or she wants to say before jumping in with questions.

Another important step toward the empowerment of team members is for the leader to solicit their ideas, opinions, and reactions regularly without judging or punishing them. Leaders usually are busy, and some do not have much opportunity to interact with their subordinates. A good leader-facilitator, however, will make time for others' opinions and ideas, even if only for a few minutes at the coffee machine. Stopping by a person's office for the sole purpose of getting his or her opinion is particularly empowering for that person.

After one has solicited someone else's opinion, one must follow through with a facilitative response as outlined in the following steps:

1. Listen actively.
2. Ask questions or paraphrase to clarify what was said.
3. Thank the person, and *resist having the last word*.

At times, the leader will be tempted to offer an opinion—especially if others ask for it. However, one of the best ways of empowering others to participate is to listen without having the final say. Remaining neutral frees others to express their honest opinions. In addition, the leader's opinion has clout and can change others' perspectives. True honesty from subordinates can be achieved only without the leader's becoming influential or defensive.

Another empowering technique is to avoid letting others rely on the leader for answers. Instead, when someone comes to the leader for an answer or decision, the leader should ask what he or she thinks. Use of this technique does not mean that the leader has no opinion or that he or she is abdicating the leadership role. Instead, it encourages others to solve their own problems. By doing so, the leader gives others permission (empowers them) to take on some of the leadership role.

A leader who empowers his or her team to make decisions must then support the team's decisions, even if he or she was not involved in the decision-making process. The leader can demonstrate support for a decision by expressing positive feelings about the decision, by offering assistance, by "running interference," by explaining the team's actions and goals to upper management, and by giving encouragement.

Another way that leaders can encourage participation is to give teams regular opportunities (probably at team meetings) to assess themselves. Leaders can teach team members to measure their performance. In an assessment, a team should discuss both its progress toward goal achievement and its success at functioning as a team. Are good relationships being built among team members? Is there a spirit of cooperation? Are members working out differences in acceptable ways? What team norms (ground rules) are working? What norms need to be changed or added?

Last, leaders must become proficient at giving genuinely positive reinforcement to their team members. Positive reinforcement includes watching for things that people are doing well and letting them know that their efforts are appreciated. Following are some guidelines for giving praise:

- Be specific about what is being praised.
- Praise in a timely fashion; do not wait too long after the event or behavior has occurred.
- Separate praise from problems or concerns; the message of praise may get lost if it is sandwiched between problems.
- Praise regularly, but not so often that it becomes expected or meaningless.

## ***Aim for Consensus***

In this, the third step in the L.E.A.D. model, the leader helps the members of his or her team to move toward general agreement. The goal should be to strive for consensus in all interactions, not just as a final step. Conflicts are bound to occur, of course, but the leader should regard them as natural and should help the team to work through them. The role of the leader in building consensus is to bring as many ideas, opinions, and conflicts to the surface as possible and then to get people to find the approach that best meets the needs of the organization and of the team members.

After the team has reached consensus, it is the leader's responsibility to act on the decision or to empower the team to act on it. The leader can choose either to use the team's input to make a decision or to let the team's decision stand.

## ***Direct the Process***

The last step in the L.E.A.D. model requires experience in working with groups and knowledge about the group process. An effective leader will use various techniques, such as giving clear directions, intervening to keep the team on track, and suggesting alternative processes, to help the team to accomplish its goals and objectives.

Table 1 presents the important group needs met during each step of the L.E.A.D. model and lists key tasks that must be performed by the leader and by team members.

## ***CONCLUSION***

Use of the L.E.A.D. model can help leaders to become less controlling and more facilitative, which has been found to promote better work-team results and more empowered and motivated employees. In today's volatile marketplace, organizations must strive continually to find ways to be more productive, more competitive, and more adaptable to change and progress. Empowered work teams, led by facilitative, challenging, and enabling leaders, are helping organizations to achieve these goals. Such work teams can achieve and succeed because of their leaders, whose skills of facilitation help them to blend different views into consensus so that their teams can achieve their goals. The L.E.A.D. model presented in this article can be viewed as an outline for progress toward an empowered, facilitative organization: It provides ample opportunity for employees to take part in the management of their organizations and gives leaders a critical role to play in making this happen.

## ***REFERENCE***

Gordon, T. (1977). *Leader effectiveness training (L.E.T.): The no-lose way to release the productive potential of people*. Ridgefield, CT: Wyden.

**Table 1. Using the L.E.A.D. Model**

<b>Leader Functions</b>	<b>Group Needs Met</b>	<b>Leader Tasks</b>	<b>Team-Member Tasks</b>
<b>Lead with a clear purpose</b>	<ul style="list-style-type: none"> <li>■ Common goals</li> <li>■ Attention to content</li> <li>■ Leadership</li> </ul>	<ul style="list-style-type: none"> <li>■ Set boundaries</li> <li>■ Interpret organizational goals.</li> <li>■ Facilitate team's setting of its own goals</li> <li>■ Evaluate and track progress toward goals</li> </ul>	<ul style="list-style-type: none"> <li>■ Ask questions to test own understanding</li> <li>■ Participate in setting goals for team</li> <li>■ Help leader track and evaluate progress toward goals</li> </ul>
<b>Empower to participate</b>	<ul style="list-style-type: none"> <li>■ High level of involvement of all members</li> <li>■ Maintenance of self-esteem</li> <li>■ Leadership</li> <li>■ Respect for differences</li> <li>■ Trust</li> </ul>	<ul style="list-style-type: none"> <li>■ Ask questions</li> <li>■ Listen</li> <li>■ Show understanding</li> <li>■ Summarize</li> <li>■ Seek divergent viewpoints</li> <li>■ Record ideas</li> </ul>	<ul style="list-style-type: none"> <li>■ Contribute ideas from own experience and knowledge</li> <li>■ Listen to others</li> <li>■ Build on others' ideas</li> <li>■ Consider others' questions</li> <li>■ Ask questions</li> <li>■ Think creatively</li> </ul>
<b>Aim for consensus</b>	<ul style="list-style-type: none"> <li>■ Constructive conflict resolution</li> <li>■ Power within team to make decisions</li> <li>■ Leadership</li> <li>■ Trust</li> </ul>	<ul style="list-style-type: none"> <li>■ Use group-process techniques (brainstorming, problem solving, prioritization, etc.)</li> <li>■ Ask questions</li> <li>■ Listen</li> <li>■ Seek common interests</li> <li>■ Summarize</li> <li>■ Confront in constructive way</li> </ul>	<ul style="list-style-type: none"> <li>■ Focus on common interest and goals</li> <li>■ Listen to and consider others' ideas</li> <li>■ Make own needs known</li> <li>■ Disagree in constructive way</li> </ul>
<b>Direct the process</b>	<ul style="list-style-type: none"> <li>■ Attention to process</li> <li>■ Leadership</li> <li>■ Trust</li> </ul>	<ul style="list-style-type: none"> <li>■ Give clear directions</li> <li>■ Intervene to keep team on track</li> <li>■ Read team and adjust</li> <li>■ Remain neutral</li> <li>■ Suggest alternative processes to help team achieve goal</li> </ul>	<ul style="list-style-type: none"> <li>■ Listen</li> <li>■ Keep purpose in mind</li> <li>■ Stay focused on object</li> <li>■ Use own energy and enthusiasm to help process along</li> </ul>

## ■ MANAGING DIVERSITY IN THE WORKPLACE

S. Kanu Kogod

### **INTRODUCTION: THE IMPACT OF DIVERSITY IN THE WORKPLACE**

In 1987 the Hudson Institute released *Workforce 2000: Work & Workers for the Twenty-first Century* (Johnston & Packer, 1987), the now-famous study of the work force of the future, which was commissioned by the United States Department of Labor. This study offered predictions about changes that will occur in the demographic composition of the United States population and work force by the year 2000.

Among the startling projections were the following: White males will account for only 15 percent of the 25 million people who will join the work force between the years 1985 and 2000. The remaining 85 percent will consist of white females; immigrants; and minorities (of both genders) of black, Hispanic, and Asian origins. The Hispanic and Asian populations will each grow by 48 percent; the black population will grow by 28 percent; and the white population will grow by only 5.6 percent. In fact, it is projected that sometime in the next century non-Hispanic whites will lose their majority status in the United States.

A brief historical perspective helps to clarify these developments and their impact. Before World War I and after World War II, there were massive waves of immigration to the United States. These immigrants made up the great “melting pot” of the American culture; they worked toward assimilation and toward adopting mainstream American values. Now, however, as a result of the social and political changes of the Sixties and Seventies, things are different. The “New Americans,” as the media have dubbed recent refugees, tend to hold onto their own languages and customs and try to maintain their distinct places within the overall pattern of the United States.

It is important to note, though, that diversity is not an exclusively U.S. issue. Just as the U.S. work force is rapidly changing in all kinds of ways—in age mix, gender composition, racial background, cultural background, education, and physical ability—so are the work forces of many countries. Such changes are having and will continue to have a significant impact on organizational environments. In the past, when the employees of an organization represented much less diversity, there was less variety in the values that governed organizational operations and work performance. Now, however, because of increasing diversity, there are conflicting values among workers and, therefore, conflicting messages about how to do things. Changing demographics,

---

Originally published in *The 1992 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. Adapted from *A Workshop for Managing Diversity in the Workplace* by S.K. Kogod, 1991, San Diego, CA: Pfeiffer & Company.

along with economic factors and the high costs of turnover, have convinced organizations that they need to make efforts to retain employees, to develop them, and to promote from within. Thus, it is increasingly important for employees to learn to understand one another and to work together effectively and harmoniously.

## **HOW CULTURAL COLLISIONS DEVELOP**

*Culture* is defined as a shared design for living. It is based on the values and practices of a *society*, a group of people who interact together over time. People absorb culture through the early process of socialization in the family, and then this process carries over to the ways in which they perceive themselves and the world. We all develop world views—simplified models of the world that help us make sense of all that we see, hear, and do.

We perceive our world views as making sense if they are consistent with our society's values and our abilities to anticipate and interpret the events we experience. Values, which vary from culture to culture and from person to person, are the standards that we use to determine whether something is "right" or "wrong."

At the beginning of any relationship, information is shared. Each person learns who the other is and what he or she wants. In a work setting, that information includes a definition of each person's role. This sharing of information occurs not only within and across work teams but also between a service provider and a customer. In the latter relationship, the shared information includes details about the product or service that the customer wants.

The degree to which information is shared and the amount of information shared vary greatly from relationship to relationship. Often people do not state their expectations of each other; sometimes they are not even aware that such expectations exist. But when these expectations are not met, collisions occur.

The greatest difficulty arises in a relationship when a person believes that "Only my culture makes sense, espouses the 'right' values, and represents the 'right' and logical way to behave." This mode of thinking is called *ethnocentrism*. When two ethnocentric people from different cultures interact, there is little chance that they will achieve an understanding of each other's world views. Common ethnocentric reactions to a differing world view are anger, shock, and amusement. The person whose expectations are not met may even attribute that failure to deliberate efforts on the part of the other person to disregard the injured person's values. When ethnocentric thinking pervades an organizational culture, the result can be exclusion of some, favoritism toward others, intragroup conflict, and unsatisfactory customer relations.

The outcome of a cultural collision may be any of the following:

- Termination of the interaction or the relationship;
- Isolation, meaning that one person avoids the other or the two people avoid each other;

- An insufficient sharing of information about expectations, which may lead to different or lowered expectations in future interactions; or
- Accommodation, in which one person strives to accommodate the other's expectations or both people accommodate.

If we are to manage diversity effectively, we must suspend ethnocentric judgments, begin to question why particular things are done, and strive toward negotiation or accommodation. The opposite of ethnocentrism is *cultural relativism*, the attempt to understand another's beliefs and behaviors in terms of that person's culture. The person who responds to interactions with cultural relativism rather than ethnocentrism is able to see alternatives and to negotiate with another person on the basis of respect for cultural differences.

In an organization the desired results of a cross-cultural encounter are synergy and pluralism combined with an appreciation of and contribution toward the company's goals and objectives. In order for these results to occur, people must be encouraged to honor multiple perspectives and to incorporate this approach into their quest to meet the fundamental needs of the organization.

## ***THE HRD PROFESSIONAL'S ROLE IN MANAGING DIVERSITY***

The human resource development (HRD) professional can help managers in their efforts to deal with diversity effectively. Acting in a consultative role, the HRD professional can assist them in analyzing and enhancing the organizational climate, creating a vision, determining strategies, and implementing action plans to turn their vision into reality.

### ***Educating Managers About Diversity***

Many organizations are beginning to recognize the impact of a diverse work force and are offering their managers tips on how to manage diversity:

- Understand that cultural differences exist.
- Acknowledge your own stereotypes and assumptions.
- Develop consciousness and acceptance of your own cultural background and style.
- Learn about other cultures.
- Be flexible; try to adapt to the style of the person with whom you are communicating.
- Provide employees who are different with what they need to succeed: access to information and meaningful relationships with people in power.
- Treat people equitably but not uniformly.
- Encourage constructive communication about differences.



As these tips point out, a manager can best deal with diversity by recognizing, identifying, and discussing differences. This approach represents a departure from Equal Employment Opportunity (EEO) programs, which denied differences and instead promoted the idea that acknowledging differences implied judgments of right and wrong, superiority and inferiority, normality and oddity. These programs were based on the assumption that openly identifying differences was equivalent to opening a Pandora's box of prejudice and paranoia. But, as one consultant said, echoing the new line of thought on the value of diversity, "We do nobody any favors by denying cultural differences." If managers seem skeptical, it is a good idea to explain that greater differentiation between people can actually break down the mind-set of prejudices. When we describe people in greater detail instead of less detail, we find more qualities in them to appreciate.

Managers also should be made aware that employees are often hesitant to make their individual perspectives known. Thus, it is important for managers to encourage people to express their unique identities. If this encouragement is not given, people may remain silent; this silence robs organizational members of the opportunity to develop valuable insights about one another that would enhance their effectiveness on the job and enrich their lives. Also, having access to multiple perspectives is essential to creative problem solving, strategic planning, and other critical organizational functions; and multiple perspectives can flourish only when curiosity about others is welcomed and the differences among people are honored.

The tips on managing diversity are not enough; they are much more easily talked about than acted on. It is this fact that has given rise to diversity training, which was developed to help managers cope with the personnel changes occurring in organizations.<sup>1</sup> Diversity training for managers is essential if an organization is to deal successfully with diversity. It is particularly important to provide a safe training climate in which managers can feel free to practice new skills and culture-sensitive behaviors. The training not only must help managers to understand the issues involved but also must enable them to apply that understanding to new situations that arise.

### ***Analyzing and Enhancing the Organizational Climate***

Diversity training can have little impact unless the organizational climate honors and supports cultural differences. In this kind of climate, people come to see that any communication—whether between employees or between an employee and a customer—is a multicultural event. When communication is understood and approached in this manner, the parties involved can investigate, define, and lay out each other's cultures like maps to new territories. The organizations that promote this view will not

---

<sup>1</sup> A *Workshop on Managing Diversity in the Workplace* by S. Kanu Kogod offers a complete workshop design for training managers. For additional information on this topic, refer to the following diversity products offered by Pfeiffer & Company: *Diversity Awareness Profile* (an instrument in both employee's and manager's versions), *Workforce America! Managing Employee Diversity as a Vital Resource*, and *Managing Diversity* Videocassette and Leader's Guide.

only provide powerful guidance for their employees but will also increase customer satisfaction.

An employee perceives the organizational climate as supporting cultural differences if he or she can answer “yes” to four questions:<sup>2</sup>

1. Do I have the time and tools to do my job?
2. Am I paid what I think I deserve?
3. Does the organization mean what it says about the importance of diversity?
4. Am I, as an employee, being treated in the same respectful manner, in which the organization wants customers to be treated?

Every organization has a unique system of values and beliefs. These values and beliefs, which create a climate that employees perceive as either supportive or not supportive of diversity, are shaped by experience, historical tradition, competitive position, economic status, political circumstances, finances, and the work setting. The HRD professional can help managers to identify these forces and the barriers to managing diversity that characterize the organization.

For example, at Ricoh Company, Ltd.,<sup>3</sup> a Japanese organization, the corporate philosophy stresses quality while recognizing that people are the key to attaining it. The philosophy also expresses the organization’s strategy: “Love your Neighbor, Love your Country, Love your Work.”

At Ricoh quality means identifying problems and finding solutions. Everyone is responsible for quality, but top management is held accountable. It is taboo to say to a customer “That’s not my problem,” “That’s not possible,” or “That’s not my fault.” Following are the principles for quality that Ricoh stresses to its employees:

- “All people around you are your customers.” (This statement emphasizes the “Love your Neighbor” aspect of the company’s strategy as well as the value that Ricoh places on diversity.)
- “Quality cannot be built alone.”
- “You own any problem that arises.”

Ricoh’s president, Hiroshi Hamada, attributes the organization’s success in linking philosophy and strategy with performance to a “transformation in human consciousness.” It is this kind of transformation that the HRD professional can help an organization’s management to devise and implement.

---

<sup>2</sup> These questions have been adapted from a presentation given by Ron Zemke in January, 1989, at the Best of America Conference sponsored by Lakewood Publications.

<sup>3</sup> The discussion of Ricoh’s philosophy, strategy, and principles for quality is derived from an address given by Ricoh’s president, Hiroshi Hamada, during The Quality Forum VII, a conference held in New York on October 1, 1991. The quotes are taken from Mr. Hamada’s oral presentation.

## ***Creating a Vision, Determining Strategies, and Implementing Action Plans***

Once the organizational climate has been analyzed and barriers identified, the next step is to help management create a vision for managing diversity in the organization—the way things could be in an ideal situation. Then the managers compare the way things *could be* with the way things *are* and assess the disparity between these two. Next the managers approach the issue from a problem-solving standpoint and determine what strategies to use to move the organization in the direction of the ideal.

It is a good idea to develop an action plan for each strategy, determining what specific tasks need to be done, who will do them and by when, who could provide help (for example, trainers, consultants, or internal experts on various subjects), what obstacles might stand in the way of proposed changes, and how to remove those obstacles or diminish their impact. This process yields a systematic plan to follow and increases the likelihood of success.

Managers, as the people with the greatest power in any organization, are the ones who must start the process of identifying and removing barriers as well as modeling the desired behavior with regard to diversity. Nonmanagerial employees cannot be expected to initiate this behavior.

The HRD professional needs to emphasize that the goal is to create a process—one that continually moves the organizational culture closer to welcoming multiple perspectives and tapping into the talents of all employees. As Roosevelt Thomas (1991, p. 10), the primary spokesperson for this new paradigm, states, “Managing diversity is a comprehensive managerial process for developing an environment that works for all employees.”

When an organization is attempting to create such a process, its managers must understand that they can function either as powerful change agents or as barriers. Managers who use a facilitative approach are likely to be effective change agents; managers who use a controlling, directive approach are likely to be barriers. Facilitative managers differ from their controlling counterparts in several ways that propel an organization toward an effective process for managing diversity:

1. They view both people and tasks as important to the organization. They find rewards in managing people as well as in accomplishing tasks.
2. They see employees as resources who can help to achieve business objectives, not just as tools to get the job done. Therefore, they work with employees, communicating openly and ensuring employee involvement in problem solving and in making decisions about how work is to be done.
3. They are comfortable with differences among people, with multiple perspectives, and with diverse work styles. Unlike controlling managers, they spend the time and effort required to listen to and evaluate points of view that are different from their own. They do not simply accept diversity as a reality that must be dealt with to avoid cultural collisions or lawsuits; they welcome it as a contributor to the organization’s success.

4. They accept the fact that valuing and managing diversity constitute a long-term process and that it is not easy to determine at the outset how this process might contribute to the bottom line.

Once managers clearly understand the managerial behavior required to establish the desired process, they can progress to developing strategies. Strategies for addressing diversity may be aimed at any of three levels of the organization: system, task, or personal. Strategies at the *system* level include using culture brokers (external or internal consultants) who function as linking agents between cultural groups, developing and perpetuating slogans and stories about organizational heroes, enhancing language banks, creating incentives for managing diversity effectively, celebrating events that honor diversity, and instituting creative rewards and forms of recognition. Strategies at the *task* level include developing job aids that accommodate cultural differences and implementing a system for envisioning results. Strategies at the *personal* level include such activities as developing and using procedures for negotiation and conflict resolution and conducting a brief interview with an employee from a culture that is different from one's own.

Implementing action plans for strategies requires time and patience, and the HRD professional can be an invaluable resource during this period. Nonmanagerial employees will need to be made aware of the organization's policies regarding diversity and the strategies that the managers have devised. They also may need specific training on diversity issues. Handouts like the one featured in Figure 1 can be a useful part of such training.

The HRD professional should let people know that he or she is willing to serve as a consultant, an arbitrator, or a mentor. It is also a good idea for the HRD professional to have resource materials available for those who need them: a list of diversity consultants and trainers as well as any reading materials and videos that can provide useful information and examples of how to handle different situations. Also, it is important for employees representing diverse cultures to have mentors or sponsors to guide them as they learn organizational norms. Consequently, the HRD practitioner may want to set up a mentoring program, making certain that employees from different cultures are linked with willing, savvy mentors.

## **CONCLUSION**

Organizations that recognize the value of diversity and manage diversity effectively have realized these benefits:

- Diversity brings a variety of ideas and viewpoints to the organization—an advantage that is especially beneficial when creative problem solving is required.
- Diversity increases productivity and makes work fun and interesting.

When someone from a different culture confronts you about a problem, communicating can be difficult. Following these suggestions may help you communicate more effectively in such a situation:

### **1. Listen**

- Actively listen to the other person. Paraphrase what you hear; then confirm that you heard correctly.
- Respond to what is being said, not how it is said.
- If the other person seems angry or frustrated, wait until the anger or frustration has been expressed before responding to the situation.
- Avoid an ethnocentric reaction (anger, shock, or laughter that might convey disapproval of the other person's expectations, phraseology, facial expression, gestures, and so on).
- Stay confident, relaxed, and open to all information.

### **2. Evaluate**

- Hold any reactions or judgments until you determine the cause of the problem. (Were your expectations or those of the other person violated? Was the problem caused by intrusion from sources outside the organization?)
- Ask open-ended questions (ones that cannot be answered with a simple "yes" or "no").
- Answers to these questions will give you valuable information.

### **3. Negotiate and Accommodate**

- Agree with the other person's right to hold his or her opinion.
- Explain your perspective of the problem.
- Find out what the other person expects from you and/or the organization.
- Acknowledge similarities and differences in what you are able to provide and what the other person expects.
- Tell the other person what you are willing to do to correct the problem. Offer at least two options.
- Allow the other person to choose an option as long as the choice avoids harm to either of you or to the organization. In accommodating the other person's needs, go as far as you are willing to go and as far as the system will support you. If necessary, work to change the system.
- Commit to following through and providing a timely response.
- Thank the other person for letting you know about the problem and giving you and/or the organization a chance to correct it.

**Figure 1. The Cultural Component of Problem Solving**

- Employees are willing to take risks; they play to win rather than not to lose. As a result, creativity, leadership, and innovation are enhanced.
- Employees are empowered and have a sense of their potential in and value to the company.

Many if not most of us are facing or soon will face the opportunity—and the challenges—of meeting and working with people from different cultures. We and the organizations we work for can choose to see diversity in the workplace as a drawback or as a chance to grow. With training and practice, we can learn to listen to individuals

from different cultures, to respond to them with cultural relativism rather than ethnocentrism, to negotiate, and to accommodate differences. Learning to use this response pattern is not easy, but HRD professionals can provide valuable assistance as organizational members strive to incorporate this pattern into their behavioral repertoire. All of us—HRD professionals and others—can work to transform our organizations into places where fresh perspectives are welcomed and where all employees feel free to express themselves, to test their assumptions, to take some risks, to forgive themselves when they make mistakes, and to see their mistakes as an opportunity to learn.

## **REFERENCES**

- Johnston, W.B., & Packer, A.E. (1987). *Workforce 2000: Work & workers for the twenty-first century*. Washington, DC: Hudson Institute.
- Thomas, R.R. (1991). *Beyond race and gender*. New York: AMACOM.

# ■ BEHAVIOR-MANAGEMENT INTERVENTIONS: GETTING THE MOST OUT OF YOUR EMPLOYEE ASSISTANCE PROGRAM

**Robert T. Brill**

## ***THE PROBLEM OF SUBSTANCE ABUSE***

The abuse of drugs and alcohol in the workplace is a very serious problem. The consequences of such behavior are evidenced in poor performance, increased absenteeism and turnover, unsafe working behaviors, and increased medical costs incurred by employers. The cost to the U.S. economy of substance abuse in the workplace was estimated at \$57.9 billion in 1983 (Norman & Salyards, 1989) and it has risen since then. The pervasiveness of the problem is alarming; approximately 25 percent of the work force seems to be involved (Wrich, 1988). The problem exists in almost all types of jobs and at all levels; white and blue collar workers, management, and staff have been found to have substance-abuse problems. In addition to the negative consequences in the workplace, many spillover effects accompany substance abuse. Traffic accidents, deterioration of relationships and households, criminal activity, and the spread of the AIDS virus by intravenous drug users are just some of the negative social implications of substance abuse.

## ***EMPLOYEE ASSISTANCE PROGRAMS***

Employee assistance programs (EAPs) address a variety of problems encountered by employees; substance abuse is one of them. Others include marital problems, coping with tragedy, and general life stress. A combination of confronting the problem and providing treatment for the employee has been shown to obtain both an impressive success rate (65 to 80 percent) and a profitable savings for the organization (as much as \$8 million) (Shain, Suurvali, & Boutilier, 1986). EAP personnel serve as experts and consultants for supervisors, managers, and union shop stewards. Roman (1989) identifies other benefits of EAPs, including minimized litigation through clearly stated policies; a common goal for management and labor; and enhanced public opinion by means of a constructive, rather than a punitive, approach to substance abuse. Companies that have been effective in reducing substance abuse are characterized by strategies that build an environment of trust, confidentiality in treatment, and guaranteed fairness in the workplace (Epp, 1988).

---

Originally published in *The 1994 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

The function of EAPs is to provide counseling for the work force. EAPs provide systematic ways to deal with a wide array of personal issues. According to Roman and Blum (1985), the “core technology” of EAPs involves the following components:

1. The identification of employees’ problems based on job performance;
2. Carefully developed and widely disseminated policies and procedures;
3. Appropriate use of constructive confrontation;
4. Links with community resources when necessary; and
5. Adherence to confidentiality regulations and avoidance of unnecessary referrals.

These five components make the EAP a unique system, one that requires a delicate balance of attention to the concerns of the employee, the work organization, and community resources (Sonnestuhl & Trice, 1986).

### **THE ROLE OF THE SUPERVISOR**

Typically, the first and third components of the EAP technology fall on the shoulders of the supervisor. Workers often do not realize that they need counseling, and it becomes necessary for supervisors to encourage such workers to take advantage of the opportunity. Such encouragement sometimes evolves into a mandate, with the worker’s continued employment based on his or her seeking help.

Unfortunately, several potential obstacles constrict the effectiveness of the supervisor within an EAP. For instance, without top-management support, union cooperation, employee acceptance, or an organizational culture that promotes sobriety, employees may feel inhibited about using the EAP, and it may be difficult for the supervisor to carry out his or her role in the process. Although it is often perceived as being difficult and aversive, the supervisory role is crucial in identifying “problem” employees and encouraging them to use the EAP.

### **APPLYING BEHAVIOR-MANAGEMENT STRATEGIES TO EAPS**

The purpose of this paper is to integrate principles of applied behavioral analysis with the implementation of EAPs and their referral strategies in order to maximize the effectiveness and utilization of EAPs. Specifically, behavior-management strategies will be applied to two behaviors: *identification* and *confrontation* of workers who might benefit from the EAP services. Promotion and reinforcement of these behaviors are critical in the cases of employees who need help but who are in denial or blind to the ongoing consequences of their inability to manage the sources of their problems. To ensure even greater benefits from EAPs, it is realistic and prudent for companies to expect and encourage these two behaviors to be practiced by coworkers as well as by supervisors. Behavior-management strategies taken from Geller, Ludwig, Gilmore, and Berry’s (1990) taxonomy will be used to discuss interventions for improving coworkers’



and supervisors' ability and motivation to serve as change agents for workers who are experiencing quality-of-life problems.

Implementation of some of these strategies should greatly contribute to improving the utility of EAPs. To increase any desired behavior, change interventions should typically address two issues: An individual must first be *capable of performing the behavior* and also must be *motivated to carry it out*.

## **THE SUPERVISOR'S ABILITY TO IDENTIFY PROBLEMS**

The first and foremost step in improving the effectiveness of the supervisory role within an EAP is a clear policy that is communicated by top management and that states:

- Its commitment to improving the employees' quality of life through implementation of the EAP; and
- Its encouragement and direction for supervisors concerning their EAP responsibility.

Direction refers to the explicit procedures that supervisors are to follow in identifying and confronting "problem" employees. This should include:

- Specific details regarding how often performance indices should be recorded (the format should be determined individually for each job);
- How to properly document a "noticeable decrement" in performance;
- How to maintain employee confidentiality;
- What procedure is to be followed in referring an employee to the EAP; and
- How to handle the initial confrontation.

In terms of the last point, the policy should emphasize approaching the employee in general terms (e.g., "Based on your recent performance, a problem seems to exist"), not in a presumptuous, accusative style (e.g., "Are you a substance abuser?" or "Do you have problems at home?").

### **The Job-Performance Model**

The job-performance model, on which EAP referrals are based, relies on the identification of decrements in job performance. One problem with the policy guides discussed above is the ambiguity of the term "noticeable decrement" in performance. Such vague terminology can lead to confusion and inaction on the part of managers. To avoid such paralysis, the specific criteria for nonacceptable decreases in performance should be discussed and established at the supervisor-subordinate level. Such discussions are common at initial employment, when supervisors clarify their expectations concerning the minimal level of performance acceptable before termination. Unlike those dialogues, discussion of the level of performance at which

counseling services should be considered as a resource is much less foreboding. It should be more pleasant and help oriented. This facilitates a more cooperative, less defensive dialogue about specific performance standards for relevant job dimensions. The type of performance-appraisal system, expected variability in job performance, and the criticalness of the job in terms of safety and profit are factors to be considered in these discussions. If necessary, the supervisor may wish to consult his or her superior for input, but such third-party involvement should be avoided if possible so as to maintain the confidentiality that most EAPs encourage.

### ***Rater Training Programs***

Research has demonstrated that many basic skills—both psychomotor and cognitive—relevant to job performance are impaired by most drugs. Therefore, confidence in the reliability and accuracy of the method used to measure performance is of the utmost importance. Wherever possible, objective measures such as attendance, customer grievances, and substandard production should be used. More often, employees will need to rely on supervisory ratings. Because of their subjective nature, valid performance ratings are a challenging endeavor. Supervisors need to be given ample opportunity to observe performance in order to ensure confidence and accuracy in the assessment of performance. Also, as Sonnestuhl and Trice (1986) suggest, a supportive top management must communicate its commitment to an EAP policy that incorporates the job-performance model and must clearly demonstrate how the necessary behaviors may be integrated into the supervisors' already existing job duties and responsibilities. Such direction and increased supervisor confidence and accuracy can be obtained by means of rater training programs (Hedge & Kavanagh, 1988).

Performance-appraisal research has refined and increased the effectiveness of rater training programs (Borman, 1991). One such program, frame-of-reference training, was developed on the basis of improved understanding of the rater's information-processing capabilities (Bernardin & Pence, 1980). The objective of this training strategy is to provide raters of the same job title with a common framework of standards (e.g., what are good and poor examples of performance) for each of the multiple work dimensions in that job. This is achieved by familiarization with the behavioral content relevant for each dimension; discussion of what constitutes different levels of performance; and practice and review, preferably with actual performance examples filmed or simulated.

Through consultation with EAP counselors, specific job behaviors that may be more susceptible to the effects of stress or substance abuse may be identified and integrated into the content of the training program. A good supplement to frame-of-reference training is the practice of diary keeping (DeNisi, Robbins, & Cafferty, 1989), in which supervisors record critical work incidents of both excellent and poor performance by workers. This information can assist the supervisor in the rating process and improve the quality, detail, and credibility of the documentation of a "noticeable" performance problem. This will not only be more convincing to the subordinate but should also provide the supervisor with greater confidence to initiate a referral.

These methods can be an effective step toward giving supervisors the ability to identify performance problems and can provide the additional benefit of more reliable and accurate appraisal ratings in general.

## **THE SUPERVISOR'S ABILITY TO CONFRONT**

Once decreased performance is identified, a supervisor faces the difficulty of confronting the worker. This task is so unpleasant that supervisors have been known to inflate ratings in order to justify avoiding such confrontation (Kipnis, 1960; Latham, 1986). This demonstrates the importance of the appraisal issues discussed previously.

Training to improve constructive confrontation ability should employ actual demonstration supplemented by consensus-seeking practice and role playing. This type of training should begin with reiteration of the policy issues concerning top management's support, documentation of performance, the referral process, etc. This is followed by a demonstration of the constructive-confrontation phase of the referral, performed by professional trainers and/or EAP coordinators or counselors. Although the initial approach of a supervisor can be somewhat standardized (i.e., performance-based, nonaccusative), the nature of the employee's reaction can take a variety of forms, including defensiveness, denial, anger, and rationalizing. Therefore, multiple vignettes should be designed, demonstrated, and discussed for various subordinate rebuttals. These will afford the supervisors the opportunity to directly observe what is considered to be an effective constructive-confrontation strategy. The demonstration should be prefaced with the understanding that any discussion or questions (which should be encouraged) must be conducted within the framework of hypothetical, ideal, supervisory behaviors, not real or actual experiences, successes, or failures. This last point must be emphasized so as to maintain the confidentiality that should be protected at all costs.

Although direct observation has been shown to be an effective teaching tool, it is recommended that sessions be conducted so that supervisors can practice and refine their abilities in approaching workers. Similar training can be provided for employees, to introduce and promote constructive confrontation at the peer level.

## **MOTIVATING IDENTIFICATION AND CONFRONTATION EFFORTS**

### **Communication**

Once ability issues are addressed, identification and confrontation can be further promoted through many of the communication strategies suggested by Geller and colleagues (1990). In implementing the EAP, effort should be made to educate both workers and supervisors about the positive aspects of EAPs. This serves two purposes: 1) It informs employees who have problems about this means of obtaining help, and 2) it helps to diminish the perceptions of supervisors and coworkers that they are "ratting" on their fellow workers by identifying and confronting them. This perception can be

replaced with a more appropriate understanding of “intervening to help” fellow employees.

In an organization in which performance tasks and safety require interdependence of workers, it is essential that workers be educated about the direct implications of tolerating substance abuse or other performance problems. These implications range from loss of production bonuses to serious injury or fatality. Sheridan (1987) describes an effective brochure that presents these points to the employees of the Union Pacific Railroad. Its efforts to promote a drug-free workplace often focus on the “silent majority” who do not abuse drugs or alcohol, but who suffer the consequences yet fail to intervene when they could provide a great service for other employees. To increase the impact of such informational tools, the relevant consequences or specific injuries for the particular jobs within the organization should be stressed (e.g., drowning for boat operators, electrocution for those who work with electricity, fractures and broken bones for jobs that involve moving large objects), rather than general consequences such as increased absenteeism, decreased production, and decreased safety.

### ***Consensus-Seeking Activities***

In addition to the education and training programs mentioned thus far, small groups of supervisors and employees can participate in consensus-seeking activities. The typical method of providing such practice is group decision making, in which participants and a facilitator come together with diverse expectations about an issue and leave with unanimity concerning the preferred response. This process often leads to increased group satisfaction and commitment to the issue or the course of action (Hegedus & Rasmussen, 1986).

In this context, the initial decision to be made should focus on the basic question of whether or not EAPs are worthwhile and what role should they play within the organization. The group begins discussing general issues such as the benefits of EAPs and the importance of a coworker’s or supervisor’s referral to help employees with problems. Discussion should move toward a consensus that would instill a greater sense of commitment on the part of individual employees and supervisors to become more adept at identification and confrontation behaviors. Consensus seeking is not an easy task, and great emphasis is put on the role of the facilitator. Many strategies for obtaining consensus and evaluating its impact have been developed. The potential commitment to improving the quality of life for employees through EAPs that could come from such exercises makes them a worthwhile endeavor.

The dialogue within the exercise can pinpoint supervisors’ and employees’ fears and break down many of the obstacles that prevent their intervening, such as their concern for the affected employee’s job security, concern about how others will perceive them, lack of faith in the referral and counseling process, confidentiality concerns, and fear of interpersonal repercussions. When brought into the open and discussed, these fears and perceived obstacles often disappear.

## ***Role Playing***

Motivation interventions can build on the ability-training program discussed above. Effective supervisory techniques should be role played, and hesitant or skeptical supervisors should be asked to play the role of a troubled employee (perhaps a substance abuser). Role playing has been shown to be successful in changing people's attitudes and perceptions about an issue (McCombe & Stires, 1990). When directed by a facilitator who is skilled in using such techniques, role playing helps supervisors to understand the confusion and emotional struggles that "problem" employees are likely to feel. When they become sufficiently absorbed in the role, they actually experience some of the things the employee may be experiencing, such as a sense of lost control, frustration, and helplessness. Eventually the role player is "introduced" to and accepts the option of EAP counseling. Such powerful role-reversal experiences often elicit strong attitudinal changes. The objective is to help supervisors to understand that although their role is difficult, it is truly a helping role. Many trainers and counselors possess the qualifications to conduct role plays.

## ***Written and Visual Activators***

Another intervention strategy that can further promote an organizational culture conducive to improved quality of life through EAPs is a written or visual activator (Geller et al., 1990), a mechanism put into place to activate appropriate behaviors. For instance, a memorandum delineating the company's EAP policy serves as a written activator to motivate employees to use the EAP and supervisors to carry out their role. For visual activators, the policy's highlights could be posted. Symbols and images are very effective in motivating behaviors in an antecedent fashion. Union Pacific's program, Operation Red Block, frequently used the display of the railroad's bright red stop sign to communicate its message, a symbol that was clear in meaning and with which the workers could easily identify (Sheridan, 1987). Other activators that may be effective when posted include brief but profound statistics (e.g., percentage of workers injured, percentage helped by EAP) and scenarios depicting substance abusers, depressed individuals, and marital problems before and after EAP referral and counseling.

## ***Success Stories***

Success stories can be profiled by means of newsletters and bulletin boards, featuring narratives and pictures of actual supervisors and employees who benefited from the referral and counseling components of the EAP. In this way, individuals who have been helped by the system become intervention agents who demonstrate the benefits of the EAP to others. Of course, no workers who have benefited from the EAP should be coerced to permit such a feature. However, one may be surprised at how cooperative and helpful successfully treated workers become. Hypothetical narratives and name changes are optional strategies for this type of intervention.

## ***Supervisory Pledges and Incentives***

Additional suggestions include efforts at building commitment by having supervisors sign pledge cards that specifically state, "I will serve the needs of the EAP and my employees by identifying and confronting those whose performance noticeably decreases so as to encourage and support them in overcoming their problems."

Many activator interventions are geared toward the individual supervisor (e.g., incentives, disincentives) or use the motivating power of penalties and competition (Geller et al., 1990). Such approaches are not recommended in this context because the target behaviors, identification and confrontation, are not desirable unless the situation truly indicates a problem employee, and the situation will differ for each supervisor. However, within the policy statement and supervisor's job description, it should be pointed out that supervisors who fail to confront workers whose performance noticeably decreases are not completing their job duties, and this may be reflected in their own performance evaluations.

Goals and incentives for the supervisors as a group are recommended. In fact, a drug-free workplace should be a general goal that all supervisors internalize. More specific goals may be set by establishing certain levels of absenteeism and turnover that would be desirable to achieve relative to current levels. It is necessary to reiterate how important it is that supervisors perceive the EAP as an effective means of achieving improvements in absenteeism and turnover. In this regard, effective educational programs are critical. These goals can be assigned by top management, but preferably supervisors will reach consensus and set goal levels participatively. Upper management can tie group incentives to the realization of these goals. Similar goals and incentives can be extended to the work force in general.

As with the activators, it is recommended that negative consequences, such as penalties for failing to identify or confront "problem" workers, be avoided. Such interventions may have a boomerang effect and inhibit supervisors from accepting and being committed to the overall EAP philosophy. A common consequence would be for supervisors to inflate performance ratings in order to protect them from being "liable" or deserving of the penalty.

A more constructive and effective consequence is feedback at the group and individual level. Group feedback would involve continual updates of progress toward any goals that have been set, as well as reports at meetings of data concerning the effectiveness of the EAP (e.g., number of employees receiving help and results of confidential and anonymous surveys of employee satisfaction with the referral process and counseling). To ensure anonymity, these surveys could be distributed by the EAP staff with return envelopes addressed to the human resource department or some designated office that will tally the results. Individual feedback would involve assessment of strengths and weaknesses in a nonthreatening, one-on-one training setting that is conducive to discussing and reinforcing the effective aspects of the supervisor's behavior and correcting or improving the negative aspects. In other words, there should be no connection between the feedback and one's performance evaluation. Documented

performance problems by supervisors would be concerned only with failure to confront, not with ineffective confrontation, as it is a developed skill. This feedback may be provided by the supervisor, a peer supervisor, an EAP staff member, or an EAP coordinator.

Many of these interventions are implemented and monitored by a designated EAP coordinator within the organization. In some cases, it is a full-time job; in other cases, it is one of the human resource manager's job responsibilities; and in still other cases, the responsibilities are delegated and rotated throughout the organization's management.

## **CONCLUSION**

An EAP offers a multiple-intervention approach. Some employees seek help simply as a result of the education, marketing, and availability of the EAP. Others benefit from the preventive focus of the EAP's efforts and the organization's overall concern for quality of life. In general, a large number of workers receive substantial guidance and assistance from the EAP and from an organization that promotes a healthy work force.

However, many of the more serious problems of addiction, stress, and family turmoil are accompanied by strong denial on the part of the affected workers. They refuse to recognize the seriousness of their problems or are too egotistical to believe that they need help. These workers are the ones for whom the supervisory referral component of the EAP mission is so critical. Here the balance between supportive rehabilitation and mandated measures is crucial. The former should be emphasized, and the latter used as a last resort. It is a challenging balance for supervisors to maintain as they serve as change agents in identifying and confronting poorly performing subordinates in order to get them into a setting where they will be helped.

Organizations have been reluctant to encourage fellow workers to serve as intervention agents who share responsibility for identifying and confronting "problem" employees, despite the fact that they often have a direct interest in seeing that coworkers are helped when needed. Employees can be encouraged to extend the work of the supervisory role in a professional, caring manner. Organizations may never know the full impact that the EAP has on individual employees, or the number of employees who are helped by the EAP, but this should not downplay the necessity of fostering a culture of "sobriety" and "high quality of life" in which employees demonstrate a genuine concern for other workers, whether at the supervisory or peer level.

## **REFERENCES**

- Bernardin, H.J., & Pence, E. (1980). Effects of rater training: Creating new response sets and decreasing accuracy. *Journal of Applied Psychology*, 66, 458-463.
- Borman, W.C. (1991). Job behavior, performance, and effectiveness. In M.D. Dunnette & L.M. Hough (Eds.), *Handbook of Industrial/Organizational Psychology* (Vol. 2, 2nd ed.). Palo Alto, CA: Consulting Psychologists Press.

- DeNisi, A.S., Robbins, T., & Cafferty, T.P. (1989). Organization of information used for performance appraisals: Role of diary-keeping. *Journal of Applied Psychology, 74*(1), 124-129.
- Epp, J. (1988). Substance abuse and the workplace: A federal perspective. *Worklife Report (Canada), 6*, 1-3.
- Geller, E.S., Ludwig, T., Gilmore, M., & Berry, T. (1990). A taxonomy of behavior change techniques for community intervention. *The Community Psychologist, 23*(21), 4-6.
- Hedge, J.W., & Kavanagh, M.J. (1988). Improving the accuracy of performance evaluations: Comparison of three methods of performance appraiser training. *Journal of Applied Psychology, 73*, 68-73.
- Kipnis, D. (1960). Some determinants of supervisory esteem. *Personnel Psychology, 13*, 377-391.
- Latham, G.P. (1986). Job performance and appraisal. In Cooper C. Robertson (Ed.), *Review of industrial/organizational psychology* (pp. 117-155). Chichester, England: Wiley.
- Norman, J., & Salyards, S.D. (1989). An empirical evaluation of preemployment drug testing in the U.S. postal service: Interim report of findings. In S.W. Gust & J.M. Walsh (Eds.), *Drugs in the workplace: Research and evaluation data*. (NIDA Research Monograph 91), pp. 219-226.
- Roman, P.M. (1989). The use of EAP's in dealing with drug abuse in the workplace. In S.W. Gust & J.M. Walsh (Eds.), *Drugs in the workplace: Research and evaluation data*. (NIDA Research Monograph 91), pp. 219-226.
- Roman, P.M., & Blum, T.C. (1985). The core technology of employee assistance programs. *Journal of Studies on Alcohol, 42*, 244-272.
- Shain, M., Suurvali, H., & Boutilier, M. (1986). *Healthier workers: Health promotion and employee assistance programs*. Lexington, MA: Lexington Books.
- Sheridan, P.J. (1987). Operation red block signals stop to alcohol and drug abuse. *Occupational Hazards, 49*, 43-45.
- Sonnestuhl, W.J., & Trice, H.M. (1986). *Strategies for employee assistance programs: The crucial balance*. (Key Issues Series No. 30). Ithaca, NY: ILR Press.
- Wrich, J.T. (1988). Beyond testing: Coping with drugs in the workplace. *Harvard Business Review, 66*, 120-130.



## ■ DELIVERING FEEDBACK: THE FIRST STEP, NOT THE LAST

**John Geirland and Marci Maniker-Leiter**

**Abstract:** Trainers and consultants are continually called on to provide feedback to clients. Feedback takes a variety of forms: individual feedback in the classroom, group feedback in the classroom, 360-degree leader feedback, organization-wide survey feedback, and unit survey feedback.

In this article, the authors contrast the classic feedback model with an iterative model for delivering feedback. They outline facilitation techniques to use with feedback and explore common emotional responses to feedback. Finally, the authors touch on common concerns and dilemmas that change agents face when they deliver feedback, including ethical considerations, confidentiality, and maintaining the self-esteem of participants.

Although they differ in the type of courses, tools, and techniques they employ, nearly all trainers and consultants have one thing in common: They provide feedback to clients. The ability to provide relatively objective feedback—whether it pertains to social style, organizational climate, or leadership skills—is one of the primary assets of change agents.<sup>1</sup> Although clients often pay significant fees to obtain this feedback, they often respond in the following ways:

- Silence.
- “It’s good feedback, thanks”—followed by inaction.
- Superficial acceptance, leaving the change agent with a nagging feeling that the group did not understand.
- Anger, with a refusal to come to terms with the feedback.

These all-too-typical responses may be accounted for, in large part, by client resistance. However, matters are not helped by a common belief that the job of change agents is finished once they deliver the feedback. Feedback is not a one-time activity, a kind of data dump, but an iterative process, wherein the first cycle of feedback stimulates the client, or client organization, to bring forth more data and insights, which can be reanalyzed and cycled through again.

Approaching feedback as an iterative process enables the change agent to help the client realize deeper insights, ultimately reaching the most meaningful issues. This article describes a model for delivering feedback, outlines facilitation techniques,

---

Originally published in *The 1995 Annual: Volume 1, Training* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

<sup>1</sup> Because this article addresses both trainers and internal and external consultants, the more general term “change agent” is used to signify these groups.

explores common emotional responses, and touches on common concerns and dilemmas that change agents face when they deliver feedback. Before embarking on a discussion of the model, this article outlines forms of feedback.

## **FORMS OF FEEDBACK**

Feedback is usually delivered by change agents in two contexts: (a) the classroom and (b) as part of a consulting assignment. In both situations, feedback may be presented to individuals or groups that vary in size from several people to entire organizations. Specific forms of feedback include individual feedback in the classroom, group feedback in the classroom, 360-degree leader feedback, organization-wide survey feedback, and unit survey feedback.

### ***Individual Feedback (Classroom)***

Many courses are designed around an individual assessment tool or use such a tool as an integral part of the course. An example is a social-style or management-style inventory. Typically, inventories are completed by participants prior to the class and may also be collected from the participant's associates. Inventory results are usually presented to participants during the course. This feedback often remains confidential, although participants can share the results with others if they choose.

### ***Group Feedback (Classroom)***

Formal group feedback in the classroom is less common, though a trainer may offer informal feedback to a class on a variety of process issues (e.g., "Our energy level seems low."). Formal group feedback is more appropriate when a natural work team participates in a class. Feedback for a team often focuses on team dynamics, such as quality of communication, cooperation, and sense of shared goals.

### ***360-Degree Leader Feedback***

A change agent may be brought in to assess a manager's or executive's leadership style. Interviews are conducted with the subject and the people who report to him or her, colleagues, and the subject's manager—a full circle of interviews, hence the name. Interviews may be augmented by the use of an instrument or inventory. Feedback is delivered confidentially, although the subject's manager may also hear the feedback.

### ***Survey Feedback (Organization-Wide)***

This category includes climate surveys and other organization-wide surveys in which the total population (or a random sample drawn from the population) completes a questionnaire assessing various aspects of organizational life and performance (e.g., job satisfaction, teamwork, goals, managing change, and communication). Quantitative responses are tabulated and open-ended (i.e., written) comments are content analyzed. If

data are collected in interviews or focus groups, this information is also included. Feedback is delivered in the form of a report and/or presentation to management. Additional presentations may be made to staff, or a summary memo may be circulated. Individuals' survey responses remain confidential.

### ***Survey Feedback (Unit)***

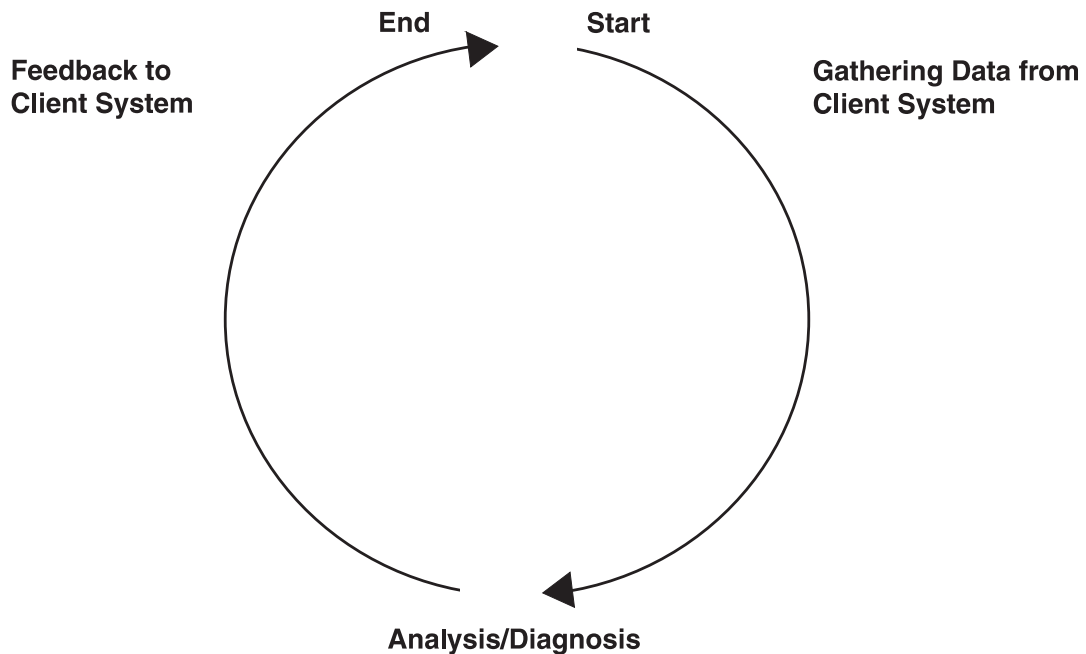
Often as part of an organization-wide survey, feedback will be presented to individual work units, departments, or job classifications or levels. These results are often compared to the organization-wide base to provide a bench mark for the group in question. Usually the findings for one unit are not shared with people in other units.

## ***THE MODEL***

Before describing the iterative feedback model, this article reviews the classic feedback model, the one on which much training and organization work is implicitly based.

### ***The Classic Feedback Model***

The classic feedback model is often portrayed as a circular process, as shown in Figure 1.



**Figure 1. The Classic Feedback Model**

Data are gathered from the client system by the change agent through one or more of the following methods:

- Interviews

- Focus groups
- Surveys
- Inventories (e.g., social-style inventory)
- Classroom activities
- Archival research (e.g., review of internal documents, such as financial, marketing, and customer-service reports)

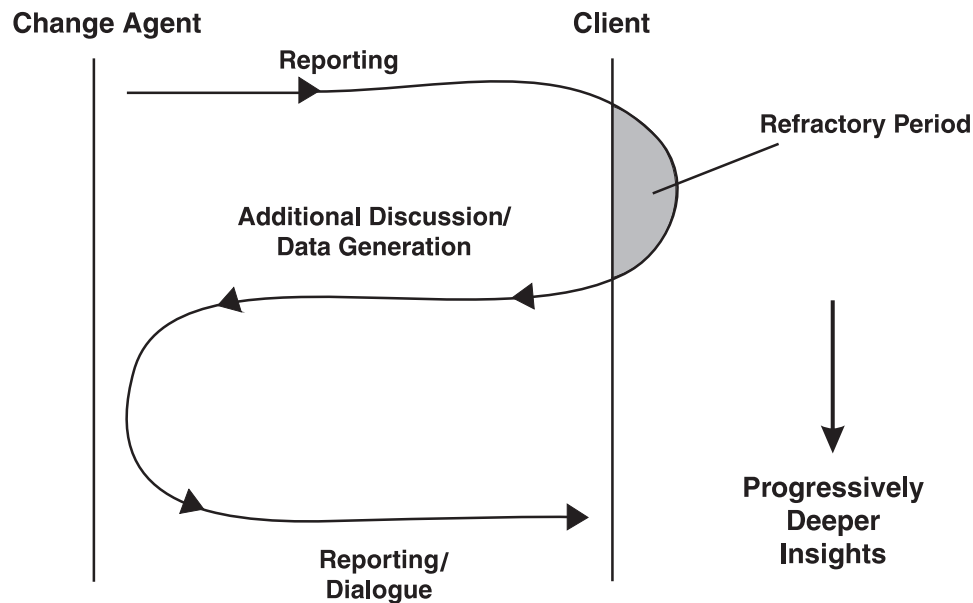
These data are then analyzed by the change agent, sometimes in collaboration with the client, resulting in a set of observations, key issues, conclusions, recommendations, or diagnoses. This analysis, in principle, enables the client system to make adjustments in perceptions, behaviors, policies, and capabilities for enhancing individual or organizational performance. Often the change agent will then move into the next stage of consulting by working with the client to develop interventions for achieving needed changes. This classic model has been a useful guide to change agents for many years and has the added virtue of simplicity. However, the model does not capture the ways clients accept feedback.

### ***The Iterative Feedback Model***

In contrast to the one-cycle aspect of the classic model, the iterative feedback model (see Figure 2) presents the steps of gathering data, analysis, and feedback as an iterative process that involves at least two cycles. Furthermore, this model recognizes the complex emotional and cognitive responses that feedback can provoke.

Similar to the classic model, the iterative feedback model indicates that the change agent collects data from the client system, analyzes what he or she has collected, and feeds the information back to the client. Then some period of time follows in which the client processes the feedback. The client's emotional or cognitive responses following feedback will vary, depending on the nature of the feedback and the dynamics of the client system, but most will enter a "refractory period," where the process will, at least temporarily, stall. An analogy is the time a person takes to chew food before swallowing—the mastication period. This refractory period can last a few minutes or a few months—or even become a permanent block to further action.

Once the client has fully processed the initial feedback, the information can trigger additional observations, discussion, or insights by the client. These new data are again analyzed—often by mutual work by the client and the change agent, creating more feedback for the client. On reflection, the client achieves deeper insights from the feedback, coming closer to the most important issues facing the client system. A second refractory period may follow, but this one is typically shorter and less pronounced than the first. The process may end here, or it may continue with additional iterations, particularly if new individuals or groups are brought in.



**Figure 2. The Iterative Feedback Model**

The following analogy may help clarify the model:

A man goes to his family doctor for a routine physical examination. The doctor takes the patient's vital signs, obtains urine and blood samples, and asks a few questions. Making an appointment for a return visit, the patient leaves.

Tests are performed on the blood and urine. When the patient returns, the physician shares the results of the tests: The patient has an elevated cholesterol count. The patient expresses disbelief. "But I watch what I eat! I eat hardly any red meat." The patient asks if the test is accurate. "Maybe someone's made a mistake." The physician tries to assure the patient that the test procedures are highly reliable.

The physician then asks the patient to keep a food journal (writing down everything he eats) the next week and also to bring in a family medical history, with cholesterol counts if possible. After much protest, the patient agrees.

At a subsequent appointment, the doctor and patient review the journal and the medical records. The patient's food journal shows that although he does not eat red meat, he consumes a lot of saturated fats from other sources. The patient's family has a history of heart disease and of elevated cholesterol.

After reviewing these items with his doctor, the patient accepts the diagnosis of high cholesterol and realizes it is an issue with which he must deal. He and the physician discuss other aspects of his health and life style, then develop a broad strategy for reducing the patient's cholesterol level.

This analogy illustrates the major aspects of the iterative feedback model, i.e., the initial period of data collection, the refractory period in which the patient's cognitive and emotional responses (disbelief, confusion) create resistance, working through the refractory period, additional data collection, and a collaborative effort to develop an intervention. Had the physician stopped with the initial report of results in the second visit, it is doubtful that the patient would have changed any of his habits that contributed to high cholesterol.

## **COMMON EMOTIONAL AND COGNITIVE RESPONSES TO FEEDBACK**

For most people, receiving feedback is more than just an intellectual exercise; it is also an emotional experience. The type of feedback discussed here touches on aspects of work performance, management style, social style, how people relate to others (either as individuals or as part of a group), and other aspects of organizations. Usually these are issues that are of moderate to high concern and interest. Therefore, the occasion for feedback—often formally scheduled—brings with it a sense of drama, anticipation, and sometimes fear. The emotional and cognitive responses that feedback engenders will vary in intensity from person to person and situation to situation. Still, these responses often involve the five stages that Elisabeth Kubler-Ross (1969) described for people confronting death and dying:

- Shock and denial
- Anger
- Bargaining
- Depression
- Acceptance

### ***Shock and Denial***

The client receives feedback that is at variance to his or her beliefs, assumptions, or expectations. The feedback is often greeted with silence. The client may feel overwhelmed or confused at this point. Even if the information does not challenge important beliefs, assumptions, or expectations, the volume of feedback—particularly with surveys—may be temporarily paralyzing.

The lead author of this article once provided an executive with highly negative feedback on her management performance. This true illustration provides an excellent example of all five stages. During most of the initial feedback session, the manager listened passively and made few remarks. Her blank expression during the presentation showed no emotion. Even after the presentation, she could do little more than nod and acknowledge that she understood but disagreed with the findings.

### ***Anger***

If the feedback is negative or challenges deeply held beliefs, the client may feel threatened and react with anger. Continuing the example above, the executive later phoned the author to complain about the feedback she had received. “I’m a little teed off about it,” she said. “In fact, I’m kind of angry at you.”

The client now marshals his or her defenses, challenging the consultant’s methods, the quality or completeness of the information, or the truthfulness of the people who provided the data. During the phone call described above, the client proceeded to

challenge the methods used (“You based everything on one person’s opinions.”<sup>2</sup>) and the motives of participants (“They resent having to work so hard, so they’re using the survey to get back at management.”).

### ***Bargaining***

The client may begin to accept the truthfulness of the findings but seek to find explanations that prevent having to change behavior, beliefs, or assumptions. The executive in the example, in a later meeting, explained that her staff’s responses were probably influenced by one of several events that had occurred at the time of the survey (“That was a very busy period for us, and they were probably burned out.”).

### ***Depression***

Once the client realizes that change is necessary and inevitable, he or she may experience a sense of loss; depending on the nature of the feedback, he or she may even enter a period of depression. In many cases, the client is confronted with the loss of a cherished but inaccurate self-image. In our example, the executive began to make statements such as “This makes me want to just give up and retire,” and “After all those years of hard work! If this gets out, my reputation will be ruined.” The reality was that the client’s reputation had already been questioned as a result of serious performance issues in her organization.

### ***Acceptance***

The client finally works through his or her resistance to the feedback. This acceptance signals the end of the refractory period in the iterative feedback model. The client has begun to make adjustments in his or her belief system to accommodate the new information. The change in beliefs and assumptions enables the client to offer new observations, perceptions, and insights, thus beginning the next cycle of data gathering, analysis, and feedback.

The executive in the example eventually accepted the indication that major changes were needed in the way she managed her organization. She began to explore key issues in greater depth and to plan future interventions to make changes.

## ***HELPFUL FACILITATION SKILLS***

The iterative feedback model requires a high degree of interaction with the client. Facilitation skills are essential to the process, and the change agent should be adept at the following:

- Active listening;
- The use of probes;

---

<sup>2</sup> The feedback was, in fact, based on interviews with sixteen individuals and survey data from forty-four employees.

- Summarizing what people are saying;
- Clarifying comments;
- Keeping the individual or group on target and within time frames;
- Defusing emotional reactions;
- Creating conditions that encourage open and free dialogue; and
- Dealing with nonconstructive or disruptive behavior.

Additionally, the change agent must be sensitive to the type of emotional and cognitive responses that clients provide when first receiving feedback, as described above. He or she must read those responses correctly and not overreact in return.

Finally, the change agent must have the ability to help clients to integrate the new information they are bringing out in response to the feedback. Often this requires the change agent to help the client reframe the information that was previously collected (i.e., challenging basic assumptions, seeing the connections between issues, and, if necessary, changing the focus of the discussion).

## ***STRATEGIES FOR DELIVERING FEEDBACK***

A discussion of feedback strategies could easily fill a book and is well beyond the scope of this article. Nevertheless, we offer a few techniques that have worked well for us and others.

### ***Individual Feedback (Classroom)***

When individual feedback is provided in a classroom situation, an opportunity for participants to work through their emotional and cognitive responses can be provided by dividing the group into coaching pairs. One person in each pair asks the other person a series of clarifying and exploratory questions regarding the feedback he or she received. These questions might include the following:

- What are the surprises in this feedback? Why are you surprised?
- What part of this feedback are you comfortable with and what part makes you uncomfortable? Why?
- Provide me with an example that illustrates [an issue identified in the feedback].
- What other thoughts or ideas does this feedback trigger?

Once the recipient and his or her partner have worked through the questions, the pair switches roles and repeats the activity. This approach also provides the individual with an opportunity to generate more information and reach a deeper understanding of the issues.



### ***360-Degree Leader Feedback***

A 360-degree feedback session usually involves a one-on-one exchange between the client and the change agent. However, subsequent sessions can be enriched if the client agrees to allow his or her manager or associates to attend and offer reactions to the feedback (Does it sound accurate? Is it relevant? Any surprises?). The client and manager can then work together to design an action plan based on work assignments and opportunities. This approach requires a high degree of trust on the part of all parties. Nonetheless, the payback for all concerned can be substantial.

### ***Group Feedback (Classroom or Survey)***

One effective approach for delivering survey feedback is to present the data to successive (and representative) groups of employees from the target organization. Survey findings are presented in the form of summary bullets and bar charts. The results are delivered in one pass-through, which is followed by a question-and-answer period, then a break. Following the break, participants are divided into smaller groups (typically of two to five people). The groups are asked to review the survey findings and to do the following:

- Identify the three most important issues;
- Describe the conditions or factors that cause or influence the issues; and
- Write out questions that these issues raise.

The groups come together and share what they have developed. The new information is discussed, and the session ends with a greater understanding of the key issues identified in the survey. A set of questions is developed for further inquiry, and a follow-up session is then scheduled.

Classroom feedback can also follow this general procedure.

### ***Customer-Service Model***

Feedback repetition is even more effective when a group is receiving feedback about itself. One elegant variation is an adaptation from Chip Bell's (1994) technique for collecting customer-service feedback. In the customer-service model, customers sit around a table and describe their experiences related to customer service. Surrounding the table is an inner circle of first-line customer-service providers, who speak only when necessary to clarify or explain something to the customers. Surrounding the customer-service providers is an outer circle of managers. The managers are to listen only.

Immediately following the first round of feedback, the customers leave. The customer-service providers move to the table, and the managers move to the inner circle of chairs. The process begins again with customer-service providers giving feedback on the support and direction they receive from management.

This process could be adapted to any operational arena. Essentially, the organizational chart is inverted and the employees become the ultimate customers of

management. In this scenario, first-line employees are at the table, supervisors sit in the inner circle of chairs, and managers are seated in the outer circle of chairs. Eventually, the first-line employees leave, and the others move inward. This approach allows for successive iterations of feedback, one wave building upon the next.

### ***Common Concerns and Dilemmas***

Delivering feedback is never simple. The circumstances in which the feedback is offered presents the change agent and client with a range of thorny issues—ethical considerations, confidentiality concerns, the self-esteem of participants—all balanced by the needs of the organization. Following are observations on each of these issues.

*Ethical Considerations.* “Knowledge is power,” as the saying goes. The kind of information that is collected in individual and organizational assessments is very powerful. The goal of the change agent is to enable the client to use this information constructively and wisely for personal and organizational growth. On the other hand, feedback also has the potential to be damaging. For this reason, some organizations fear losing control of climate-survey data and will restrict access to it—though doing so often ends up being self-defeating. The change agent’s primary ethical obligation is to ensure that individual and organizational assessments are carefully analyzed, appropriately interpreted, and presented in the proper context.

*Confidentiality.* More often than not, interviews, focus groups, and surveys are conducted under the rule of confidentiality, i.e., the provision that responses of individuals will not be revealed. Confidentiality is important and necessary to ensure that the responses being provided are candid and truthful. Sometimes the change agent will learn things that can have important consequences for an individual or organization but will be unable to share this information because doing so would violate the confidentiality rule.

The change agent may wonder what to do in these circumstances. Sometimes he or she can generalize the information enough to convey the point without betraying the respondent. In general, unless the matter involves life or death, change agents must respect the confidentiality of the people who share information with them. Nothing justifies breaching the confidentiality rule and dealing with the inevitable loss of trust that would follow.

*Maintaining Self-Esteem.* Feedback can be wounding to the self-esteem of individuals, groups, and even organizations. The question, “What does the change agent do if the news is bad?” frequently arises. As much as possible, he or she should present the feedback in a balanced fashion, beginning with positive items before moving on to the negative ones. The change agent should also focus on the issue or behavior rather than making judgments about the intrinsic qualities of individuals or organizations.

The client’s self-esteem is more likely to be preserved if one says, “Your colleagues feel you could be more accessible during the day,” instead of “Your colleagues think

you're anti-social." However, the change agent should never avoid giving bad news; doing so is a disservice to the client.

## **CONCLUSION**

An old consulting maxim states, "The presenting problem is not the problem." Often what appears to be a key problem or issue—the event or condition that prompted the client to bring in the change agent—is only a symptom. The feedback model presented in this paper, with its emphasis on client participation and an iterative approach to data collection and analysis, will enable change agents and clients to address the most meaningful issues facing them.

## **REFERENCES**

- Bell, C. (1994, July 19). *Customer retention: The power of customers as partners*. Paper presented at the Institute of Management Studies, Los Angeles, CA.
- Kubler-Ross, E. (1969). *On death and dying*. New York: Macmillan.

## ■ LEADERSHIP STYLES AND THE ENNEAGRAM

**Patrick J. Aspell and Dee Dee Aspell**

*Abstract:* The Enneagram is a conceptual framework for understanding human behavior and diversity. Its insights came into use in spirituality and psychology, but have now expanded to be used in human resource development and organizations.

The Enneagram illustrates nine distinct patterns of thinking, feeling, and behaving. By understanding a person's Enneagram, others can better lead, follow, or work with that person. Interactions between people become more successful, and interpersonal stresses are reduced.

The authors describe nine types of leader style and suggest the types of situations in which each style is most appropriate. They then describe the nine types of work styles that one's followers might have and offer suggestions for how best to lead each type of person. Although this article provides only brief snapshots of the Enneagram as it applies to leaders and followers, the system as a whole is a much broader one, with implications for all aspects of human behavior.

The Enneagram (pronounced ANY-a-gram, from a Greek word meaning "nine points," or "nine letters") is emerging on the organizational scene as a valuable tool for human resource development. In 1994, Stanford University hosted the First International Enneagram Conference, which brought together many of the leading authors and contributors. Participants reviewed the Enneagram from various perspectives, and one entire track was devoted to the business perspective.

The Enneagram system is a unique conceptual framework for understanding human behavior and diversity. This system offers such benefits as the following:

- Providing an objective framework of human behavior;
- Recognizing the value of individual differences;
- Identifying strengths and limitations of different leadership styles;
- Being clearly and easily understood;
- Building understanding about various aspects of an organization;
- Helping to assess the fit between a person and his or her leadership position;
- Having profitable applications for areas such as communication, conflict management, motivation, ways of thinking, interpersonal relationships, team building, problem solving, and time management;
- Helping people discover and empower their personality and leadership styles;
- Building a stable framework for emotional issues;

---

Originally published in *The 1995 Annual: Volume 1, Training* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

- Helping people be effective with one another in relationships; and
- Enabling people to increase their motivation.

The purpose of this article is to use the Enneagram system to describe nine leadership styles<sup>1</sup> and illustrate how understanding such styles can help in establishing effective leadership.

## LEADERSHIP STYLES

Leaders need to manage tasks and lead people according to the demands of the situation; addressing these demands requires answers to the following questions:

- What is to be done? What does the task require?
- Who is involved? Are relationships effective?
- How motivated are employees? Are they proactive and responsible in doing their jobs?

Leaders deal with different situations involving different tasks, different relationships, and different motivations, as illustrated in Figure 1. Each style has certain characteristics and is most appropriate in certain situations.

Leadership Style	What Matters About Tasks?	What Matters in Relationships?	What Is the Underlying Motivation?
1 Stabilizer	Quality	Order	Correct/Right
2 Supporter	Service	Needs	Care/Help
3 Motivator	Efficiency	Doing	Goals/Results
4 Personalist	Creativity	Sensitivity	Uniqueness/Originality
5 Systemizer	Theory	Intelligence	Knowledge/Insight
6 Teamster	Industry	Loyalty	Belongingness/Togetherness
7 Cheerleader	Versatility	Sociability	Satisfaction/Fulfillment
8 Director	Action	Control	Self-Determination/Independence
9 Reconciler	Routine	Harmony	Unity/Peace

Figure 1. Brief Characteristics of Leadership Styles\*

### ONE Leaders: Stabilizers

ONE leaders guide people to do what they should do according to principles or regulations. Stabilizers have the following characteristics:

<sup>1</sup> A quick and systematic method of determining a person's leadership style is *The Enneagram Inventory* ®: *Discovering Yourself and Developing Your Style of Leadership, Supervision, and Counseling* (Aspell & Aspell, 1993b).

\* Copyright © 1993 by Aspell & Aspell. Used with permission.

- Following standard operating procedures;
- Insisting on technical competency and skills;
- Requiring quality performance;
- Making sure products and services measure up to clear criteria; and
- Treating people fairly.

This leadership style is most appropriate at the following times:

- When precise, formal policies are to be followed;
- When set cultural norms and values exist;
- With punctual, hard-working employees;
- When thoroughness and attention to detail is demanded; and
- When deadlines must be met.

### ***TWO Leaders: Supporters***

TWO leaders encourage people to develop their individual talents in doing a job.

Supporters have the following characteristics:

- Recommending help from employee assistance programs and human resources;
- Communicating general expectations in a friendly manner;
- Encouraging people to take initiative in solving problems and planning tasks;
- Assisting people when they are stymied in dealing with a problem; and
- Finding what is best in people and coaching them to grow.

This leadership style is most appropriate at the following times:

- When promoting high levels of customer service is desired;
- In developing participative teams that let all members utilize their skills;
- For monitoring and satisfying the needs of customers and employees;
- In facilitating the development of responsible employees; and
- When training people to appreciate their talents.

### ***THREE Leaders: Motivators***

THREE leaders motivate people to take the initiative in achieving positive outcomes.

Motivators have the following characteristics:

- Persuading people to work efficiently;
- Communicating with enthusiasm and stimulating employee interest;

- Socializing and talking with employees;
- Pursuing objectives until they are met; and
- Encouraging competition in order to get results.

This leadership style is most appropriate at the following times:

- When employees show maturity in taking initiative;
- When projects need to be pushed, even if it means confronting people with higher authority;
- When decisions are needed in order to put ideas into action quickly;
- When followers want to succeed and advance in their careers; and
- When ideas must be communicated effectively.

### ***FOUR Leaders: Personalists***

FOUR leaders allow individuals to express their talents in unique and special projects. Personalists have the following characteristics:

- Offering a broad description of the task and required structure;
- Permitting followers to follow their own imagination and intentions;
- Respecting the special talents of individuals;
- Being concerned about how decisions impact on people's feelings; and
- Inviting new and imaginative approaches to projects.

This leadership style is most appropriate at the following times:

- When exploring alternative ways of solving problems;
- In efforts to humanize the workplace with empathy;
- When appreciating what is personally meaningful to employees;
- When distinctive ways to accomplish a task are desired; and
- When intense emotions need to be handled.

### ***FIVE Leaders: Systematizers***

FIVE leaders help individuals to perform tasks by providing the necessary information. Systematizers have the following characteristics:

- Organizing ideas about the nature of tasks;
- Explaining employees' responsibilities;
- Allowing followers to choose how to do their own projects;

- Thinking clearly and logically before making decisions; and
- Keeping emotions under control and the mind focused on problems and solutions.

This leadership style is most appropriate at the following times:

- When planning long-range projects;
- When followers need to be shown a broad view of the purpose of their tasks;
- When certainty is desired before taking action;
- In order to understand what is happening in work situations; and
- When delegating responsibility to employees.

### ***SIX Leaders: Teamsters***

SIX leaders promote commitment and cooperation among followers. Teamsters have the following characteristics:

- Seeing themselves and their followers as members of a team;
- Wanting employees to collaborate for the common good;
- Promoting loyalty and dependability among coworkers;
- Relying on team efforts to solve problems; and
- Fostering team thinking.

This leadership style is most appropriate at the following times:

- When following tradition and established ways of proceeding;
- When followers are willing to work hard;
- In order to maintain and/or develop team spirit;
- When a clear chain of command is preferred; and
- When leaders and/or followers possess a high sense of duty and responsibility.

### ***SEVEN Leaders: Cheerleaders***

SEVEN leaders foster positive climates for employee satisfaction on the job.

Cheerleaders have the following characteristics:

- Motivating employees to be enthused about tasks;
- Encouraging followers to anticipate positive outcomes;
- Boosting morale;
- Planning tasks for satisfactory results; and
- Speaking in a lively way with metaphors and stories.



This leadership style is most appropriate at the following times:

- When brainstorming new ideas and solutions;
- When tackling different or challenging tasks;
- When looking for innovative strategies and practices;
- When there is a need to adapt to changing situations; and
- In order to help employees learn new skills.

### ***EIGHT Leaders: Directors***

EIGHT leaders direct followers by ordering them to do the job. Directors have the following characteristics:

- Asserting themselves in the face of challenging projects;
- Being decisive and firm in taking charge;
- Convincing followers in a forceful manner;
- Doing jobs their own way; and
- Deciding independently how jobs are to be done.

This leadership style is most appropriate at the following times:

- In order to stand up under pressure;
- When prompt and tough decisions are needed to complete a project;
- When the leader must be the one to take initiative and perform;
- When training inexperienced workers; and
- When a situation needs to be controlled.

### ***NINE Leaders: Reconcilers***

NINE leaders coordinate the activities of people to work together smoothly. Reconcilers have the following characteristics:

- Mediating conflicts among people;
- Negotiating agreement between opposing views;
- Downplaying problems to accommodate people;
- Listening calmly to complaints; and
- Taking time to make decisions.

This leadership style is most appropriate at the following times:

- In order to empower people to get along together;

- When there is a need to be realistic and down-to-earth;
- When doing routine work with set procedures;
- When a unified, harmonious team is desired; and
- When the situation calls for a patient and even-tempered leader.

## **UNDERSTANDING OTHERS' WORK STYLES**

Knowledge of the work styles of others is essential for effective leadership. Without this knowledge, a leader may not understand his or her followers; as a result, he or she may send those followers information in a way that does not make them feel understood, appreciated, respected, acknowledged, or validated. However, with knowledge of his or her followers, a leader can adapt his or her responses, create rapport, and lead the followers to develop their own talents and abilities.

### ***Work Style ONE: Quality Performers***

People with this work style work conscientiously to do a job correctly. They are able to stay at one task for a long period of time and dislike being interrupted at work by non-work-related conversation. Preferring to follow operational procedures, they strive to ensure that each particular step in a task be done well. Such people like to be thorough and accurate with the details of a project, taking one step at a time in coming to reasonable conclusions. They are precise in stating facts, and are good at thinking of ways to improve products or services. Quality performers want to treat people fairly.

### ***Work Style TWO: Helpers***

Helpers like to be with people in the workplace and show them that they are interested in them. They support others, make them feel welcome in a group, and help them do their work. Such people tend to be sympathetic to—and respond to—the needs of others. Helpers are interested in how decisions and projects affect people. They also like to be thanked.

### ***Work Style THREE: Producers***

People with this work style enjoy talking with others about tasks and can motivate them to do their jobs. They work efficiently to get things done and, under pressure, can work to get things done quickly. Goal-oriented people, they want results quickly, communicate by talking about results, and usually pursue goals until they reach them. Producers are good at deciding practical ways to use resources, including people; they can recall peoples' names and use enthusiasm to persuade people.

### ***Work Style FOUR: Expressionists***

Expressionists are concerned about the feelings of others and sound them out before acting. However, they prefer inner communication with their own feelings and emotions, even in terms of how they feel about a particular project. Such people can be imaginative in exploring new possibilities and tend to imagine unique ways to get a job done, often taking artistic or aesthetic approaches. People with this work style enjoy acquiring special skills for dealing with unique situations. This means, however, that they dislike doing the same ordinary work over and over and may alternate between enthusiasm and lack of interest for a particular job.

### ***Work Style FIVE: Thinkers***

People with this work style are good at analyzing problems, reflecting on the theory behind a project, and exploring the speculative possibilities of theories and ideas. They are satisfied working by themselves, preferring silence in order to concentrate. Consequently, Thinkers dislike being interrupted on the job by phone calls. Although they can apply themselves to a task for a long time, they tend to reflect before taking action, which can lead to their neglecting to act in some cases. Thinkers like acquiring new insights and thinking skills, especially by listening to a tape or reading alone.

### ***Work Style SIX: Relaters***

Relaters are cooperative and like to work with reliable people. They are capable of working hard and working consistently on a single task without a break. They tend to prefer communicating within a circle of trustworthy people, people who belong to their own group or organization. Relaters feel most secure working within a group or organization and want to know how the group sees a situation before making decisions. People with this work style like the customary and established ways of doing a job; they get to work on time and keep traditions and/or duties foremost in their minds.

### ***Work Style SEVEN: Animators***

People with this work style enjoy a variety of interests and like making people happy. They are interested in innovative ideas and the possibilities of a situation, leading them often to become involved in more than one project. As the name suggests, Animators usually move quickly, sometimes impulsively. They get enthused easily about new projects and tend to be impatient with routine jobs. Because they like to talk with people, Animators like to familiarize themselves with new projects by conversing with others.

### ***Work Style EIGHT: Asserters***

Asserters like to take action and be in charge of a project. They can be tough minded and direct, capable of rebuke or reprimand when necessary. People with this work style

are willing to take on challenging projects and like to complete the projects they start. They do this by being able to work under pressure, make quick decisions, and convince others to do things their way while rallying them to meet deadlines.

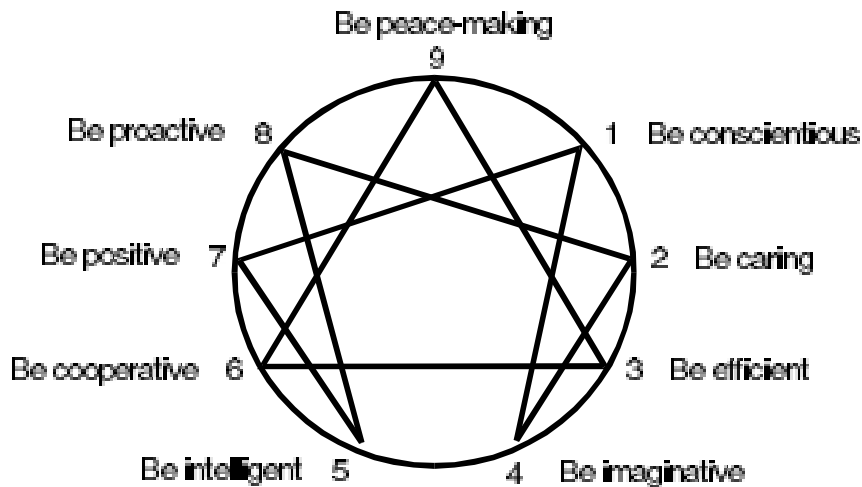
### **Work Style NINE: Receptionists**

People with this work style make people feel at ease. Because of their concern about people working in harmony, they like disagreements to be settled as soon as possible and like to follow previously accepted agreements. Receptionists patiently consider the facts; they want to be calm and collected during each step in a task, calmly reasoning one step at a time to a conclusion. Their desire for people to get along leads them to accommodate others and to get along with many different kinds of people.

## **EFFECTIVE LEADERSHIP**

With knowledge of the follower's work style, a leader can adapt his or her responses by observing the appropriate principle (Figure 2), matching the approach to the particular requirements of a situation, creating rapport, and leading people to develop their talents and abilities.

Leadership that is anchored in principles steers a steady and stable course amid the changing situations of life, work, and relationships. Personal principles (Aspell & Aspell, 1993b) originate from an individual's leadership style and express the values that are important to him or her. The objective application of these principles requires that they be appropriately directed toward an individual's work style in a specific work situation. By following the relevant principle, a leader is more likely to be effective.



**Figure 2. Leadership Principles\***

\* Copyright © 1993 by Aspell & Aspell. Used with permission.

### ***Leading a Quality Performer (ONE)***

*Be conscientious.* This means living by ethical principles; being competent in performance; thinking reasonably and rationally about problems; being disciplined in pursuing goals; maintaining integrity under pressure; treating others with fairness and objectivity; striving for excellence at work; balancing personal and professional life; and keeping priorities in order.

### ***Leading a Helper (TWO)***

*Be caring.* This means helping others in need; assisting others in solving problems; being of service to customers and clients; giving of time and energy to the organization; being aware of others' feelings; being friendly and warm to coworkers; supporting people in their efforts to grow; expressing appreciation for the work effort of coworkers; and encouraging subordinates to develop their talents.

### ***Leading a Producer (THREE)***

*Be efficient.* This means setting goals to be achieved; defining the mission of the organization; being ambitious in accomplishing objectives; motivating oneself and others to attain goals; communicating effectively to coworkers; calculating and putting in order useful means to reach goals; being practical in working out steps to attain goals; persevering to succeed; and competing with oneself to improve outcomes.

### ***Leading an Expressionist (FOUR)***

*Be imaginative.* This means creating unique products; making service special; being in touch with one's own feelings; finding personal expression in products and services; listening to what others are feeling as well as saying; intuiting original approaches to problems; respecting every person as a unique individual; focusing on what is personally meaningful for each person; and being authentic and true.

### ***Leading a Thinker (FIVE)***

*Be intelligent.* This means being alert and observing products and services; being insightful in work situations; asking relevant questions about the nature and purpose of the organization; breaking down complex problems into simpler ones; anticipating the consequences of policies and strategies; learning thoroughly the organization, people, and products/services; appreciating how others think; keeping in mind a vision of the organization; and grasping the connections between motivation, satisfaction, and productivity.

### ***Leading a Relater (SIX)***

*Be cooperative.* This means bonding with others to work as a team; forming positive personal relationships with others; developing strategies to build trusting relationships;

recognizing and accepting the worth of others; developing a mutual support system for coworkers; being committed to the team and organization; developing a sense of belonging among coworkers; being reliable and hard working; and trusting in oneself while depending on others.

### ***Leading an Animator (SEVEN)***

*Be positive.* This means being flexible in adapting to new and changing situations; being proactive and responsive to what is going on in the organization; promoting satisfaction among coworkers; inspiring others with enthusiasm; being adventurous in exploring innovative possibilities; planning for a more enjoyable workplace; generating new concepts and options for meetings; giving others the freedom to grow; and building positive morale among coworkers.

### ***Leading an Asserter (EIGHT)***

*Be proactive.* This means being confident in one's abilities; taking action to complete projects; challenging coworkers to follow through in their commitments to the organization; determining what needs to be done to overcome obstacles; being direct and straightforward with others; being courageous in facing difficult times; arranging to make things happen in a team; using power and authority for constructive purposes; and defending others against unfairness.

### ***Leading a Receptionist (NINE)***

*Be peace-making.* This means being receptive and open to suggestions; being calm and stable during times of disagreement; accepting the diversity of others as positives; listening patiently and gently to grievances of coworkers; respecting different approaches to problems; mediating disagreements among opposing persons or parties; welcoming suggestions about how people can get along together; balancing opposing interests to negotiate equitable settlements; and thinking in terms of a global vision that includes everyone in an organization.

## **CONCLUSION**

The Enneagram theory of leadership is consistent with the right-and-left brain model. On the one side, the left-brain characteristics—analytical, rational, linear thinking—are found mostly in the leadership styles of the methodical One, goal-oriented Three, analytic Five, and dialectical Eight. On the other side, the right-brain features—intuitive, imaginative, spiral thinking—operate usually in the leadership styles of the affective Two, creative Four, inclusive Six, and positive Seven. The corpus callosum, which connects the left and right brains, is represented by the unifying Nine, the harmonizer of opposites.

The full concept of leadership involves both personal, subjective qualities and specific, objective, situational needs. The Enneagram provides a blueprint for an all-encompassing notion of leadership that adapts to the diversity of leaders in the workplace, the variety of followers, and the changing challenges of the marketplace.

## **REFERENCES AND BIBLIOGRAPHY**

- Aspell, P., & Aspell, D.D. (1992). *Unlimited empowerment: Discovering and enhancing your personal and professional life via the Enneagram*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1993a). *Empowering relationships: Discovering and enhancing your personal and interpersonal life via the Enneagram*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1993b). *The Enneagram inventory ®: Discovering yourself and developing your style of leadership, supervision and counseling*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1993c). *The Enneagram inventory ® : To discover and develop your personal leadership style*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *Chart of the nine Enneagram personality types and professional styles*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *The Enneagram inventory ® : Building better relationships with people*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *The Enneagram inventory ®: For career and life management*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *The Enneagram inventory 7 ®: For creating teams and building teamwork*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *The Enneagram inventory ®: Styles of communication and effectively influencing people*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *The Enneagram inventory ®: Styles of conflict management*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *The Enneagram inventory ®: Styles of thinking and problem-solving*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *The Enneagram inventory ®: Total quality transformation*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *Enneagram workbook for total quality empowerment*. San Antonio, TX: Lifewings ®.
- Aspell, P., & Aspell, D.D. (1994). *Nine personal leadership principles*. San Antonio, TX: Lifewings®.
- Aspell, P., & Aspell, D.D. (1994). *Profiles of the nine personal professional Enneagram styles*. San Antonio, TX: Lifewings ®.
- Forster, S., & O'Hanrahan, P. (1994). *Understanding personality types in the workplace*. Oakland, CA: Author.
- Goldberg, M.J. (1994). The Enneagram: A key to understanding organizational systems. In J.W. Pfeiffer (Ed.), *The 1994 annual: Developing human resources* (pp. 243-255). San Diego, CA: Pfeiffer & Co.

## ■ DANGER—DIVERSITY TRAINING AHEAD: ADDRESSING THE MYTHS OF DIVERSITY TRAINING AND OFFERING ALTERNATIVES

Paula Grace

### VALUING AND MANAGING DIVERSITY IN THE WORKPLACE

“Valuing diversity” and “managing diversity” are popular buzz words these days. If you ask ten people what they mean, you will get ten different answers. At least nine of those answers will derive from the premise that diversity has to do with the unique qualities that people of different races, genders, and ethnic heritages bring to the workplace. The common belief is that organizations will benefit from appreciating these unique qualities and from learning to accommodate the challenges that these unique qualities present.

In addition, the United States, like several other nations, has affirmative action programs that come into play in addressing the issue of diversity. Affirmative action has been successful in bringing more women and minorities into organizations, but it has not been successful in retaining them or in helping them to climb the organizational ladder.

As a result of the push to appreciate people’s unique qualities and the need to go further than simply incorporating women and minorities into the organizational fold, the era of valuing diversity has begun. Thousands of organizations have jumped on the diversity-training bandwagon and embarked on the road to “valuing and managing diversity.” Human resource managers, affirmative action officers, training directors, diversity task-force leaders, and other interested parties have begun to embrace “valuing diversity” as the newest hope for business.

The underlying logic is that if we could learn more about the different racial and ethnic groups with whom we work—as well as the differences between men and women—we could all get along better and be more productive in the process. Millions of dollars will be spent this year on diversity training based on this logic, yet there is no research data to support it. Before your organization contributes to this statistic, you should ask, “Why is my company investing in diversity training? To be able to ‘value’ diversity? What does that mean? To enable employees to understand one another better, to be able to get along together better? To improve morale? Or is the company simply joining the bandwagon because someone read the Hudson Institute’s report *Workforce 2000: Work and Workers for the Twenty-First Century* (Johnston & Packer, 1987), and anticipates increasing diversity?”

---

Originally published in *The 1994 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.



## **THE MYTHS OF DIVERSITY TRAINING**

Diversity is indeed of primary importance to the success of organizations in the 1990s, but not in the way that 95 percent of organizations approach the issue. With so much at stake, consultants, trainers, and managers would do well to explore the myths and facts surrounding this topic.

### ***Myth 1: Diversity Is a Matter of Gender, Race, and Ethnicity***

The problem with this myth is that in order to classify people by gender, race, or ethnicity, we automatically move into the dangerous position of describing them in terms of group norms. When we classify someone based on explicit variations such as gender or race, we tend to assign that person a set of behaviors, beliefs, concerns, strengths, and weaknesses based on gender or race. This skin-deep approach ignores the fact that we are all products of multiple groups of which we are members.

For example, for every woman who fits the group norm of being a woman, there are plenty of women who are outside that group norm. For every black who fits the group norm of being black, there are plenty of blacks who are outside that group norm. Although there are some characteristics that all women or all blacks share, these characteristics are far outweighed by the individual uniqueness that each person carries within him or her.

I have a hard time believing that Margaret Thatcher brought a special “female” perspective to government in Britain or that Clarence Thomas brings a special “black” perspective to the U.S. Supreme Court. If this were the case, one should be able to point to specific definitions of “female” and “black” that fully describe how these group perspectives were and are being demonstrated. The chances are that there is no reliable way of defining such perspectives.

By focusing exclusively on the outer, most obvious group affiliations, we devalue people’s unique qualities (beliefs, values, skills, and so forth) as well as their less obvious group memberships (such as religion, politics, class, family, education). By defining diversity in terms of explicit group affiliations, we assemble people into large groups, which is exactly the opposite of what the term “diversity” is intended to reflect. True diversity lies in the unique differences between individual people. It is a result of not only group affiliations, but also interaction with the environment, successful survival strategies, and individual psychological and social orientations.

Just as I am uncomfortable being labeled a white female, because this label assumes a certain mind-set, belief structure, and set of challenges and concerns, you might be uncomfortable being labeled a black male or a Hispanic female or an Asian female or a white male, because any of these categorizations carries with it a set of connotations that has very little to do with who you are. Every time we define diversity in terms of gender, race, or ethnicity, we are robbing individual people of their unique contributions.

## ***Myth 2: A Diverse Work Force Necessarily Produces Good Results***

As mentioned previously, there is no evidence to support the myth that diversity—as defined by the explicit indicators of gender, race, or ethnicity—necessarily produces good results. According to Johnston and Packer (1987), the authors of the now-famous *Workforce 2000: Work and Workers for the Twenty-First Century*, we have no choice but to include more people of color, women, and ethnic minorities in the work force because there will be far more of them available to work in the U.S. than there will be white males by the end of this decade. Perhaps it is this portent of the future, coupled with moral and social imperatives, that has made the business community so conscious of diversity and so desirous of recruiting people of color, women, and ethnic minorities.

The problem is that including more people of color, women, and ethnic minorities in business does not automatically lead to enhanced business performance. An environment that respects and honors diverse viewpoints and values, on the other hand, does stand a better chance of producing good results than one that does not. For many years the research on group effectiveness has demonstrated that decision-making processes that encourage the expression of alternative views produce superior decisions. However, it is important to remember that diverse viewpoints and values do not arise exclusively from diversity in race, gender, or ethnicity.

One of my clients, for example, has a factory outside of Brussels, Belgium. All of the employees are white, Flemish-speaking males. On the surface it may appear that there is no diversity in this workforce, but the facts are otherwise. When you scratch the surface, you find a wide range of viewpoints and values, both about work and about life. The challenge for this client, as for any organization, is to create an environment in which this diversity is allowed to be expressed so that it can add to the overall mixture of options available to the organization.

## ***Myth 3: Diversity Training Should Focus on Raising Awareness of Minority Groups and the Problems They Face***

This myth is perhaps the most dangerous in that it exerts such influence on the majority of diversity-training programs being offered in organizations. Raising awareness about minority groups and their problems necessitates focusing on the group. But the research of the last forty years rejects the approach of heightening awareness of groups by discussing group differences (Allport, 1958; Brown & Turner, 1981; Dovidio & Gaertner, 1986; Sherif & Sherif, 1969; Stephan, 1985; Tajfel, 1982). Talking about our own group affiliations and how other groups are different from ours actually increases the boundaries between ourselves and others.

When we focus on group differences, our own perceptions of one another move from an interpersonal to an intergroup level. At the intergroup level, people tend to think of others as outsiders, categorizing all outsiders together into one faceless, indistinguishable mass. Interpersonal uniqueness, the true foundation of diversity, is buried by group stereotypes and unconscious prejudices. Talking about minority cultures or “experiencing” another group’s culture may appear to cause positive changes in the

short term. However, social-science research indicates that this approach will not break down barriers between people but will actually reinforce stereotypes and prejudices (Allport, 1958; Brown & Turner, 1981; Dovidio & Gaertner, 1986; Sherif & Sherif, 1969; Stephan, 1985; Tajfel, 1982).

#### ***Myth 4: Only People of Color, Women, or Minorities Are Qualified To Do Diversity Training***

As has already been mentioned, it is a mistake to assume that diversity is defined only by gender, race, or ethnicity because this assumption excludes deeper expressions of diversity. Also, if people of color, women, or minorities are the only people qualified to train in the area of diversity, then it must be true that these people are qualified to train *only* in that area—an absurdity. Perhaps Arthur Schlesinger, Jr. (1992) says it best:

The doctrine that only blacks can teach and write black history leads inexorably to the doctrine that blacks can teach and write only black history as well as to inescapable corollaries: Chinese must be restricted to Chinese history, women to women's history, and so on. (p. 105)

An incident from the arena of acting highlights the negative impact of ascribing to this absurdity. Actors' Equity tried to prevent the British actor Jonathan Pryce from playing in New York the role he created in London in *Miss Saigon*, announcing that it could not condone "the casting of a Caucasian actor in the role of a Eurasian." Pryce responded that if this doctrine prevailed, "I'd be stuck playing Welshmen for the rest of my life." Actors' Equity did not, however, apply the same principle to the black actors Morgan Freeman and Denzel Washington, who were both acting in Shakespearean plays at that time in New York. *The Wall Street Journal* acidly suggested that, according to the principle invoked, not only whites but also the disabled should protest the casting of Denzel Washington as Richard III because Washington lacked a hunchback (Schlesinger, 1992).

There is yet another danger in ascribing to this absurd myth that only people of color, women, or minorities are qualified to train in the area of diversity: We might rob ourselves of much of the valuable research and debate on the topic of diversity, which is being carried on today by people who do not fit these narrow restrictions.

#### ***Myth 5: The White-Male Power Structure Needs To Be Overthrown***

This myth may have elements of truth in it, but many people draw the wrong conclusion from it. It is certainly true that the existing power structure in most large organizations in the U.S. consists of white males. For moral, social, and (most compelling to the business community) financial reasons, this power structure needs to be changed.

The problem comes when we believe that the white-male power structure should be overthrown and replaced by one or more groups of people defined by gender, race, or ethnicity. This action would simply mean replacing one group with another group. Promoting people of color, women, and minorities into positions of power does not automatically cause the benefits of diversity to suddenly spring forth. We can all think

of people we know or work with who are members of minority groups yet typify the cultural values of the current power structure, which in the U.S. is often white and male. Again, Margaret Thatcher and Clarence Thomas come to mind.

We should promote all people who have earned the right to promotion, regardless of race, gender, or ethnic heritage. But simply promoting people of color, women, and minorities does not ensure diversity in thought, behavior, or experience. The barriers to diversity in thought, behavior, or experience reside in the fundamental culture of the organization itself. An organization forms itself around common goals and quickly develops norms and values by which it simplifies and sustains its social existence; it forms a culture. This culture becomes a screen for membership and leadership. Regardless of race, gender, or ethnicity, many people can join and climb as long as they conform to the culture. The resulting organization is diverse in explicit ways, but is still inhospitable to differing views. Such an organization is not truly “valuing diversity.” Valuing diversity and gaining the diversity advantage have to do with far more than explicit indicators. The sooner we understand this, the sooner we can stop abusing white males and “celebrating” our differences and, instead, start creating workplaces in which individual diversity makes profound, positive contributions to our organizations.

### ***Myth 6: Diversity Is Affirmative Action for the Nineties***

Legally mandated affirmative action programs were and are appropriate responses to hiring practices that exclude capable, competent people from receiving equal opportunities in education and employment. The goal of affirmative action is to bring women and minorities into organizations and allow them opportunities to move up the corporate ladder. To this end, special hiring concessions and training programs have been developed to help both the newly hired women and minorities and the people who will manage them.

The goal of most affirmative action programs is assimilation. According to Dr. Roosevelt Thomas (1991, p. 17), president/founder of the American Institute for Managing Diversity, “Affirmative action has been the chief, often the exclusive, strategy for including and assimilating minorities and women into the corporate world.” When women and minorities do not “fit” into the corporate structure, managers usually offer special interventions to help “better equip” them to overcome obstacles to their assimilation.

The dilemma, however, appears to be balancing the assimilation objectives of affirmative action with the ability to capitalize on individual uniqueness, which is the objective of most diversity initiatives. “Because assimilating people want to fit in,” Dr. Thomas (1991, p. 8) says, “they focus on doing the expected or accommodating the norm, on playing it safe. They avoid offering suggestions that would make them stand out.” In other words, they suppress any innovative or creative ideas that are not part of the mainstream way of operating. Assimilation deliberately frustrates individual uniqueness.

Diversity initiatives, on the other hand, are designed to capitalize on the unique perspectives and experiences that every employee brings to the job. Seen in this light, diversity could become a strong benefit to the organization and a real aid to the aims of affirmative action. People could move up in the organization with less conformity and with a greater expression of the uniqueness through which they will contribute to accomplishing the organization's goals. Affirmative action programs have not been successful in fully enfranchising women and minorities in organizations because the organizations themselves have not been ready to receive them. Most organizations have not questioned the basic assumptions under which they operate, the very assumptions that produce the organizational cultures into which people are expected to assimilate.

It is not yet time to abandon affirmative action programs, but it is time to expand the perspective of what affirmative action is meant to accomplish. Diversity initiatives are not meant to replace affirmative action, but neither are they meant to enfranchise women and minorities exclusively. When properly instituted, diversity initiatives will enfranchise all employees, regardless of race, gender, or ethnicity.

## ***POWER, COGNITIVE CONFLICT, AND SUPERORDINATE GOALS***

### ***Power***

For most organizations, the tolerance of differences changes the way in which they use power. Formal authority has its ultimate source in the consent of the managed to the purpose for which the authority is used. This purpose is always related to how much authority is granted, to whom, and how it is used. The determination and continual reaffirmation of the organization's purpose is precisely where diversity of experience and perception has its greatest payoff.

"Why are we cooperating?" is the survival question of every organization. The best answer is the one that most appropriately prepares the organization to confront its changing environment of resources (including people), technologies, and markets. Diversity of knowledge and opinion is the only way to improve the organization's ability to answer its survival question.

But people who hold different opinions have historically been seen as disloyal, perhaps bordering on rebellious. Expressions of different values have been perceived by those in power as disapproval of their authority or disagreement with the stated purpose of the organization. People in positions of power often fear that people from different backgrounds will not be able to commit fully to the organization's purpose and, therefore, cannot be trusted to exercise authority appropriately. Only by recognizing that a diversity of perspectives is beneficial to organizations will authority be granted to people who express differing opinions.

The ability to create a culture in which diversity of knowledge and opinion is not just passively tolerated but is actively required is the key to organizational effectiveness. The preservation of diversity within the organization is the preservation of survival

options. As the relationship between survival and diversity proves itself, as it currently is through competition in the global market and all large regional markets, organizations begin changing their expectations of how authority should be exercised. Instead of valuing conformity (including racial, gender, and ethnic similarity) in the people who are given managerial authority, organizations begin valuing those whose expertise and experience are genuinely different. But difference will not be the only criterion for success.

### ***Cognitive Conflict***

Those who bring diverse perceptions to the decision-making process in organizations must also have certain skills of expression and persistence. They will have to listen as much as they talk. They will have to demonstrate understanding of positions different from their own. They will have to patiently persist in the expression of their own views until they are satisfied that they have been understood. In short, they will be valued for their skill at cognitive conflict, that is, at engaging in the decision-making process without insisting on agreement or conformity.

How does an organization function when agreement and conformity are not requirements of participation? And how is organizational tolerance of differences related to agreement and conformity? As previously mentioned, studies on group effectiveness have demonstrated that decision-making processes that value cognitive conflict lead to superior decisions. In a cognitive-conflict mode, people are under no obligation to change their positions or come into agreement with other positions. They respect their own and one another's intellectual integrity. And regardless of their disagreements, they treat their colleagues with respect.

They are, however, under obligation to reach resolution. A resolution can be thought of as a temporary organizational rule. Managers commit to explaining and enforcing the rule until it proves itself no longer effective in serving the organization's goals. They do not need to pretend to "believe" in the rule, nor must they expect anyone else to. The rule is appreciated as a tool, not as a commandment engraved in stone. Such temporary rules are important in order for the organization to take action from day to day, but they also must be seen as forever imperfect and in need of continual improvement.

This behavior of managers is sometimes called "disagree and commit"—a necessary skill in the exercise of authority in organizations that value and preserve diversity. It is the essence of what is meant by power exercised with tolerance. One organization that I know has so deeply integrated this notion of "disagree and commit" that people who sit passively in meetings, who do not ask questions, or who refuse to challenge colleagues soon find themselves on the outside. Diversity of values, beliefs, opinions, and knowledge is so prized that the organization has made cognitive conflict and "disagree and commit" integral components in how it runs every meeting and how it makes every decision.

The results? This organization of over twenty thousand people is one of the most successful firms in its industry and leads the market in launching new products and maintaining market share. It has attracted and retained a wide assortment of people with differing values, experiences, and opinions, who also happen to represent a wide range of races and ethnic heritages as well as both genders.

And it is an organization in which the best contributors in the field want to work. All systems are set up to reward achievement. Achievement within the organizational structure, regardless of race, gender, or ethnicity, is valued above all else. The purposes of the organization are clear to all employees, and all employees can voice their opinions about those purposes. As those purposes are all related to remaining number one in their industry (and breaking into new, related areas), people find it easy to support them. This commonality of purpose provides the foundation for the variety of approaches, suggestions, and solutions that are introduced daily.

This organization has learned that when organizational purposes become mutual goals that are shared by the work force, the goals tend to supersede individual differences that might interfere with their achievement.

### ***Superordinate Goals***

In my work I refer to the concept of all-encompassing mutual goals as “superordinate goals.” Superordinate goals serve a vital function in organizations. Working on superordinate goals is the most underutilized yet effective means of enabling people from different cultures, races, and genders to work together successfully while simultaneously reducing their levels of prejudice and stereotyping. Even if a group fails to achieve a superordinate goal, its members stand a good chance of viewing one another with less prejudice as a result of working together. And when different people are able to work together without the interference of prejudice or stereotyping, their participation and contributions will inevitably increase and will form the foundation from which a diversity of knowledge and opinions can be expressed. As already noted, a diversity of knowledge and opinions is the only way to improve an organization’s ability to answer its survival question.

## ***HOW TO PRESENT ALTERNATIVE VIEWPOINTS OF DIVERSITY***

### ***What To Watch for***

There are many challenges to presenting alternative viewpoints. Here are just a few of the situations that you may encounter:

1. *Lack of support.* Although there is a lot of emphasis on training as the preferred method for addressing diversity in organizations, training sessions will not help unless senior management is committed to creating an environment that supports and values individual differences. Without such support, training holds no value.

2. *People who want to concentrate on groups instead of each individual person's uniqueness.* If you decide to approach diversity beyond race, gender, and ethnic heritage and try to emphasize each person's uniqueness, you will encounter some people who want to speak solely as representatives of their groups and want to talk to other participants solely as representatives of their respective groups. They will not be pleased with your approach.
3. *People who want shortcuts for dealing with those from different cultural backgrounds.* These people will expect you to provide tips for getting along with and working with certain kinds of people or groups.
4. *People who are not interested in learning about their own assumptions and values.* Even if you explain to these people that the only way to begin exploring interpersonal differences is by gaining an awareness of one's own assumptions and values, they will not see the benefit of self-knowledge. Instead, they will want to begin immediately applying a system or model of diversity to their work situations.
5. *Affirmative action officers and diversity-training managers who have no real power to effect change.* These people's sole responsibility is to implement diversity training. In their organizations, diversity initiatives fall into the domain of training, human resources, or affirmative action—not the domain of organizational or cultural change. Given the magnitude of the diversity problems that most organizations are facing, your efforts with these people may feel like shouting into a hurricane.

### **What To Emphasize**

If you focus on the following three points, your efforts will remain headed in the right direction:

1. *Diversity cannot be defined simply by gender, race, or ethnic heritage.* It must include much deeper individual designations, such as basic assumptions and values, which can be shown to have a more direct impact on the organization.
2. *Organizations must be willing to tolerate beliefs, values, and styles of work that do not represent the status quo.* Only when diverse viewpoints are allowed to be constantly expressed and acted on will the organization benefit from diversity.
3. *Managing diversity is often a matter of uncovering opportunities for employees to work together on teams to achieve superordinate goals.*

### **Where To Begin**

To assist your organization's diversity initiative, begin by asking some hard questions:

1. *Why is my organization interested in the issue of diversity?* If the answer to this question relates to affirmative action goals, you have some serious work ahead of you in separating diversity from affirmative action. If the answer relates to an



initiative generated from the training, human resources, or affirmative action department, you have some serious work ahead of you in educating and enlisting the power brokers at the top of the organization. If the answer relates to enhanced business performance, then you are on your way.

2. *Is the diversity initiative being championed by someone at the top?* If the answer to this question is no, then you should consider finding such a champion and selling him or her on your diversity initiative before you commit time and money to the process.
3. *Does my organization have a long-term commitment to diversity?* A “long-term” commitment is at least five years. If the answer to this question is no, then be aware that the problem with any effort shorter than five years is that your short-term gains will fall apart over time. Managing diversity is a long-term process, not a year-long series of training programs. Short-term fixes not only do not work but also are detrimental to the organization’s effectiveness.
4. *What opportunities exist to create superordinate goals that are compelling to the employees and beneficial to the organization?* Forget trying to inspire employees to achieve the goals outlined in the company mission statement. Although the mission statement represents a superordinate goal, for most employees it is just a sign in the lunchroom or a plaque on the wall.

Superordinate goals that are compelling to employees are projects that they have some control over, that they can monitor the results of, and that they know make a difference to the success of the organization. The art of creating superordinate goal structures lies in selecting the project, selecting the team members, and then facilitating the process so that the team members have a chance to work together without impediments. The superordinate goal cannot be artificially contrived; it must relate to the organization’s effectiveness or performance.

Group members must be given latitude for expression and individual contribution. They should be rewarded for speaking up, for suggesting alternative solutions, and for challenging the status quo. They may need to be trained in cognitive conflict so that they have the skills and resources to tolerate conflict successfully.

Awareness of diversity (in the form of diverse views and values) can become an integrated part of all group facilitation. For example, diversity may constitute a regular item in a meeting checklist used to determine how well a group is functioning.

5. *Have I done my homework?* Become familiar with the trends in diversity training. Read some of the books and articles listed in the References and Bibliography section that follows. Know enough about diversity to dispute approaches that are unproved and could waste the organization’s money. Your efforts will be worthwhile, because a diverse work force is the greatest asset that any organization has—but only if the people in the organization are able to appreciate and empower those who are different from themselves.

## REFERENCES AND BIBLIOGRAPHY

- Allport, G.W. (1958). *The nature of prejudice*. New York: Doubleday-Anchor.
- Brown, R., & Turner, J.C. (1981). *Intergroup behavior*. Oxford, England: Blackwell.
- Dovidio, J.F., & Gaertner, S.L. (1986). *Prejudice, discrimination, and racism*. New York: Academic Press.
- Hamilton, D.L. (1979). A cognitive-attribitional analysis of stereotyping. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 12). New York: Academic Press.
- Johnston, W.B., & Packer, A.E. (1987). *Workforce 2000: Work and workers for the twenty-first century*. Indianapolis, IN: Hudson Institute.
- Miles, R. (1989). *Racism*. London: Routledge.
- Schlesinger, A.M. (1992). *The disuniting of America, reflections on a multicultural society*. New York: Norton.
- Sherif, M., & Sherif, C.W. (1969). *Social psychology*. New York: Harper and Row.
- Steele, S. (1990). *The content of our character*. New York: St. Martin's Press.
- Stephan, W.G. (1985). Intergroup relations. In G. Lindzey & E. Aronson (Eds.), *The handbook of social psychology* (3rd ed., Vol. 2, pp. 599-658). New York: Random House.
- Tajfel, H. (1982). *Social identity and intergroup relations*. Cambridge, England: Cambridge University Press.
- Taylor, S.E., Fiske S.T., Etcoff, N., & Ruderman, A. (1978). The categorical and contextual bases of person memory and stereotyping. *Journal of Personality and Social Psychology*, 36(7), 778-793.
- Thomas, R.R. (1991). *Beyond race and gender: Unleashing the power of your total work force by managing diversity*. New York: AMACOM.
- Thomas, R.R. (1990). From affirmative action to affirming diversity. *Harvard Business Review*, 68(2), 107-117.
- Worchel, S., & Austin, W. (1986). *Psychology of intergroup relations* (2nd ed.). Chicago: Nelson-Hall.

# ■ THE CHANGING FACE OF POWER: HOW CAN CONSULTANTS PREPARE TO HELP MANAGERS THROUGH THE POWER SHIFT?

**Linne Bourget**

*Abstract:* The power structure in today's organizations is beginning to shift from the "old" control style to a more collaborative style. Many leaders and managers are experiencing difficulty with this shift, and it is up to consultants to help them through this change.

This article explores some of the myths related to power and how these myths are inhibiting the power shift. The concept of role clarity is introduced as central to a consultant's ability to assist a client during such a power shift.

The exciting shift from authoritarian, top-down power structures to more collaborative, team-related forms of power has raised perplexing issues and questions for leaders and consultants. This article examines myths and realities about power and the significance of role clarity for managers and internal and external consultants. It also offers perspectives and raises questions that consultants and managers need to explore as they work together to make this shift successfully.

## **MYTHS AND REALITIES**

One myth bedeviling the shift of power in organizations is that power is bad. Although people are beginning to believe otherwise, role models of people who have a high degree of power and exhibit a high level of caring are still rare.

Power is simply applied energy; it is constructive or destructive depending on how it is used. Constructive power is the energy to get things done. Clearly leaders, employees, and consultants must use constructive power to accomplish major changes in organizations. There is a great need for leaders and consultants who are comfortable with power, who use it wisely, and who do not abdicate their responsibilities.

Power used wisely provides others with reassurance and steadiness and frees up energy for making key changes. The shifting of roles and power structures does not justify abdicating power. The failure to use power is perceived as a lack of leadership skills, and it causes great anxiety during change. I have seen as much needless suffering in organizations from the underuse of power as I have from its overuse.

A second myth is that leaders lose power when they give up the control style. Actually, leaders who rely solely on authoritarianism are rapidly losing the power to make effective change. It is more accurate to say that leaders are changing forms of

---

Originally published in *The 1996 Annual: Volume 2, Consulting* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

power, rather than losing power itself. Because of the increasing demand for collaborative power, more power is available in making this shift than in not doing so.

A third myth is that directive power (clear delegation of tasks without the fear-based authoritarian trappings) is no longer welcome because it is too much like the “old school.” Not true. In a transition, people hunger for leaders who can be directive and decisive while also empowering others to act.

## **THE NEW HYBRIDS**

The transition process from authoritarian to collaborative power is a new phenomenon and thus can make for awkward situations. Sometimes hybrids of the two kinds of power appear. These hybrids are to be expected in a major transition without precedent, yet they can be upsetting to those involved. For example, a senior executive set up a team to solve a problem, rejected the team’s solutions, and then used her own ideas. This outcome was upsetting and disempowering to team members and weakened the executive’s credibility.

A more positive example of hybrid power stems from my first quality-improvement project with a client manager in a computer company. This manager had requested a quality-circle approach to making some much-needed changes in his financial operation. About fifteen minutes into our first meeting, I smiled and said, “I understand your management style; you are rigidly participative.” He beamed and said, “Good, you do understand me. We’ll work well together.”

He insisted that his staff become more participative, take more responsibility, and make more decisions. He was also willing to let go of some of his power, even though doing so was a challenge for him.

Although insisting on participation seems paradoxical, the project was a great success. The manager knew what was necessary for success, and he was very straightforward about his own role and the difficulties involved in the power shift. He knew that in giving up one form of power and control, he would end up with a different form of power that would unleash his staff’s potential and free him for other things. The team members faced some tough moments but were proud and pleased with their success—and rightly so.

Even with the increasing use of consulting services, change leaders and managers may not know how to use consulting skills most effectively. Consultants need to coach leaders and managers on how to best use consulting services. Aspects of consulting that will be most helpful for the client’s situation can be highlighted. This coaching is even more important when clients are working through the power shift and are uncertain, confused, and stressed.

Changes in the leadership role because of the power shift necessitate changes in the consultants’ roles. For example, consultants must be more up-front about their own power and roles, rather than expecting clients to know which consulting services they

should use. Consultants must not only explain their roles in detail before projects start but also remind clients of these roles periodically during projects.

## **ROLE CLARITY AND CONSULTANTS' POWER**

When working with clients who are making the shift from authoritarian to collaborative forms of power, the consultant will find that role clarity is a key source of power. To achieve such clarity, a consultant must first be clear about his or her personal mission, vision, and purpose. This clarity gives a consultant the power of self-awareness and thus the ability to model more effectively for client managers.

Role modeling the use of power based on inner clarity is a core skill for consultants and is essential in helping clients make it through this challenging shift. Client managers need to be shown how to let go of control, and both managers and nonmanagerial personnel need to be shown how to take responsibility for their choices.

To be clear on the consulting role means being at peace with operating as a consultant. This is a decision I have made and reconfirmed several times. As an external, independent consultant, I have survived temptations and challenges to my decision and have still held my ground. Like many of you, I have been offered other options, chances to pursue an executive career, to be an internal consultant, to be a senior partner in a consulting firm, or to grow my own firm into a larger operation.

In all cases, though, I decided to retain the role I had originally adopted. Because I am at peace with how my external consulting role expresses constructive power, I know that I can reach more people—and enjoy myself more—by operating independently and bringing in colleagues when needed as project associates.

To be helpful to clients in times of changing power, a consultant must first be at peace with his or her choice of roles; otherwise part of the consultant's awareness and energy will be tied up in internal conflict. It is best to honor oneself by choosing the role that feels right, that makes one feel most “at home.”

Each consultant role expresses different types of power, for example, decision making, recommending, creating options, collaborating, delegating, and so on. To be able to model serenity for clients during a time of change is an enormous contribution. If a consultant reveals inner conflict, that feeling will ripple through the client's organization, causing more anxiety. The job of the consultant is to lower anxiety, not to raise it.

## **POWER AND ROLE CLARITY: QUESTIONS FOR REFLECTION**

The following questions may help consultants and client managers clarify their approaches to power and roles:

1. How comfortable are you with your own power? What issues do you need to clear up in order to be clear and comfortable?
2. Who are your role models for the constructive use of power?

3. What did/do these role models give you that is helpful? What do you see that is not helpful?
4. For what aspects of power do you have no role models? What habits have you adopted in their absence? How well do these habits work for you?
5. What would it look like if you used your power with confidence and were comfortable with that power?
6. What fulfilling avenues for expressing power does your current role allow?
7. What fulfilling aspects of power are not included in your current role? How important are they to you?
8. What is your ideal role and use of constructive power? What are the issues to be resolved on the way to living your ideal?

These are challenging questions, and answering them requires a great deal of reflection. The power shift discussed in this paper is a global issue deserving significant consideration, and the answers are different for each person. Before using these questions with clients, a consultant should be sure to answer them for himself or herself in order to be able to speak to the issues that arise in the process. Careful, continual two-way clarification of expectations is essential between clients and consultants and between managers and their employees. The more personal clarity a consultant brings to the process, the more he or she can help; the less clarity a consultant brings, the more he or she hinders.

### ***AN INDEPENDENT PERSPECTIVE***

Consultants can and should “roll up their sleeves” and truly participate in the implementation of a power shift, for the issues involved require frequent intervention. Yet consultants need to maintain objectivity in order to provide a larger perspective. For internal consultants, it is important to work outside of the immediate reporting structure at least part of the time, to keep from being co-opted by the culture there. Norms and cultures are powerful—they can shift a person’s thinking before he or she realizes it. When possible, swapping assignments with other internal consultants and debriefing afterward may be helpful.

It is a consultant’s responsibility to provide an expert viewpoint that is independent of the organizational culture. Keeping this aspect of the role clear strengthens a consultant’s power as a role model and reassures the client of the consultant’s objectivity.

### ***ROLE CLARITY AND ADVOCACY CONSULTING***

The power of combining role clarity with advocacy consulting represents a key skill-set to model for clients. The power that comes from role clarity about living out an organization’s vision lies at the heart of successful transformation from authoritarian to

collaborative power. Advocacy consulting means that I stand for certain things. Not all behavior is acceptable. I set limits and encourage clients to do so. People need norms and guidelines to create change processes that do not damage or destroy. I have found that norms and guidelines are needed more when the environment is characterized by high levels of confusion and uncertainty. Assume, for example, that an organization's senior executives know that verbal attacks and put-downs are not permitted. Establishing this norm not only helps them to build trust throughout the organization but also encourages them to adopt the norm themselves.

### **ADVOCATING AND LETTING GO: A BALANCE OF POWER**

With power issues, I use frequent process observation and feedback, letting the client organization see how it is using "old" or "new" power and its various hybrid forms. I recommend how to proceed, explaining the reasons behind my advice. Then I let go and trust that the client will make the appropriate decision. Consequences of alternative decisions are explored. If an issue is not raised, I raise it. I am clear that I can ask for decisions to be made and can influence those decisions, but I do not make them.

This clarity frees me to make my interventions more powerful. As clients know I will not intrude on their decision making, I can recommend a course of action without worrying about taking over their process. When I serve as an advocate in a client's business decision, I make recommendations, sometimes strong ones, in addition to consulting and facilitating. Rarely have executives tried to get me to make their decisions, but when they have, I have maintained role clarity, restated my recommendation, and reiterated that the decision is theirs. In a few cases when clients have been reluctant to move forward on decisions, I have honored their concerns while helping them arrive at and communicate decisions.

An issue closely related to the power shift is learning when to let go and when to intervene to make things happen. Consultants can advocate, yet they always need to be willing to let go of their own ideas and be open to better ones. A consultant's ideas may add value by catalyzing others' ideas as well as by providing final solutions. In one client meeting I withdrew my idea after I heard a better one from a team member, explaining that I thought her idea was superior. To my surprise, a shocked silence pervaded the room. When I asked why, team members said that they couldn't believe I had relinquished my idea so easily. I said that my top priority was the best solution for them, regardless of the source.

It turned out that their habit was to fight doggedly for their own ideas simply because those ideas were theirs. This misuse of power can keep people from generating the best solutions and create unnecessary suffering. The cost of this struggle is very high at a time when competitive advantage derives from diverse input into solutions. Constructive power involves getting satisfaction from the best solution, not just from one's own contributions.



Leaders embracing the new power recognize that they are not just giving up the old power; they are developing new forms of power that are better than the old forms because times have changed. Each type of power has costs and benefits; as culture changes over time, those costs and benefits shift in importance and value. For example, the original benefit of authoritarian power—keeping people in line—is now regarded negatively.

A key indicator of the power shift is the acknowledgment that the function of supporting and sparking others' ideas is as important as generating one's own ideas.

## **SKILLS**

Several skills are required to use collaborative power effectively:

1. *Positive listening*: Listening for the good news, not just for the problems;
2. *Managing by strengths*: Focusing on the strengths each employee uses, not just on weaknesses;
3. *Specific positive feedback*: Developing employees to their highest performance potential by emphasizing their specific positive characteristics;
4. *Connecting*: Responding and providing feedback to others' input so that they perceive you as connecting with them quickly. This level of dialogue goes far beyond "You share your news, and I'll share mine";
5. *Specific negative feedback*: Providing negative feedback based on employees' specific behaviors, not based on their general weaknesses; and
6. *Enjoying diversity*: Expressing genuine interest in others different from oneself.

## **SUMMARY**

The planet-wide shift from authoritarian to collaborative power is a complex issue facing nearly every change leader and consultant. A consultant must be clear about his or her role, choose a role that fits, and be at peace with his or her own power and role before being able to help leaders, managers, and employees make this power shift in a healthy way. Combining advocacy consulting with letting go and trusting clients to make the right choice are additional keys to facilitating this shift.



## ■ THE “SHOULDIST” MANAGER

### Stanley M. Herman

An individual may experience his or her world and communicate his or her experiences in different ways. Gestalt theory contrasts three of these ways: *Aboutism*, *Shouldism*, and *Isism*. In the approach called Aboutism, the individual abstracts his or her contact with the environment and *talks about* his or her life instead of *experiencing* it here and now.

Shouldism is another way of experiencing life. A person who is “shoulding” continually measures his or her actions and thoughts against a particular mental set of standards, in an attempt to conform to the image he or she holds of himself or herself.

Yet another approach, in direct contrast to Shouldism, is Isism. In this approach, the individual tries to become as aware as possible of his or her own feelings (whatever they may be) and to act accordingly. The “is-istic” mode values spontaneity, naturalness, and freedom, in contrast to Shouldism’s deliberation, good manners, and self-control.

All of these concepts apply, of course, to organizational life as they do to most other areas of our lives. Shouldism, particularly, often affects managers in special ways. A person may have a set of ideas about proper managerial behavior—“how I ought to act as a manager”—gathered from a number of sources.

For example, a formal, prescribed set of rules may be provided by the organization. In some companies, these rules may deal not only with situations at work but also with personal conduct off the job. Usually, however, the manager’s “shoulds” are accumulated from other sources as well—his or her sense of the traditions of good management, his or her observations (which may be incomplete or distorted) of senior managers, and a stereotype of the executive. Or the manager may have gathered a set of shoulds from a management training program. (Such a program, incidentally, often includes the rules of appropriate interpersonal behavior learned in human relations training sessions.)

However, the *shoulds* have been acquired, the manager combines these with a personal way of behaving that he or she has been developing since infancy into an elaborate system of what he or she thinks is acceptable behavior. In other words, the manager restricts his or her way of experiencing and reacting to the world. The person becomes inhibited and does not allow himself or herself to be spontaneous, to be real, to live in the is-istic mode. Subordinates model their behavior on the manager’s, and another generation of “shouldist” managers results.

---

Originally published in *The 1974 Annual Handbook for Group Facilitators* by J. William Pfeiffer & John E. Jones (Eds.), San Diego, CA: Pfeiffer & Company.

For a number of decades, the emphasis in organizations has been on planning and control. Of course, the complexity of present-day organizational requirements demands planned action, and this has been a largely successful approach to organizational needs. However, the emphasis on deliberation and planning often has been carried to the point of insisting on moderated and predictable behavior. Indeed, one of the more radical proposals anyone dealing with organizational theory could make today would be to increase spontaneity in organizations.

This emphasis on control has had its costs: a decrease in spontaneity and excitement, an inability to enjoy. In stressing shouldist aims, the values of Isism have been neglected.

In their attempt to find a “better way” of dealing with people, managerial training programs—especially those that are human relations oriented—try to prescribe certain managerial principles for effective and positive relationships with subordinates, supervisors, and peers.

Often—probably far too often—these programs set up a model of “*the* best manager” and try to shape managers to that model. This can have unfortunate results. Many of the managers being trained may simply not relate to the principles implicit in the model except as theoretical information.

Often, however, a manager may attempt to behave in the prescribed way without having accepted or even recognized the values behind such behavior. The result, of course, is incongruous and it will be quickly perceived as such by the people with whom the manager deals. If the manager finds that he or she is not rewarded with the improved performances or better relationships that were anticipated, he or she may, out of a sense of failure, reject human relations theories altogether.

Many managers interpret such theories as manipulative in purpose. Their idea of human relations is “to get people to do what you want them to do, but to make them think it was their idea.”

However, the manager bent on manipulation will discover, as Lincoln said, that “you can fool all of the people some of the time and some of the people all of the time, but you can’t fool all of the people all of the time.” A manager simply encounters the people he or she works with too frequently and in too many different situations for manipulative strategies to be truly effective.

Most behavioral science theoreticians would, of course, renounce manipulation as a goal. Nevertheless, many theoreticians do not fully recognize an important fact: When an individual follows *any* set of principles that he or she has not integrated into his or her own character, that individual is being manipulated—even if it is only self-manipulation. In fact, self-manipulation may be the most subtle and the most limiting form of manipulation. If you act in certain ways because you think it is “appropriate” or “effective”, you are not being “yourself” but are following an image of what you think you *should* be.

Even when a manager is actually convinced, after extensive human relations training, that it is better to treat people according to Theory Y than Theory X, and

“changes” his or her behavior accordingly, self-manipulation may still be present. The manager may be spending considerable amounts of energy trying to repress his or her natural behavior in favor of a more “effective” approach. As indicated before, under such circumstances the manager is unlikely to achieve successful results and may soon revert to his or her old behavior patterns.

This does not mean that a manager cannot be helped to learn various techniques and approaches for specific tasks such as running a meeting, organizing work to be done, sensing what is happening among subordinates, and so on. First, however, the manager must understand himself or herself and his or her own particular behavioral characteristics. Then the manager can learn to adapt helpful techniques to fit his or her own character, rather than adapt his or her character to fit the techniques.

After all, it is obvious that successful and well-liked managers may differ tremendously in their personal styles and approaches. This is true at every level of management, in every industry, and even in the same company in the case of managers who succeed one another on the same job. A manager is not wholly defined by what he or she says or how he or she acts in a given situation at a specific time to achieve a particular purpose. The manager is also what he or she is seen to be by others in unplanned moments, at ease or under stress, when his or her guard is down.

Just as most of us appreciate a variety of people, with often contradictory characteristics, so we react toward a manager not merely in terms of the way he or she exercises the managerial role, but also in terms of his or her entire character and outlook.

If a manager’s authentic, individual style turns out not to be well-suited to a managerial role, then the manager ought to consider changing his or her specialty. Such a shift would probably be most satisfactory not only for those the manager deals with but also for the “shouldist” manager’s own self-esteem and personal satisfaction.

The contrast between the Gestalt concepts of Shouldism and Isism is clear. In organizational life—and the manager’s role, particularly—there might well be a renewed emphasis on the spontaneous values of Isism.

## ■ MANAGING SUPERVISORY TRANSITION

**Raymond J. Zigel**

Turnover in managerial or supervisory positions is a fact of life in our society. This type of transition, when unmanaged, produces effects that are well known to those who have experienced the situation: a short-range orientation, role ambiguity, reduction in openness of communication, jockeying for position, and a general lack of knowledge about the future of the organization and relationships. These common problems as well as others lead to reduced performance.

Organizations deal with managerial transition in a variety of ways. Many simply let it happen and accept the cost as a natural part of doing business; others manage it in order to reduce the cost to the organization and to maintain stability. This article addresses a consultant-facilitated method of managing supervisory transition that has been in use for over four years and has become an effective, routine practice in a department of the Federal government.<sup>1</sup>

### **THE SITUATION**

Once a change in managers is announced, organizational processes are affected. The outgoing manager focuses his or her attention more on what has to be done before the departure and less on future activities, more on task-related behaviors and less on relationship behaviors. Communication is reduced, and decisions tend either to be made very quickly with limited consultation or to be delayed until the new manager assumes authority. As the date of departure approaches, the outgoing manager becomes more and more preoccupied with his or her new position and personal concerns; however, when that day arrives, he or she becomes concerned about the future of the organization and the subordinates. In fact, the outgoing manager may be beset with contradictory feelings about how well he or she wants the new manager to perform.

Throughout this period, the subordinates develop anxiety about what will happen to them and the organization. They sense changes in their relationships and involvement with the outgoing manager as well as the creation of a vacuum because of the manager's withdrawal. Frustration builds regarding decision making, and concerns about the future are heightened. As the change of managers approaches, the subordinates tend to become increasingly cautious, anxious about the shift of power, and concerned with their own

---

Originally published in *The 1983 Annual for Facilitators, Trainers, and Consultants* by Leonard D. Goodstein & J. William Pfeiffer (Eds.), San Diego, CA: Pfeiffer & Company.

<sup>1</sup> The basic idea for this approach is not the author's. It is, rather, the product of learnings derived from a number of consultants and academicians. Michael D. Mitchell of Chico State College and Gerald D. Pike of Signetics Corporation provided the major content.

positions and prerogatives. If the new manager is unknown to them or if he or she is known to be different from the outgoing manager, their anxiety is even greater.

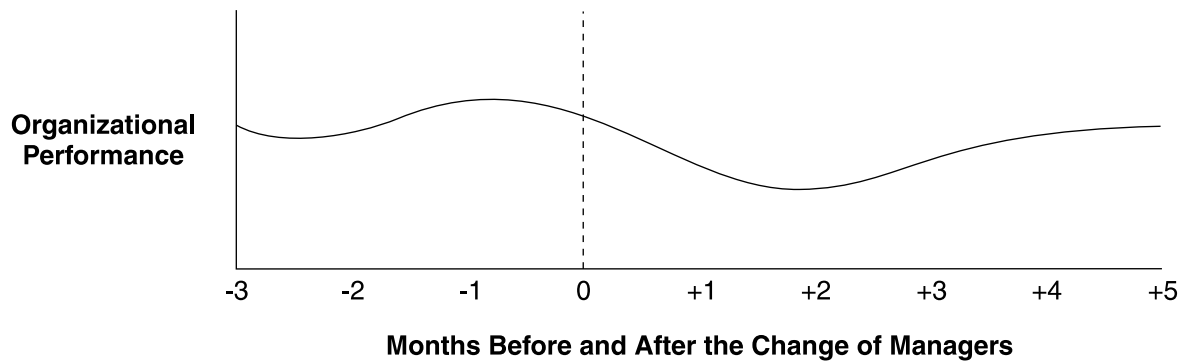
After the new manager has taken control, the processes of the organization adjust slowly. The new manager may be insufficiently informed about substantive matters and, therefore, unable to make decisions. Also, he or she may not know the subordinates well enough to rely on them for information and advice. As a result, decisions often are made slowly and painfully. The manager's focus is short ranged; efforts are geared toward learning what must be done to supervise the most immediate and pressing operations. Consequently, task-related behaviors assume primary importance, and relationship behaviors are limited. In the meantime, the subordinates look for clues as to what the new manager's wants and idiosyncrasies might be, what he or she thinks is important, and how he or she wants to operate. The results of these developments are a reduction in communication and a continuance of the already-reduced organizational performance.

Figure 1 was designed to illustrate data derived from interviews with government personnel involved in unmanaged transitions. As interpreted in this figure, a small dip in performance was usually evident at approximately two and one-half months before the managerial change; it was at this point that those interviewed were informed of the upcoming transition. Subsequently, a surge in performance generally occurred as the outgoing manager sought to accomplish as much as possible before leaving. Then, with increasing proximity to the date of leaving, performance dropped. The interview data indicate that the total period of reduced performance is four to six months. In some organizations this may be acceptable; in most it probably is not.

In the department of the Federal government from which the interview data were derived and in which managers habitually changed every eighteen to twenty-four months, the loss of continuity and waste of resources were determined to be unacceptable. To counter these problems and attempt to lessen the impact of managerial change, the department adapted and employed a meeting design that was originally developed and published by Mitchell (1976, 1977). The consultant-facilitated "transition meeting," as it is known, has been found to be highly effective in this department and in private enterprise as well. It may be used in almost any transitional situation, although it is most profitable when the level of anxiety experienced by the incoming manager and/or the subordinates is high.

## **IMPLEMENTATION**

The basic design is essentially the same as that of the team-building meeting proposed by Reilly and Jones (1974). One major addition is the inclusion of an evaluative measure for the meeting itself and one for the organization in which the meeting is conducted. Implementation of the design is accomplished in three phases: prework, the actual meeting, and follow-up.



**Figure 1. Example of the Impact of Managerial Change on Organizational Performance**

### ***Prework***

Generally, the consultant's first step is to contact the outgoing manager when the departure is announced. The concept for the procedure is discussed, and the outgoing manager is asked whether the meeting would be appropriate. If the manager supports the proposal and is willing to be involved in the meeting, he or she is questioned concerning hopes and fears for the transition and the organization. If the manager is unwilling or unable to attend, he or she is asked to introduce the idea to the incoming manager and to make suggestions regarding who should attend.

Subsequently, the incoming manager is introduced to the concept, invited to express views toward it, and then asked to decide whether he or she supports the idea. It should be made clear that this decision should not be considered final until all subordinates have been interviewed and the needs of the organization have been identified. However, the incoming manager's support is critical; without it, the project cannot succeed.

The next step is to interview the subordinates for the purpose of introducing them to the meeting agenda, advising them about what they will be asked to do, and eliciting their hopes and fears for the transition and the organization. These interviews can be conducted individually or as group-sensing sessions. In either case, at the conclusion of the process, the consultant should administer assessment instruments (Figures 2 and 3) to evaluate the status of essential organizational processes and each individual's understanding of the transition meeting. Outcomes of the interviews should be a reduction of anxiety about the meeting, a positive attitude toward the meeting, and an identification of the major issues that should be addressed during the meeting.

The consultant reviews the information contributed by the outgoing manager and the subordinates, revises the basic agenda as necessary to meet the organization's needs, and presents the revised agenda to the incoming manager. At this point, the major issues that are likely to be brought up should be discussed. If some of these issues are determined to be inappropriate to the meeting, the incoming manager must be advised and means of dealing with the issues developed. As a final step, the consultant should coach the incoming manager and the outgoing manager, if he or she plans to attend, regarding their involvement in the meeting and the types of behavior that will make the

meeting most productive. For the incoming manager, beneficial behaviors include active listening, encouraging openness, and resisting the urges to pontificate or to make decisions under pressure; for the outgoing manager, they normally include active listening, encouraging openness, and guarding against defensiveness.

### Organizational-Status Assessment

For each of the statements below, circle the number that indicates the degree to which that statement is true for you.

**Scoring Key:**

- 1-Not at all
- 2-Very little
- 3-Undecided
- 4-Somewhat
- 5-A great deal

1. The information that I receive through formal channels is generally accurate.	1	2	3	4	5
2. I obtain all of the information that I need about what is happening in other sections of the organization.	1	2	3	4	5
3. I feel that decisions are made in this organization at the level at which the most adequate information is available.	1	2	3	4	5
4. I feel that decisions are made in this organization after obtaining information from those who actually do the jobs involved.	1	2	3	4	5
5. I have a clear understanding of the major priorities and goals of this organization.	1	2	3	4	5
6. My coworkers understand the major priorities and goals of this organization.	1	2	3	4	5
7. I believe that this organization has a plan for the achievement of its stated goals.	1	2	3	4	5
8. I believe that work priorities are established in accordance with the organization's objectives.	1	2	3	4	5
9. I recognize and understand the concerns and expectations of my coworkers.	1	2	3	4	5
10. I recognize and understand the concerns and expectations of my supervisor.	1	2	3	4	5
11. My supervisor and coworkers are aware of my concerns and expectations.	1	2	3	4	5

**Figure 2. Organizational-Status Assessment<sup>2</sup>**

---

<sup>2</sup> The items in this instrument were adapted from the following sources: William G. Dyer, *Team Building*, © 1977 by Addison-Wesley Publishing Company, Inc., p. 54; U.S. Army Organizational Effectiveness Training Center, *General Organizational Questionnaire Manual*, 1976, U.S. Army, Fort Ord, CA. Used with permission.

### Premeeting Assessment

For each of the statements below, circle the number that indicates the degree to which that statement is true for you.

**Scoring Key:**

- 1-Not at all
- 2-Very little
- 3-Undecided
- 4-Somewhat
- 5-A great deal

1. I understand the purpose of the transition meeting.	1	2	3	4	5
2. I am confident that this meeting will help everyone to adjust to the new manager.	1	2	3	4	5
3. I believe that everyone could adjust to the new manager as quickly without a meeting like this.	1	2	3	4	5
4. I want to be involved in the meeting.	1	2	3	4	5
5. I believe that the others designated to attend will want to be involved.	1	2	3	4	5
6. During the meeting I will be willing to discuss openly my real concerns about the change of managers.	1	2	3	4	5
7. I believe that during the meeting the others designated to attend will be willing to discuss openly their real concerns about the change.	1	2	3	4	5
8. I believe that the meeting will help the new manager to achieve a better understanding of the organization.	1	2	3	4	5
9. I believe that the meeting will help those who attend to achieve a better understanding of the new manager.	1	2	3	4	5

**Figure 3. Premeeting Assessment<sup>3</sup>**

### ***The Meeting***

Objectives selected for the meeting must be appropriate for the group involved. The following ones are standard and are applicable to most transition meetings:

- Get acquainted;
- Clarify concerns and expectations;
- Reach a clear and shared understanding of the major priorities and goals of the organization for the next six to nine months;
- Determine what needs to be done to manage the transition; and
- Plan how to do it.

---

<sup>3</sup> The items in this instrument were adapted from the following sources: William G. Dyer, *Team Building*, © 1977 by Addison-Wesley Publishing Company, Inc., p. 54; U.S. Army Organizational Effectiveness Training Center, *General Organizational Questionnaire Manual*, 1976, U.S. Army, Fort Ord, CA. Used with permission.



The paragraphs that follow present an agenda that addresses these objectives.

### *Introduction and Get-Acquainted Period*

Opening remarks are made either by the outgoing manager, if he or she is present, or by the incoming manager. The remarks are brief and address the manager's hopes for the meeting as well as the norms to be followed. If the outgoing manager makes these remarks, the incoming manager should follow with comments indicating support of the desired outcomes and norms. Subsequently, the consultant reviews the meeting objectives and the agenda and then asks the group members to voice their expectations so that any disparity between goals can be dealt with before proceeding.

The next step, a get-acquainted activity, can take any of several forms depending on the participants, how well they know one another, and their willingness to take risks. The consultant should use procedures that are acceptable to the participants but that lead to the establishment of openness and risk taking as acceptable norms. A common procedure is to ask each person to introduce himself or herself by completing the following statements:

- I am . . .
- My chief responsibility is . . .
- The word that best describes me as a person is . . .
- The word that best describes me on the job is . . .
- My chief strengths as a person are . . .
- My chief weakness as a person is . . .
- My morale on the job is . . .
- The way I feel about this meeting is . . .

Normally, the outgoing manager introduces himself or herself first; then the key subordinates and, finally, the incoming manager do the same.

### *Identification of Issues and Concerns*

If the data obtained from the prework are to be published, this segment of the meeting begins with publication of those data. If not, the group members are asked to develop lists of important issues and concerns regarding the transition and the organization. This task can be completed individually or in small groups. Individual work generally produces greater ownership of the data, greater risk taking, and larger amounts of data; small-group work involves less risk and produces data in more manageable proportions. Each participant (or small-group representative) spends one or two minutes presenting his or her list (or the small group's list) to the entire group. After each sharing, the participants are allowed to ask questions for clarification only.

After all data have been published, posted, and clarified, the members are encouraged to speak about the issues that are important to them. During the discussion, the consultant should facilitate carefully to ensure that the crucial issues are covered sufficiently, that the discussion is not dominated by anyone, that it focuses on problem definition, and that the desired norms are followed. After the major issues have emerged, the consultant helps the participants to establish the priority of these issues.

### *Goal Setting*

For this activity, the consultant asks each member to develop a list of goals for the total organization, for his or her department or immediate area, and for himself or herself. Subsequently, each list is presented to the total group and posted; the outgoing manager makes the first presentation and is followed by each subordinate and then the incoming manager. Again, only questions and requests for clarification are permitted.

After all goals have been presented and clarified, an open discussion is focused on organizational goals and continues until the major ones have been identified adequately. Then the priority of these goals is established, primarily for the benefit of the incoming manager. If the organization has an established management-by-objectives (MBO) program, the objectives of that program should be considered and may even serve as the basis for this discussion.

At the completion of the discussion, the outgoing manager should depart from the meeting. It is at this point that the incoming manager begins to take a more active and directive role in the meeting.

### *Transition Issues*

The participants are asked to review the data posted thus far and individually to determine which issues and concerns relate specifically to the transition. In an open session or in small groups, the members then publish, clarify, and discuss these issues and determine their priority. Finally, the new manager selects those items for which he or she would like actions to be planned.

### *Action Planning*

Action planning usually is accomplished in small groups, with each group working on a different issue or set of issues. This process is most effective when the groups are allowed to choose their own assignments. During planning, the new manager moves from group to group, providing guidance and information as appropriate. The desired outcome of this activity is a list of actions in which everyone, including the incoming manager, takes part in order to facilitate the transition. These actions should be specific and should include timetables or milestones as well as clearly defined responsibilities.

## *Closure*

The final segment of the meeting focuses on the new manager, who is given an opportunity to respond to what has happened during the meeting, to state his or her expectations regarding the functions of the subordinates, and to explain his or her personal way of doing business. Also, this is an excellent time for the new manager to address the ways in which his or her behavior and expectations differ from those of the outgoing manager. This portion of the agenda is most useful when the manager allows the subordinates to ask questions and make comments.

To conclude the session, the manager and the consultant should review the objectives and the agenda to determine whether the meeting has been successful; then the meeting is adjourned by the manager.

## ***Follow-Up***

Within a day or two, the consultant should meet with the new manager to review the meeting and its outcomes. Both process and content should be discussed to ensure that the manager receives maximum benefit from the meeting. The discussion should include a review of action plans, commitments made by the manager, and any coaching on future managerial behavior that seems appropriate.

Approximately two weeks later, the assessment instruments that appear as Figures 2 and 4 should be administered to all the subordinates; subsequently, six to eight weeks after the meeting, the subordinates are again asked to complete the instrument shown as Figure 2. After all resulting data have been compiled, the consultant and the manager discuss the implications of these data. Variations in responses to the Organizational-Status Assessment (Figure 2) can indicate the effect of the meeting on key processes. When considered in total, the instrument results provide not only a tool for measuring the utility of the meeting but also a basis for future actions to be taken by the manager. They also provide a beneficial side effect by focusing people's attention on key processes during the transition period.

## ***CONSULTANT CONSIDERATIONS***

The following issues merit the consultant's special consideration:

1. *The Timing of the Meeting.* Experience shows that the meeting is most effective when conducted on or near the actual date of the managerial change. At this point the new manager does not own any of the specific problems involved and has maximum flexibility. The subordinates recognize these factors and feel relatively free to discuss issues in the hope of having an early impact on the manager. If the meeting cannot be conducted until later, the new manager may be more a part of the problem and may have established his or her own method of operation that people feel unwilling to address. If the session is conducted more than thirty days after the change, it becomes something other than a transition meeting.

## Postmeeting Assessment

For each of the following statements, circle the number that indicates the degree to which that statement is true for you.

### Scoring Key:

- 1-Not at all
- 2-Very little
- 3-Undecided
- 4-Somewhat
- 5-A great deal

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| 1. I feel that the transition meeting accomplished its stated objectives.   | 1 | 2 | 3 | 4 | 5 |
| 2. The meeting helped me to adjust to the new manager.  | 1 | 2 | 3 | 4 | 5 |
| 3. I believe that I could have adjusted to the new manager as quickly without the meeting.                        | 1 | 2 | 3 | 4 | 5 |
| 4. The time I spent in the meeting was well spent.  | 1 | 2 | 3 | 4 | 5 |
| 5. I believe that the others who attended the meeting wanted to be involved.                                      | 1 | 2 | 3 | 4 | 5 |
| 6. During the meeting I discussed my real concerns about the change of managers.                                  | 1 | 2 | 3 | 4 | 5 |
| 7. I believe that the others who attended the meeting discussed their real concerns.                              | 1 | 2 | 3 | 4 | 5 |
| 8. I believe that the new manager gained a better understanding of the organization as a result of the meeting.   | 1 | 2 | 3 | 4 | 5 |
| 9. I believe that those who attended gained a better understanding of the new manager as a result of the meeting. | 1 | 2 | 3 | 4 | 5 |
| 10. I believe that a meeting of this type should be conducted for every change of managers.                       | 1 | 2 | 3 | 4 | 5 |

Complete each item below:

11. The most obvious result of the meeting was:
12. The most valuable part of the meeting for me was:
13. The least valuable part of the meeting for me was:
14. If the meeting were to be conducted in this organization again, something that I think should be changed is:

### Figure 4. Postmeeting Assessment<sup>4</sup>

*2. The Length and Design Components of the Meeting.* These components are extremely flexible. The minimum time for a productive meeting seems to be about four hours, which allows for introductory activities, identification of issues and concerns, and

---

<sup>4</sup> The items in this instrument were adapted from the following sources: William G. Dyer, *Team Building*, © 1977 by Addison-Wesley Publishing Company, Inc., p. 54; U.S. Army Organizational Effectiveness Training Center, *General Organizational Questionnaire Manual*, 1976, U.S. Army, Fort Ord, CA. Used with permission.

the new manager's closing remarks. However, the optimal length for most organizations is one to one and one-half days, which accommodates each of the suggested design components and has proven to be most productive for organizations that are unaccustomed to organization development (OD) activities. For organizations with previous OD experience, the meeting can be extended and more emphasis placed on action planning, role clarification, or team-building activities.

3. *The Outgoing Manager's Level of Involvement.* This matter must be carefully considered when designing and conducting the meeting. If the outgoing manager chooses to attend, he or she may find the meeting threatening and may be defensive when criticism of current operations arises. If the relationship between the subordinates and their outgoing manager is even marginally good or better, the subordinates may edit their comments so that the manager will leave feeling good. The end result may be a limiting of subordinates' openness and domination of the group by the outgoing manager. However, if the group has had previous experience with OD activities and the consultant is an effective facilitator, this potential problem can be lessened. If the outgoing manager does attend, the situation can be handled in such a way that he or she provides unique insights and helps to ensure that key issues are discussed.

In addition, if the outgoing manager participates, the transference of power to the new manager must be considered in all activities. Each manager's role should change during the course of the meeting. Initially, the outgoing manager should be active while the new manager listens, asks questions, and observes. As the meeting progresses, the roles should be gradually reversed; by the end of the meeting, the former manager should be "out" and the new manager fully "in."

4. *Pressure on the New Manager.* The new manager may feel significant pressure to make decisions about substantive issues. It is best to address this subject before the meeting and to advise him or her to defer any decisions except those that directly pertain to the transition. All the participants should be similarly advised. During the meeting, the consultant may have to intervene to clarify the norms governing decision making.

## **OUTCOMES**

The most common outcomes of a transition meeting are increased information flow, clearer understanding of major issues and goals, and a reduction of the amount of ambiguity experienced by the new manager and his or her subordinates. During the meeting, the new manager generally identifies key subordinates and becomes familiar with their personalities and methods of operation. A common reaction on the part of the manager is that the meeting was well worth the effort because of the time saved in becoming established in the job. Also, as a result of the discussions conducted, the subordinates gain a better understanding of one another's views and tend to operate more as a team after the meeting.

In addition, experience indicates that the meeting can strongly affect intervening variables. The resulting effect on end-result variables was evaluated in a study

conducted within the United States Army between December, 1976 and March, 1979 (Stewart, 1980). The study concluded that the transition meeting had significant positive effects on statistical indicators of organizational performance.

## **USE TO THE CONSULTANT**

Experience indicates that the transition meeting is useful to the consultant as well as to the client. The meeting is seen as a relatively low-risk venture by people who would normally be unwilling to try an OD approach to organizational change. As such, it gives them a chance to experiment with OD and to gain confidence in the technology and the consultant. The structure of the meeting and the evaluation procedure tie the consultant and the client together over a two- to three-month period; as a result, many consultants who have employed the procedure have established a significant number of ongoing OD operations in organizations that probably would not have asked for help otherwise. The author's experience is that more than 50 percent of the organizations that have used the transition meeting have requested further OD involvement within six months of the meeting.

## **SUMMARY**

The transition meeting is a simple and direct approach that clearly meets the needs of client organizations that are contemplating managerial change. It has positive effects on both organizational climate and performance indicators. In addition to its usefulness to the consultant as a marketing tool, it is easy to conduct, requires little time, and presents only limited risk to the client or the consultant. For all of these reasons, the transition meeting is an OD intervention that can be useful to virtually any organization that seeks to control the potentially volatile circumstances arising from this type of change.

## **REFERENCES**

- Dyer, W.G. (1977). *Team building: Issues and alternatives*. Reading, MA: Addison-Wesley.
- Mitchell, M.D. (1976, May-June). The transition meeting: A technique when changing managers. *Harvard Business Review*, pp. 9-11.
- Mitchell, M.D. (1977). Dealing with personnel changes in a working team. In J. Adams, J. Hayes, & B. Hopson (Eds.), *Transition*. Montclair, NJ: Allanheld, Osmun.
- Reilly, A.J., & Jones, J.E. (1974). Team building. In J.W. Pfeiffer & J.E. Jones (Eds.), *The 1974 annual handbook for group facilitators*. San Diego, CA: Pfeiffer & Company.
- Stewart, W.L. (1980, Winter). Fort Carson evaluation of organizational effectiveness operations. In P.J. Rock (Ed.), *OE Communique*, pp.95-116.
- U.S. Army Organizational Effectiveness Training Center. (1976). *General organizational questionnaire manual*. Ford Ord, CA: U.S. Army.

## ■ A GUIDE TO PARTICIPATIVE MANAGEMENT

### Marshall Sashkin

Participative management recently has become popular as an element of the effort to revitalize U.S. business. In reviewing one new book on management-labor cooperation, Lohr (1983) said, “The next big fad in business management is on the horizon. It carries the fancy title of participative management” Lohr concluded, however, that the authors (Simmons & Mares, 1983) had in fact demonstrated that “employee participation has worked to raise productivity in many cases.”

Participative management is not new. There is evidence to show that it was used by “advanced” Roman plantation owners about two thousand years ago (Sashkin, 1982). For the past fifty years or so, research evidence has steadily accumulated regarding the positive effects of participative management on performance, productivity, and employee satisfaction. Still, the level of application of participative management in U.S. organizations has been less than impressive.

A major reason that American managers do not implement participative management as much as one might expect is simply because they do not know how to apply it in their organizations. In order to facilitate such application, the discussion that follows will address three major questions:

1. What is participative management?
2. What are the effects of participative management?
3. How does participative management work?

### **WHAT IS PARTICIPATIVE MANAGEMENT?**

Participative management traditionally has been treated as a single, undifferentiated approach. However, if we are to talk sensibly about participative management, we must first understand the major participative approaches and how they are used. In general, participative management involves workers in the planning and control of their own work activities, but there are important differences in the various types of work planning and control in which subordinates can participate. At least four major varieties of participation can be identified: participation in setting goals; participation in making decisions; participation in solving problems; and participation in developing and implementing change.

---

Originally published in *The 1984 Annual: Developing Human Resources* by J. William Pfeiffer & Leonard D. Goodstein (Eds.), San Diego, CA: Pfeiffer & Company. Excerpted, by permission of the publisher, from *A Manager's Guide to Participative Management* by Marshall Sashkin (AMA Management Briefing). © 1982 by AMA Membership Publications Division, American Management Associations, New York. All rights reserved.

### ***Participation in Setting Goals***

In this form of participation, workers, as individuals or in groups, are involved with their supervisors in determining, to some degree, the goals that they will attempt to reach with respect to work performance and output. Research in both laboratory and organizational settings has conclusively demonstrated the power of participation in goal setting (Latham & Yukl, 1975; Locke, Shaw, Saari, & Latham, 1981). More than 90 percent of the research on goal setting confirms this.

### ***Participation in Making Decisions***

Participation of subordinates in decision making may range from consultation, through having some influence on the outcome, all the way to actually having responsibility for the decision. When workers are directly involved in generating the decision alternatives, participation in decision making may seem to overlap with participation in problem solving. Strictly speaking, decision making is limited to the examination and evaluation of alternatives that already have been developed. Research indicates that in a wide variety of situations, participation in decision making has positive benefits (Lowin, 1968).

### ***Participation in Solving Problems***

This type of participation is clearly more difficult than the previous two forms. It requires subordinates to analyze information and develop new ideas on the basis of that information. Research, however, suggests that obtaining positive benefits from participation in problem solving depends more on the training received by the supervisors and employees than on the innate mental abilities of the individuals (Maier, 1963).

### ***Participation in Developing and Implementing Change***

This form of participation is the most difficult and complex of all. It goes beyond participation in problem solving because it requires managers and employees to participate in generating, analyzing, and interpreting organizational data in order to develop specific, innovative solutions to organizational problems. This type of participation is regarded by most organization development practitioners as a critical aspect of successful OD (Huse, 1980).

### ***Three Different Approaches***

In addition to the four types of participation, there are also different ways to use participative approaches. Participative management can be applied (a) with respect to *individual* subordinates, (b) in the context of the *superior-subordinate* relationship, or (c) in a *group* context. Although the second method, superior-subordinate participation, is probably the most common, each of the three approaches seems feasible in different



circumstances. It is likely that under some organizational conditions it would be appropriate for individuals to set their own goals, make their own decisions, solve their own problems, or develop and carry out changes relevant to their own work. On the other hand, such individual-centered participation clearly would not be appropriate when several workers depend a great deal on one another in the normal conduct of their work activities. For people who spend most of their time working together as a group, the group method of participation obviously makes the most sense.

In order to have a basis for choosing which of the twelve combinations of participation types and approaches to use, a manager must understand the dynamics of participative management and what impacts the combinations can have on workers. A foundation for that understanding is provided by the many research studies on participative management.

## **WHAT ARE THE EFFECTS OF PARTICIPATIVE MANAGEMENT?**

### ***The Hawthorne Studies***

A series of research studies conducted from the mid-1920s through the mid-1930s at AT&T's Western Electric Hawthorne plant has come to be recognized as a landmark in participative management research (Roethlisberger & Dickson, 1939). The results of these studies have been analyzed and reanalyzed, attacked and defended, for over forty years (Carey, 1967; Landesberger, 1958; Shepard, 1971). What was so controversial was not the research findings but their philosophical interpretations. Disguising their wrangling as scholarly debate and criticism, people argued about the worth, importance, and accuracy of the participative-management approach that developed as a result of these studies.

During the studies, work conditions at the Hawthorne plant were analyzed to determine how human work capacities varied with changes in the physical environment such as lighting, heat, noise, ventilation, and so on. A special test area was set up. Workers and supervisors were selected to participate in the study, in which work behavior was measured as physical conditions varied. At first, the results seemed perfectly reasonable. When lighting levels were increased, for example, production also increased. A number of such correlations were found under different conditions. However, when the level of light was later decreased, production continued to increase until the workers were producing more than ever, under conditions equivalent to bright moonlight! At this point the engineers gave up, unable to explain what was happening. A new research team from Harvard was brought in, headed by Fritz Roethlisberger, who worked with the company's personnel-department liaison, W.J. Dickson. The character of the experiments changed; instead of investigating physical work conditions, the researchers began to study social relationships on the job. The researchers attributed the performance and productivity improvements to the involvement and participation of the workers in the management of their own job activities.

In later years, other scholars looked at the Hawthorne reports and asserted that the conclusions derived by the Hawthorne researchers were misleading. It became generally accepted that the results obtained by the Hawthorne researchers were due primarily to the special treatment given to the workers. That is, because the workers saw themselves as part of a special experiment and because they received special treatment, they worked especially hard to please the researchers, even when working conditions were quite poor. This situation—workers doing especially well because of special treatment—is commonly called “the Hawthorne effect.”

Even if the primary factor in the Hawthorne studies was simply special attention, such special attention is now one small element in the participative management approach. Roethlisberger (1950) said:

People like to feel important and have their work recognized as important . . . . They like to work in an atmosphere of approval. They like to be praised rather than blamed . . . . They like to feel independent in their relations to their supervisors . . . . They like to be consulted about and participate in actions that will personally affect them.

A variety of factors other than special attention probably also had some impact in the Hawthorne case. For example, the supervisor had been selected because of his reputation as one of the best in the plant. The workers—who also had been carefully chosen—probably worked hard to satisfy him, even when working conditions were poor. Furthermore, the workers were given special privileges: they actually participated in work decisions that were meaningful to them and they formed a cohesive work team (Katz & Kahn, 1966). Finally, social experiments are subject to a pervasive effect known as the “self-fulfilling prophecy.” When one sets out to create a productive work group, one is more likely to succeed just because of having stated the goal and letting people know what is expected of them. For example, when teachers are told that certain students are “bright” and that certain others are “dull,” the so-called bright students (chosen at random) score better on objective tests. This is partly because the teachers pay more attention to the “bright” students and give them better instruction, but it is also because the teachers subtly (and sometimes not so subtly) communicate their expectations to the students. The “bright” students do better, then, because they know that they are expected to.

The Hawthorne workers were specially selected and were subject to special attention, good supervision, participative-management practices, and self-fulfilling prophecy. All of these factors may have affected the results of the study, but over the years the Hawthorne studies have been most associated with the term “human relations,” not with “participative management.”

The attempted applications were based essentially on the issue of special attention. It was hoped that if workers were treated with special care, they would perform at higher levels and be more productive. The findings concerning the benefits of worker participation and the use of a cohesive work group for such participation were all but ignored by U.S. managers, while the simplistic conclusion that performance and

productivity could be dramatically improved if managers were to pay more special attention to their subordinates was widely accepted by those managers. These were not recommendations made by the Hawthorne researchers.

One reason that supposedly sophisticated managers accepted these oversimplified conclusions is that they were presented as the result of scientific research. Americans of the 1940s and 1950s had experienced the effects on society of the automobile, air transportation, the telephone, radio, and television. Why, then, should they question the validity of social-science research—especially when research on management and organizations had proved to be useful in identifying the most efficient ways to approach specific tasks by means of time-and-motion analyses?

Another factor that influenced managers was the tempting simplicity of the solution. All a manager had to do was show concern and attention to subordinates and treat them “properly,” and they would respond by increasing their productivity. The theory and practice sounded simple and straightforward; the manager did not need to learn new skills or make any substantial changes with respect to the way the job was organized or in terms of involving subordinates in decisions, goal setting, problem solving, or change. For a minimal investment of effort, the manager was promised, in effect, a “free lunch.”

### *The Backlash*

Of course, managers soon discovered that the positive effects of special attention are shortlived. Despite the fact that participative management had not received a trial—let alone a fair trial—a substantial backlash developed against it. The situation is illustrated by two articles that appeared in the *Harvard Business Review* in the late 1950s. In one piece, titled “What Price Human Relations?” Malcolm McNair (1957) argued that managers should not have expected the simple human relations approach to have positive benefits on productivity, because these benefits would require a tremendous and unrealistic investment on the part of managers, amounting to abrogating much of their authority. McNair suggested that managers return to their traditional, controlling roles and forget the false promises of the human relations approach. Because most managers had never abandoned their original approach, McNair simply offered an easy rationalization for dropping the special-attention effort. Soon thereafter, Robert N. McMurry (1958), a well-known management consultant, was even more direct in arguing “The Case for Benevolent Autocracy.”

Over the next decade, human relations became institutionalized in business management curricula and ignored in managerial practice. However, various dedicated researchers who had strong commitments to action applications in organizations continued to study the elements of participative management first identified in the Hawthorne studies. These studies eventually coalesced to form the basis of a theory of participative management.

### ***Participation in Setting Goals: Research Results***

The vast proportion of studies on worker participation in goal setting have yielded positive results, demonstrating conclusively that goal setting has a positive outcome in terms of performance. This is true for individuals who set their own goals, for a supervisor and subordinate who set goals together, and for groups that set goals. Whichever method is used, goal setting seems to help people gain greater control over their work activities by identifying the specific aims of those activities. More than any other behavioral science innovation, goal setting has been proved to reap positive rewards in organizations (Locke et al., 1981).

### ***Participation in Decision Making: Research Results***

Conceptually, the distinction between problem solving and decision making is clear. Decision making involves selecting from among a range of reasonably well-defined alternatives. Problem solving, however, requires that the alternatives be generated first and a selection made. Thus, at least in theory, problem solving involves considerably more effort—and skill—than does decision making.

A classic organizational experiment involving worker participation in decision making was conducted more than twenty-five years ago by two researchers at the University of Michigan, Nancy Morse and Everett Reimer (1956). The experiment was conducted in a large department in the home office of an insurance company and involved primarily clerical employees. About thirty-three supervisors and more than two hundred nonsupervisory employees were divided into four similar divisions of roughly equal size. In two of the divisions, a program was instituted for increasing decision-making responsibility at lower levels. Clerical workers were given responsibility for many small decisions that previously had been the prerogative of supervisors. For example, workers made decisions about when to take breaks, how to handle cases of tardiness, and how to deal with questions of work methods or work processes. Although many decisions were made by individuals, work groups were also involved. Questionnaire results several months later showed that workers clearly did perceive the nature of these changes.

In the other two divisions, changes in decision-making practices also were instituted. These changes were the exact opposite of the changes made in the first two divisions. Employees became less involved in decision making than ever before; all decisions were made at the departmental level, and employees had no influence whatsoever over them. Again, there was little doubt that employees perceived these changes.

The experiment ended after one year. Many of the results were just as expected. It was, for example, expected that workers in the participative divisions would increase in “self-actualization,” measured in terms of job challenge, opportunity for personal growth, and opportunity to try new ideas. It was expected that the scores of workers in the hierarchical-control departments would decrease on these measures, and that is exactly what happened. Similarly, supervisory relationships were much better at the end

of the year in the participative divisions but had dramatically worsened in the hierarchical-control divisions.

When workers were asked how they felt about the two programs, the results again were as expected: workers in the participative program liked it very much and wanted it to continue, while workers in the hierarchical-control division were happy to see the program end. It was also expected that measures of job satisfaction would reflect the same differences. Although the job satisfaction of workers in the hierarchical-control divisions did drop substantially over the year of the experiment, the job satisfaction of workers in the participative-decision-making divisions did not increase much at all.

The researchers were surprised, however, when they observed that productivity, measured in terms of the number of clerks needed to complete a given amount of work, had increased in all *four* divisions. This meant that although there were fewer clerks in each division, the same amount of work was being completed as had been done previously by more people.

What seemed to have happened was that in the participative-decision-making divisions, the increase in productivity was real; some workers had been transferred to other divisions, while others who left the company had not been replaced. In the hierarchical-control divisions, however, the productivity was increased by assigning fewer workers to handle the same volume of work and simply ordering them to work harder. In fact, of twenty-three workers who left the company complaining of work pressures during the time of the experiment, nineteen were from the hierarchical-control divisions.

Whether the productivity increases could have been maintained indefinitely in both the participative and hierarchical-control divisions must remain a matter of speculation. It does seem likely that if the workers had had more control over their work flow, productivity would have been still further enhanced in the participative-decision-making divisions. Equally clear is the fact that a powerful management was able to pressure workers into increasing their work output. In the years since this experiment, a great deal of research has suggested that the strategy used to increase productivity in the hierarchical-control division does have serious, long-run costs for the company as well as for employees (Franklin, 1975; Likert & Seashore, 1963).

The Morse and Reimer study involved both individual and group participation in decision making. Later work by Jay Hall (1971) demonstrated the benefit of group participation in decision making, with respect to a decision task having a single correct solution. Hall showed that when the group followed a structured discussion process that prodded for full discussion and participation on the part of all group members, groups performed substantially better than without such a discussion procedure. Much earlier, Norman Maier (1963) demonstrated similar results in terms of improved decisions when a structured discussion procedure was used. Hall's work strongly supports this type of participative management; however, it also sounds a warning: the effective use of the consensus decision-making process requires training and skill on the part of all group

members. In fact, training is critical to the effective application of any of the four types of participative management discussed in this article.

### ***Participation in Problem Solving: Research Results***

Although individuals may be given problems to solve or may work on problems with their supervisors, most of the research on participation in problem solving involves groups. Much of the work on participative problem solving in groups is attributable to Norman R.F. Maier, who spent more than thirty years studying participative group problem solving and training managers in how to use this participative approach (Maier, 1950, 1967, 1970).

Maier defined two critical questions that can be posed with respect to a problem situation to determine whether group participation in problem solving is desirable. The first question is “Will acceptance or rejection of the solution to the problem by any of the workers involved in carrying out the solution make a difference in how well it is carried out?” When worker acceptance is not an issue, there is no real need to involve workers participatively in solving the problem. When acceptance is an issue, it is important to provide workers with some means of influence or control over the solution that is chosen. This results in workers’ commitment to and acceptance of the solution.

The second question is “Is the quality of the solution of concern to management?” When quality is of little concern but worker acceptance is important, a group problem-solving discussion is both appropriate and simple. If the group leader and members have some basic skills in group problem solving, the group should have no trouble reaching consensus. If quality is important but acceptance is not, it is appropriate for a manager to solve the problem alone, without group involvement. However, in their model of problem solving and decision making, Vroom and Yetton (1973) point out that in such cases a manager may sometimes wish to involve subordinates participatively on a one-to-one basis. This kind of employee participation can be appropriate, according to Vroom and Yetton, if the manager needs additional information in order to develop a good solution.

Finally, when both worker acceptance and the quality of the solution are important, Maier suggests that participative group problem solving is appropriate though difficult. In such cases, the leader must facilitate and integrate the discussion while taking into account both the needs of the employees and the requirements of management. Although leading such discussions is not easy and does require skill, Maier and his associates have demonstrated repeatedly and conclusively that managers can learn such skills. Skill in two activities is crucial: (a) posing the problem and (b) encouraging participants to share information (Maier & Sashkin, 1971).

Participation in decision making or goal setting provides workers with increased control over situations and over their own work activities, which in turn can lead to the workers’ acceptance of and commitment to a course of action. Participation in problem solving can have the same effects, but often has some additional benefits. First, workers involved in participative problem solving are engaging in a new aspect of work—an

aspect that adds substantial meaning to the work itself. Second, problem solving is, of necessity, *a complete task activity*, involving gathering information, interpreting that information, developing alternatives, weighing and selecting a specific solution from among the alternatives, and developing implementation strategies. This form of participation not only adds meaning to the work but also represents a complete cycle of work activities in which the employees are involved *from the beginning to final completion*. In this manner, participation in problem solving can have a positive impact on worker satisfaction, because one basis for satisfaction is the *successful completion of meaningful tasks*. Thus, participation in problem solving goes beyond the simpler forms discussed earlier.

### ***Participation in Change: Research Results***

The crucial importance of employee participation in planning and carrying out organizational changes is so widely recognized by behavioral scientists that it is hard to comprehend why managers so often attempt to institute such changes unilaterally, with little or no employee participation. This state of affairs is particularly puzzling when one considers the fact that most managers are well aware of the phenomenon of workers' resistance to change.

In fact, examination of research studies conducted in the 1940s on participation in change reveals that one important reason for attempting to involve workers in developing change was to manipulate them into accepting changes that management wanted. This kind of situation is evident in Kurt Lewin's (1958) studies on change in housewives' food-preparation habits during World War II, when the government was trying to encourage the use of foods traditionally considered undesirable, such as sweetbreads. Through group discussion, housewives were manipulated into "solving" the problem of unavailable meats by agreeing to change their food buying and preparation habits to make use of available but less desirable food products. Similarly, in a classic industrial study, the early phases of which were conducted under Lewin's supervision, his colleagues Lester Coch and John R.P French (1948) successfully manipulated workers into identifying and agreeing to the exact changes that management had wanted prior to the involvement of the workers.

Perhaps the greatest value of these early studies was to demonstrate the tremendous power of group participation for making change work. The firm that Coch and French worked for continued and expanded participative management until, by the 1960s, it was absolutely real, not merely a manipulative sham. By that time, all forms of participative management had spread throughout the organization.

The work of Floyd Mann at the University of Michigan's Institute for Social Research probably serves as a better illustration of participation in change. In his capacity as consultant, Mann conducted a survey at Detroit Edison in 1948. At that point, the survey was not part of a formal experiment. However, positive experiences with the methods he devised for reporting data back to both management and employees laid the groundwork for more extensive research.

The 1948 survey was conducted throughout the entire organization and included all employees. Mann wanted to report the results of this survey in a way that would best lead to acceptance by the employees. Eventually, the employees would use the data gained from the results to solve problems and make changes. Mann's approach was to present the results by means of "an interlocking chain of conferences." These conferences began with a report to the president and top executives of the company, followed by similar reports to successively lower-level groups of managers, all the way down to supervisors and first-line workers. Managers and their immediate subordinates were provided with summaries of their own survey data. These data were the basis for group discussions in which problems were identified and changes recommended.

The formal experiment was based on the first survey as well as two subsequent surveys conducted in 1950 and 1952. The 1950 effort surveyed more than eight hundred employees in eight accounting departments. Data comparing the results with those of the 1948 survey were provided to the departments.

In four departments, the researchers helped to conduct a series of feedback meetings. These meetings focused on supervisors and their immediate subordinate groups and were carried out in much the same manner as the organizational feedback done in 1948. Nothing was done in two other departments. This allowed the researchers to establish a "control group"—a yardstick to determine whether changes were the result of feedback efforts or normal evolution over a period of time. (Managerial changes in the two remaining departments made it impossible to draw any conclusions; these were dropped from consideration.)

A third survey, conducted in the six departments in 1952, revealed extensive and significant changes in a positive direction for the experimental feedback departments, as compared with the departments in which no survey feedback was carried out. The survey-feedback program was associated with large improvements in employees' attitudes about their work, their supervisors, their careers, and their work groups' effectiveness. Furthermore, employees in the survey-feedback departments reported that their supervisors got along better with department members than did the supervisors in departments in which no action was taken.

In the experimental survey-feedback departments, supervisors held more meetings, and these meetings were judged to be more effective than meetings in the other two departments. Finally, Mann reported the greatest change in those departments in which the members were all extensively involved in the survey-feedback experiment. The greater the degree of involvement, the greater the positive change (Mann, 1957).

Although Mann's study vividly demonstrated the strong positive results of participation in change, it must be noted that Mann's results were attained partly because of prior, extensive, training efforts for managers and workers in the organization in the techniques of small-group, participative, problem solving. The extreme importance of this kind of background training has been demonstrated in a wide variety of research studies by Mann's colleagues at the University of Michigan (Bowers



& Franklin, 1977; Franklin, Wissler, & Spencer, 1977; Hausser, Pecorella, & Wissler, 1977).

By now it should be clear that the four approaches to participative management are not independent of one another. Rather, each progressively more complex approach seems to depend on the concepts and skills developed in the simpler approaches. Thus, effective use of participation in change seems to require understanding and mastery of participation in problem solving, decision making, and goal setting. Similarly, productive use of participation in problem solving is based on the skills and knowledge needed to apply participation in decision making and goal setting.

A study by Bragg and Andrews (1973) provides a good example of this. Thirty-two hospital laundry workers were involved in planning and carrying out changes. As the project proceeded, the laundry workers also participated in decision making. Although goal setting does not seem to have been involved, participation in problem solving and decision making were clearly part of the participation in change approach and led to increased productivity, improved attitudes, and decreased absenteeism and turnover.

### ***The Special Importance of Groups***

The two more complex types of participative management—participation in change and participation in problem solving—are consistently associated with *group* methods of operation. This is not simply coincidence; there are several good reasons why groups are most commonly used to implement participation in problem solving and change.

First, groups have the potential to develop more good ideas than the same number of individuals working independently. The simplest way to get ideas from a group is through the widely known “brainstorming” procedure.

Second, group methods provide a tool for dealing with the complexity of the problems and issues involved in creating organizational change. In organizations today, especially those that rely on the applications of advanced technologies, people in groups are more dependent on one another than ever before. Such interdependencies become especially important in dealing with problems and with the planning and implementation of change. Under such circumstances, the need for coordination is greater, but it is impossible to coordinate effectively simply by using the “standard” methods—written reports, the chain of command, or informal contacts between managers. The sociologist James Thompson (1967) has suggested that in these cases there is a need for coordination by “mutual adjustment.” That is, the effective coordination required to solve complex problems and to successfully plan and carry out changes can be accomplished only through direct feedback among the parties involved.

The third reason is that the involvement of individuals in face-to-face group discussions develops social support for decisions, solutions, or changes. This was the primary discovery of the research studies conducted by Kurt Lewin (1947) and his group. Lewin discovered the tremendous effect that group norms—shared beliefs about how people ought to behave—actually have on the behavior of individual group members. This is especially true for behaviors that are overt and easily observed and

norms that are openly and explicitly stated and recognized by all group members. Coch and French observed, in their early study on participation in change, that resistance to change was more easily overcome when all workers were involved in the discussion than when only representatives of the workers were allowed to take part. Mann also found that when more workers were more involved in the survey-feedback discussions, and when more discussions were held, the change effects were strongest.

Perhaps this factor of involvement is so important for effecting change simply because of the basic human need for social interaction. Most of us are so used to spending a large portion of our time with other people and take social interaction so much for granted that we tend to forget what social creatures we really are.

A factor that bears careful consideration, then, is the common isolation of workers while doing their work. For many workers, especially those at low levels, there is little opportunity to obtain the social satisfaction that can come through doing a job with other people. Participation in group tasks such as problem solving or developing changes may fulfill these needs. In any case, group-based norms are extremely important; they play a part in determining what we see, how we interpret what we see, and how we behave in response to these perceptions and interpretations.

In summary, the use of *groups* to implement participation in problem solving and change will greatly strengthen the results and impact of such participation and may even be a requirement for the effective use of participative methods for problem solving and change.

## **HOW DOES PARTICIPATIVE MANAGEMENT WORK?**

The Industrial Revolution of the Nineteenth Century changed our work lives as well as our private lives. Unfortunately, the changes in work were not very desirable. Workers lost most of the control they previously had over their work activities. Work became fragmented into tiny, meaningless, repetitive bits, and workers became socially isolated rather than members of a work unit. Each of these three major changes in the nature of work acts in direct opposition to a basic human work need. Effectively implemented participative management can reverse these changes and can result in improved performance, productivity, and worker satisfaction.

### ***Powerlessness***

Early sociologists observed how the development of the industrial organization contributed to the creation of a new class of relatively powerless workers. It was not until the 1950s, however, that behavioral scientists began to explore seriously the implications of such powerlessness. Chris Argyris (1957, 1973), in particular, argued—and over the next decade successfully demonstrated—that as people mature, a basic human need for autonomy and control of one's own behavior emerges as part of the natural process of development. Argyris showed how modern organizations actively frustrate this need. The Harvard psychologist David McClelland (1975), whose work

reflects the same conclusions, identified the need for power as one of the most significant motivational factors in organizations.

The participative-management approaches of goal setting and decision making increase workers' autonomy and sense of control over their jobs. Although participation in goal setting and decision making will not magically and totally remedy workers' feelings of powerlessness—which have been fostered by organizations over the past hundred years—evidence indicates that participative-management approaches involving goal setting and decision making do increase workers' feelings of power and control (Tannenbaum, 1967).

### ***Meaninglessness***

One of the most profound treatments of the meaninglessness of work as a consequence of industrialization is found in the writings of Emile Durkheim (1893/1947), a French sociologist whose major work was done at the turn of the century. Earlier, it had been observed how decisions and problems became the province of the supervisor, leaving the worker powerless and contributing to feelings of meaninglessness. When Durkheim worked and wrote, the Industrial Revolution had had its major impact on society. Durkheim noted the increasing fractionation of work itself, partly through application of the scientific-management approach developed by Frederick W. Taylor (1911). Furthermore, the efforts of time-and-motion-study engineers such as Frank Gilbreth (1911) made the loss of meaning through less involvement in decisions and problems appear to be a relatively minor issue. The fractionation of jobs into minute sets of activities that were repeated over and over, unendingly, was an absolute guarantee of meaninglessness, carried to the ultimate.

The fact that meaningless work is psychologically distressing hardly needs proof. However, such work is not merely unpleasant but is overtly harmful. The very structure of the human brain seems to press individuals to achieve a sense of completion or closure with respect to perceptions, tasks, and activities (Zeigarnik, 1927). McClelland's (1976) research on motivation in organizations and society has demonstrated the widespread importance of the need for achievement, which is only possible through the accomplishment of complete, "whole" tasks.

It is not surprising, then, that the problem of meaningless work is alleviated when workers engage participatively in solving problems and creating changes. Literally hundreds of research studies by Maier and his associates clearly demonstrate that workers involved participatively in group problem solving find this activity meaningful and interesting and become more satisfied with the work situation. Mann reached the same conclusions in his experiments on the use of group participation in creating changes. In the thirty years since Mann's research study, similar findings have been obtained over and over again.

However, normal day-to-day work activities may be just as meaningless as ever. One approach to this persistent problem is to make the work itself more meaningful, either by "enriching" the job through methods such as those pioneered by Frederick

Herzberg (1968) or by redesigning the job so that it contains the elements identified by Hackman and Oldham (1980) as characteristic of work that has meaning and over which workers can exercise control. Another approach, developed by Rensis Likert (1961, 1967) and his associates, is to maximize the use of participative methods so that participation—in all four forms—is to the greatest extent possible the central focus of work activities. In fact, Likert specifically labels the system of management and organization that he advocates as “participative.”

Although research has clearly demonstrated the positive effects of participation in problem solving and change in terms of making work more meaningful, these effects are likely to be ameliorative rather than real cures. That is, the negative effects of meaningless work will be reduced temporarily but, unless the work itself is redesigned so as to provide more workers with the opportunity to accomplish a complete task, or unless management practices are extensively refocused to emphasize worker participation, the relief will be only temporary.

### ***Isolation***

Various sociologists have observed and commented on the social isolation of workers imposed by modern industrial organizations. Indeed, Durkheim suggested that it was the combination of social isolation and meaningless work that led to such feelings of alienation as to provoke suicide. However, it was Elton Mayo, a multi-faceted man perhaps best thought of as a social philosopher, whose work was most directed toward resolving the social isolation of workers. In a sense, this brings us full circle, for it was Mayo who was the primary off-site advisor at Harvard to the Hawthorne researchers.

Mayo was particularly opposed to the scientific management advocated by Frederick Taylor. In fact, Mayo’s philosophy was, in part, shaped as a response to Taylor. In 1919 Mayo wrote:

As a system Taylorism effects much in the way of economy of labor; its chief defect is that workmen are not asked to collaborate in effecting such economies . . . . No social system can be considered satisfactory which deprives the great majority of mankind of every vestige of autonomy.

Obviously, Mayo was well aware of the factors of powerlessness and meaninglessness. At the time he helped to plan and interpret the Hawthorne studies, Mayo’s primary focus was on the work group. Mayo felt that through reduced isolation, workers could be better integrated into the social mainstream, making for a less “pathological” society and one with fewer social problems. This is why the Hawthorne studies focus so much on work-group interactions and the development of cohesive work teams.

The previous discussion of the special importance of groups indicates that Mayo was on the right track. Furthermore, studies of motivation by McClelland (1955) identified the need for affiliation. It can therefore be argued that worker isolation is best remedied through participative management using group methods. Mayo’s error was his

neglect of the factor of management. In the Hawthorne studies, the prescription was simply to allow small groups of workers maximum freedom in controlling their own work. It was expected that within these groups the workers would establish their own patterns of coordination. Then, by recognizing and supporting such informal organization, management would gain the support and cooperation of workers, leading to greater productivity and at the same time eliminating worker isolation. Although one can argue that this is exactly what happened in some of the Hawthorne experiments, it is quite clear that in other experiments conducted at the Hawthorne plant the reverse was true. Workers did indeed form cohesive groups with informal patterns of coordination and strong norms. However, these norms were, in some cases, opposed to management and to increased productivity. For example, in the bank-wiring room, where men wired the terminals on which telephone-switchboard circuits were installed, the workers had established clear norms as to what constituted a fair day's work. From the viewpoint of managers, however, the standard applied by the workers constituted restriction of production. The unrealistic laissez-faire managerial approach that seems to have been idealized by Mayo and his associates is probably one reason why managers rejected the group-participation recommendations of the Hawthorne studies.

### ***Other Effects of Participative Management***

In their large-scale study of how management affects the performance of scientists and engineers in organizations, Donald Pelz and Frank Andrews (1978) identified some additional effects of the participative methods discussed here. They found that the increased autonomy that was given to scientists and engineers provided them with a sense of security. They also found that participation in working on difficult problems not only provided quite meaningful tasks, but also provided high levels of challenge. When scientists and engineers were involved in decision making and in problem solving, they experienced strong feelings of autonomy (which produced feelings of security) and perceived their work assignments as being difficult and highly meaningful (which led to feelings of challenge), all at the same time. Pelz and Andrews found that when both security and challenge were present, scientific performance in terms of innovation and the successful accomplishment of research tasks was heightened. Thus, the direct effects of participation—increased control and autonomy and meaningful work—may have some additional indirect effects for scientific workers—increased security and challenge—which can lead to increased scientific performance.

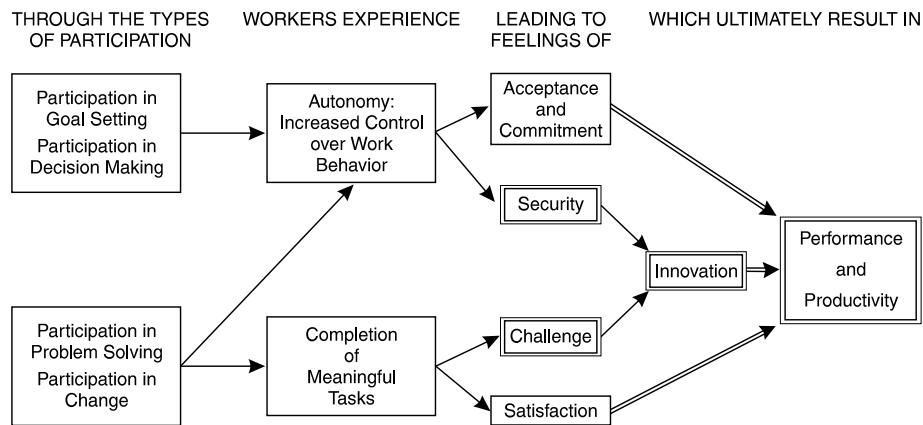
### ***HOW PARTICIPATION WORKS: A MODEL***

The model shown in Figure 1 summarizes how participation works. The two simpler types of participation, participation in goal setting and participation in decision making, provide workers with an increased amount of control or autonomy. These benefits, in turn, led to acceptance and commitment with respect to goals and decisions. Such acceptance and commitment have one ultimate outcome: increased performance and

productivity. Heightened autonomy also leads to increased feelings of security for scientific workers, one of the two conditions needed for effective scientific performance.

The two more complex types of participation, participation in problem solving and participation in planning and carrying out changes, have the primary effect of providing meaningful “whole” tasks. These types of participation, however, also result in increased degrees of control and autonomy for workers and, therefore, promote the same chain of indirect effects as do the two simpler forms of participation. Thus, the effects of the two simpler types of participation are reinforced when the more complex forms are also used. Having meaningful tasks that can provide a sense of accomplishment and completion leads to feelings of satisfaction, which then have a long-range impact on performance and productivity. Being given meaningful tasks may also result in feelings of challenge for scientific workers, thereby providing the second of the two crucial conditions necessary for high scientific performance.

The simple chains of events shown in Figure 1 reflect research evidence. It would be foolish, however, to assume that such cause-and-effect relationships are automatic or guaranteed. For one thing, the various effects shown in Figure 1 can occur only if effective management, as well as participation, is provided. As has been discussed, this was the greatest failing of the Hawthorne research.



**Figure 1. A Model of How Participative Management Works**

## CONCLUSION

After fifty years of formal research—and thousands of years of experience—there is no doubt that participative management is effective in terms of performance, productivity, and employee satisfaction. It is also clear, however, that effective outcomes depend on careful design, planning, and implementation. Organizational factors such as the nature of the technology, the social-psychological “climate,” typical patterns of leadership, and the design of jobs must be taken into account, and significant changes may be required for participative management to succeed. Kanter (1982) has noted that “failures” of

participative management are often due to the same error that the Hawthorne researchers made: too much emphasis on participation and too little on management.

### ***The Question of Choice***

In one sense, the application of participative management is a matter of choice or preference. Some recent reviews of research on participative management are basically flawed by the authors' attempts to determine just how effective participative management is in comparison with other approaches (e.g., see Locke, 1982, or Locke & Schweiger, 1979). As Lowin (1968) long ago noted, participative management "is a complex phenomenon beyond proof or disproof" (p. 63). Although organizational factors are changing such that participative management is more likely to succeed (Sashkin, 1982), it is still possible to design and manage nonparticipative organizations with good results in terms of productivity and profit, at least in the short run. Why, then, should managers bother with participative management?

One answer is that doing so is more efficient, as well as more productive, in the long run. Another reason is based on ethical considerations. More and more research evidence shows that when the three basic human work needs are not met, the result is physical (as well as psychological) damage to workers (Sashkin, 1983). Various studies have demonstrated that repetitive, meaningless work, work that cannot be controlled by the worker, and work that is performed in social isolation is associated with physiological measures related to coronary heart disease (Cox, 1980; Jenkins, 1971; Johansson, 1975; O'Hanlon, 1978). Other researchers have shown that job dissatisfaction is related to physical illness (Jenkins, 1971; Sales & House, 1971). In a fifteen-year longitudinal study, Palmore and Jeffers (1971) found that the best predictor of longevity was job satisfaction, and that it was a better predictor than physicians' judgments of workers' overall physical health!

Perhaps most interesting are the results from several studies that directly examined the effects of worker nonparticipation. They show that high participation was related to increased feelings of responsibility, better work relations, more positive attitudes toward work, and higher output (French & Caplan, 1972). Quinn and Shepard (1974) found that nonparticipation was correlated with depression, escapist drinking, and overall poor physical health—findings confirmed in other research studies (Margolis, Kroes, & Quinn, 1974; Singer, 1975).

### ***The Ethical Choice***

On the basis of these and other research findings, we can assert that participative management is an ethical imperative, that to fail to use participative management is morally reprehensible. We know that participative management, properly applied, is as—or more—effective in the short run than nonparticipative approaches. It is also clear that, in the long run, participative management is, when properly applied, inevitably more effective than nonparticipative approaches because it develops rather than damages people. Because of the proven harm to employees of nonparticipative

approaches and in light of the clear advantages of participative management in “bottom-line” financial terms (as well as in terms of human satisfaction), I argue that failure to use participative management is morally wrong (Sashkin, 1983).

A decade ago, participative management was labeled by Preston and Post (1974) as the “third managerial revolution.” Now that we know that participative management works, how it works, and how to make it work, it is a revolution whose time has come.

## REFERENCES

- Argyris, C. (1957). *Personality and organization*. New York: Harper & Row.
- Argyris, C. (1973). Personality and organization theory revisited. *Administrative Science Quarterly*, 18, 141-167.
- Bowers, D.C., & Franklin, J.L. (1977). *Survey-guided development I: Data-based organizational change*. San Diego, CA: Pfeiffer & Company.
- Bragg, J., & Andrews, I. (1973). Participative decision making: An experimental study in a hospital. *Journal of Applied Behavioral Science*, 9, 727-735.
- Carey, A. (1967). The Hawthorne studies: A radical criticism. *American Sociological Review*, 32, 403-416.
- Coch, L., & French, J.R. P., Jr. (1948). Overcoming resistance to change. *Human Relations*, 1, 512-533.
- Cox, T. (1980). Repetitive work. In C.L. Cooper and R. Payne (Eds.), *Current concerns in occupational stress*. Chichester, England: John Wiley.
- Durkheim, E. (1947). *The division of labor in society*. (C. Simpson, Trans.). New York: Free Press. (Original work published 1893.)
- Franklin, J.L. (1975). Relations among four social-psychological aspects of organizations. *Administrative Science Quarterly*, 20, 422-433.
- Franklin, J.L., Wissler, A.L., & Spencer, G.J. (1977). *Survey-guided development III: A manual for concepts training*. San Diego, CA: Pfeiffer & Company.
- French, J.R.P., Jr., & Caplan, R.D. (1972). Organization stress and individual strain. In A.J. Marrow (Ed.), *The failure of success*. New York: AMACOM.
- Gilbreth, F.B. (1911). *Motion study*. New York: Van Nostrand Reinhold.
- Hackman, J.R., & Oldham, G.R. (1980). *Work redesign*. Reading, MA: Addison-Wesley.
- Hall, J. (1971). Decisions, decisions, decisions. *Psychology Today*, 5, 51-54ff.
- Hausser, D.L., Pecorella, P.A., & Wissler, A.L. (1977). *Survey-guided development II: A manual for consultants*. San Diego, CA: Pfeiffer & Company.
- Herzberg, F. (1968). One more time: How do you motivate employees? *Harvard Business Review*, 46(1), 53-62.
- Huse, E.F. (1980). *Organization development and change*. St. Paul, MN: West.
- Jenkins, C.D. (1971). Psychologic and social precursors of coronary disease (II). *New England Journal of Medicine*, 284, 307-317.
- Johansson, G. (1975). Psychophysiological stress reactions in the sawmill: A pilot study. In B. Ager (Ed.), *Ergonomics in sawmills and woodworking industries*. Stockholm, Sweden: National Board of Occupational Safety and Health.
- Kanter, R.M. (1982). Dilemmas of managing participation. *Organizational Dynamics*, 11(1), 5-27.



- Katz, D., & Kahn, R.L. (1966). *The social psychology of organizations*. New York: John Wiley.
- Landesberger, H.J. (1958). *Hawthorne revisited*. Ithaca, NY: Cornell University Press.
- Latham, G.P., & Yukl, G.A. (1975). A review of research on the application of goal setting in organizations. *Academy of Management Journal*, 18, 824-845.
- Lewin, K. (1947). Frontiers in group dynamics. *Human Relations*, 1, 5-42.
- Lewin, K. (1958). Group decision and social change. In E.E. Maccoby, T.M. Newcomb, & E.L. Hartley (Eds.), *Readings in social psychology* (3rd ed.). New York: Holt, Rinehart and Winston.
- Likert, R. (1961). *New patterns of management*. New York: McGraw-Hill.
- Likert, R. (1967). *The human organization*. New York: McGraw-Hill.
- Likert, R., & Seashore, S.E. (1963). Making cost control work. *Harvard Business Review*, 41(6), 96-108.
- Locke, E.A. (1982). Employee motivation: A discussion. *Journal of Contemporary Business*, 11(2), 71-81.
- Locke, E.A., & Schweiger, D.M. (1979). Participation in decision making: One more look. In B.M. Staw & L.L. Cummings (Eds.), *Research on organizational behavior* (Vol. 1). Greenwich, CT: JAI Press.
- Locke, E.A., Shaw, K.N., Saari, L.M., & Latham, G.P. (1981). Goal setting and task performance: 1969-1980. *Psychological Bulletin*, 90, 125-152.
- Lohr, S. (1983, March 6). New social contracts. *The New York Times Book Review*, pp. 12, 29.
- Lowin, A. (1968). Participative decision making: A model, literature critique, and prescriptions for research. *Organizational Behavior and Human Performance*, 3, 68-106.
- Maier, N.R.F. (1950). The quality of group decisions as influenced by the discussion leader. *Human Relations*, 3, 155-174.
- Maier, N.R.F. (1963). *Problem-solving discussions and conferences*. New York: McGraw-Hill.
- Maier, N.R.F. (1967). Assets and liabilities in group problem solving: The need for an integrative function. *Psychological Review*, 74, 239-249.
- Maier, N.R.F. (1970). *Problem solving and creativity in individuals and groups*. Monterey, CA: Brooks/Cole.
- Maier, N.R.F., & Sashkin, M. (1971). Specific leadership behaviors that promote problem solving. *Personnel Psychology*, 24, 35-44.
- Mann, F.C. (1957). Studying and creating change: A means to understanding social organization. In C. Arensberg et al. (Eds.), *Research in industrial human relations*. (Industrial Relations Research Associates, Publication Number 17.) New York: Harper & Row.
- Margolis, B.L., Kroes, W.H., & Quinn, R.P. (1974). Job stress: An unlisted occupational hazard. *Journal of Occupational Medicine*, 16, 659-671.
- Mayo, E. (1919). *Democracy and freedom: An essay in social logic*. Melbourne, Australia: Macmillan.
- McClelland, D.C. (1955). *Studies in motivation*. New York: Appleton-Century-Crofts.
- McClelland, D.C. (1976). *The achieving society*. New York: Irvington.
- McClelland, D.C. (1975). *Power: The inner experience*. New York: Irvington.
- McMurry, R.N. (1958). The case for benevolent autocracy. *Harvard Business Review*, 36(1), 82-90.
- McNair, M.P. (1957). What price human relations? *Harvard Business Review*, 35(2), 15-39.
- Morse, N.C., & Reimer, E.M. (1956). The experimental change of a major organizational variable. *Journal of Abnormal and Social Psychology*, 52, 120-129.

- O'Hanlon, J.F. (1978, August). *Performance and physiological reactions to monotony in simulated industrial inspection*. Paper presented at the Nineteenth International Congress of Applied Psychology, Munich, Germany.
- Palmore, E.B., & Jeffers, F. (Eds.). (1971). *Prediction of life span*. Boston, MA: Heath-Lexington.
- Pelz, D.C., & Andrews, F.M. (1978). *Scientists in organizations* (rev. ed.). Ann Arbor, MI: The University of Michigan, Institute for Social Research.
- Preston, L.E., & Post, J.E. (1974). The third managerial revolution. *Academy of Management Journal*, 17, 476-486.
- Quinn, R.P., & Shepard, L. (1974). *The 1972-73 quality of employment survey*. Ann Arbor, MI: The University of Michigan, Survey Research Center, Institute for Social Research.
- Roethlisberger, F.J. (1950). *The human equation in employee productivity*. Speech presented to the Personnel Group of the National Retail Dry Goods Association.
- Roethlisberger, F.J., & Dickson, W.J. (1939). *Management and the worker*. Cambridge, MA: Harvard University Press.
- Sales, S.M., & House, J. (1971). Job dissatisfaction as a possible risk factor in coronary heart disease. *Journal of Chronic Diseases*, 23, 861-873.
- Sashkin, M. (1982). *A manager's guide to participative management*. New York: American Management Association.
- Sashkin, M. (1984, Spring). Participative management as an ethical imperative. *Organizational Dynamics*, pp. 5-22.
- Shepard, J.M. (1971). On Alex Carey's radical criticism of the Hawthorne studies. *Academy of Management Journal*, 14, 23-31.
- Simmons, J., & Mares, W. (1983). *Working together*. New York: Alfred A. Knopf.
- Singer, J.N. (1975). Job strain as a function of job and life stresses. (Doctoral dissertation, Colorado State University, 1975). *Dissertation Abstracts International*, 36(6B), 3109B.
- Tannenbaum, A.S. (Ed.). (1967). *Control in organizations*. New York: McGraw-Hill.
- Taylor, F.W. (1911). *Scientific management*. New York: Harper's.
- Thompson, J.D. (1967). *Organizations in action*. New York: McGraw-Hill.
- Vroom, V.H., & Yetton, P.W. (1973). *Leadership and decision making*. Pittsburgh, PA: University of Pittsburgh Press.
- Zeigarnik, B. (1927). [The recollection of completed and uncompleted tasks.] *Psychologische Forschung*, 9, 1-85.

## ■ THE TRANSFORMATIONAL MANAGER: FACILITATING THE FLOW STATE

**Linda S. Ackerman**

Management literature over the past few years has been crowded with concepts and success strategies taken from the Japanese. With the myriad of demands facing managers in the United States and elsewhere today, it is no wonder that they are open to these new ideas. Old practices no longer satisfy today's and tomorrow's challenges. Unfortunately, in many cases the Japanese approaches have added to the frustrations of American managers. The Japanese methods are successful because the Japanese culture supports them. American culture usually does not. The belief system, management approaches, and needs of the Japanese industrial environment are congruent and supportive of one another. Given the painful symptoms in American organizations, it is evident that our ways of thinking, our management practices, and the needs we have are not equally compatible. Japanese approaches are foreign to our way of working and our organizational traditions. In addition, many companies have utilized these new practices as techniques, or "Band-Aids." Applied to problems that have been developing for decades, they can do very little to help. Thus, they are cast off as failures.

If we are to develop our own approaches to solving organizational problems, we must challenge fundamental assumptions about managing organizations. To do this, we also must confront the traditional image and role of managers. This article will examine a particular way of viewing organizations and will explore the implications of this view for American managers. The constructs presented will introduce a new way of managing that may assist us in our current struggles.

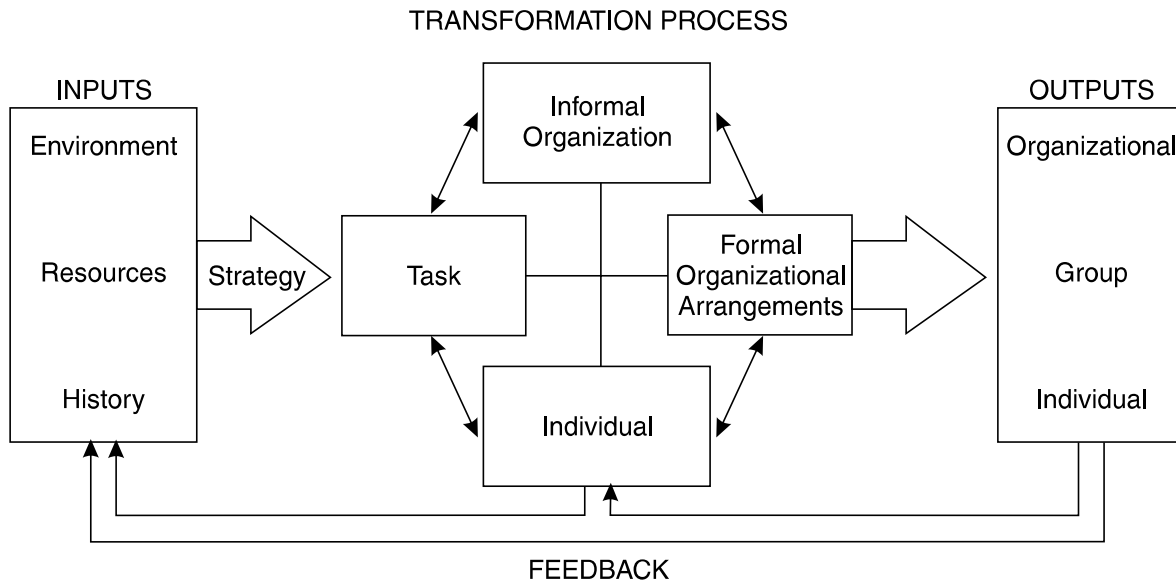
### **THE TRADITIONAL VIEW OF ORGANIZATIONS**

There are numerous traditional models of organizations and, overall, they vary only slightly. Nadler and Tushman (1980) present the organization as made of tangible parts, such as structure, processes, people, tasks, and resources (see Figure 1). Their model also describes some less tangible aspects such as history, values, politics, and leadership. Such models offer us a way to picture the *form* or substance of the organization. This is especially useful in assessing or designing organizations. Models also help to reveal the

---

Originally published in *The 1984 Annual: Developing Human Resources* by J. William Pfeiffer & Leonard D. Goodstein (Eds.), San Diego, CA: Pfeiffer & Company. A more complete version of this concept is available in the book, *Transforming Work*, edited by John D. Adams, published by Miles River Press, Alexandria, Virginia, 1983.

complexity of organizations—the many variables or parts that contribute to the total system.



**Figure 1. Nadler and Tushman's Organizational Model<sup>1</sup>**

Another important feature of most organizational models is that they indicate the relationships or interdependencies that exist *among* the parts. Nadler and Tushman (1980) say that the parts must “fit together” for the organization to work effectively. This has become a fundamental assumption in management thinking.

In theory, then, good managers define what parts are necessary, based on organizational needs; ensure that each part is uniquely essential to the overall strategy; and then see that the parts work well with one another. When carried a bit further, this type of thinking can lead to the tendency to “fix” the parts so that they fit in order to maintain or regain the status quo. This is consistent with the belief that good managers are skillful problem solvers. Thus, managers design ways to maintain control over work, schedules, and people’s needs in order to keep the parts fitting.

The reality, however, is that life in the organization is more dynamic, more complex, and more out of control than the models describe. Naisbitt (1983) states, “The world that once seemed so certain, solid, has changed radically. Now, conflict, confusion and great uncertainty is the norm for sure” (p. 1). If managers believe that their task is to solve problems, meet their numerical goals, and keep things under control, it is no wonder that they are frustrated.

The solution may be for management to pay greater attention to the arrows in the organizational model, rather than just the boxes. More attention paid to the relationships

<sup>1</sup> Reprinted, by permission of the publisher, from “A Model for Diagnosing Organizational Behavior” by D.A. Nadler and M.L. Tushman, p. 47, *Organizational Dynamics*, Autumn, 1980, © 1980 by AMACOM, a division of American Management Associations, New York. All rights reserved.

and the frictions between the parts will require less attention to what form the parts take or how to control them. This shifts our attention to daily, or even momentary, awareness of what is happening in the organization, what is assisting the fit, what is blocking the flow, and what is needed in the long range for things to happen the way management would like. The key to viewing organizations in this way is to see them as dynamic—moving, changing, shifting, pushing, pulling—in short, as *energy*.

## **ORGANIZATIONS AS ENERGY**

Physicists hypothesize that there really is no such thing as form, only particles that are perpetually moving in unique ways. This is the embodiment of energy. In great quantity, the particles compose atoms, which (also in great quantity) are perceived as form. From this we can evoke the analogy of organizations as energy. Webster defines energy as “the capacity for action or performing work.” This is a primary reason why we organize in the first place: to accomplish something. The performance, the action, the work, that is, the *energy*, is the substance of the organization, not the numbers, the machinery, or the organizational chart.

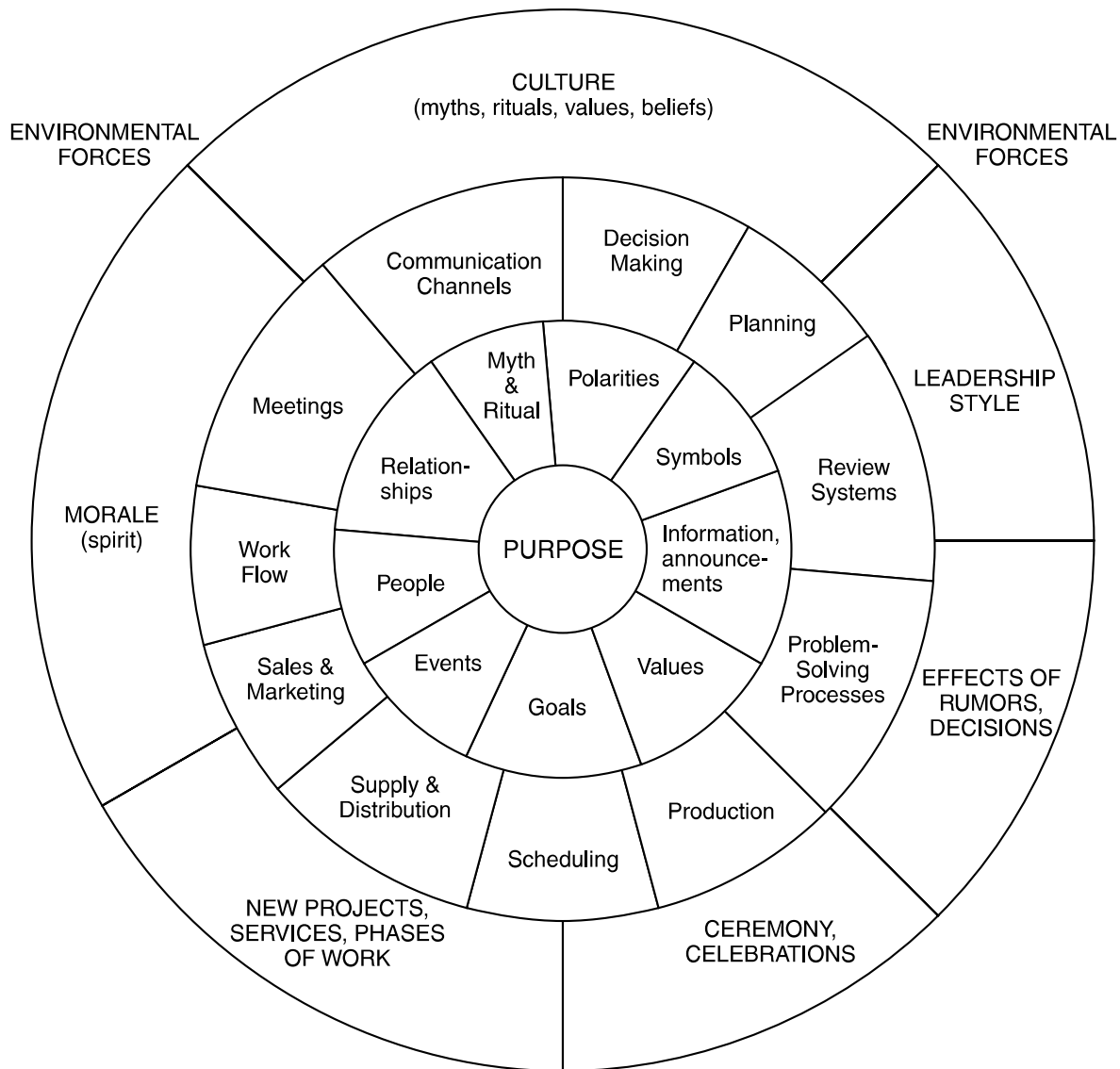
Organizational models, then, can be viewed in much the same way as what appears to be solid mass. We can use these apparent realities as stepping stones to understanding the nature of what it is we are to manage. Webster defines form as “shape, structure; the orderly method of arrangement; the established method of doing something.” It is important to note the finality or control implied by the terms structure, orderly, and established. This is consistent with the assumptions of management that we are questioning: the need to make things fit, to retain or regain the status quo, and to manage the form. “Organization” is a noun; it is static.

The energy model is based on the verb, *to organize*, or the process of organizing. The movement, the act of managing, implies that things are always changing. Managers continually are faced with new data and new challenges. Inevitable forces alter the way things happen. There is very little that does not change at some time in the organization. Dealing with the *process* of managing, rather than just the result, is the point of the energy model.

The organization as energy is depicted in Figure 2. Note that it does not depict the *behavior* of energy. At the core of the organization is its *purpose* or reason for being. This purpose gives meaning and direction to the energy and the form of the organization. When fully understood and appreciated throughout the membership of the system, it becomes the central linking force of everything and everyone. Ideally, the core purpose of the organization is the one energy force that touches all people and ties them all together. Everything seeks to contribute to the pursuit of the purpose.

The next ring identifies the *sources* of energy—where it comes from. The third ring describes typical *channels* through which energy flows in the organization. The outer level identifies the *fields* that are created when energy is having a widespread effect in all or large portions of the organization.

The rings of the chart describe the energy inside the organizational boundaries. However, boundaries are merely form; energy flows through and around them as it does with all forms. The world outside the organizational boundaries is also filled with energies that directly impact the functioning of the organization. These energies are called *environmental forces*; they include: social values and culture; the economy; government regulations and politics; competitors; suppliers; the marketplace and customers; technology; and the labor force and unions.



The context for managing energy is found in the purpose of the organization, which is the central linking force in the model. The next ring cites SOURCES of energy; the third, CHANNELS of energy; and the fourth ring, energy FIELDS. The organization also is influenced by ENVIRONMENTAL energy forces.

**Figure 2. The Organization As Energy**

Environmental energy forces enter into and influence the behavior and effectiveness of the organization. Today's managers are experiencing the turbulence that occurs whenever two or more dynamic forces meet. Serious problems occur when these energy forces are misunderstood, ignored, or let loose without guidance.

### ***Sources of Energy***

In order to manage energy, we need to know where it comes from. A primary source of energy is the myriad of competing forces that exist in the organization. Energy results from the tension that is generated by the pushes and pulls of two or more opposing sides. Tension in this case need not be perceived as negative but, rather, as a description of the force set up. The pull can be felt as the desire or need for movement in one direction or another. Usually, neither side is better; there is a fundamental and natural reciprocity between them, which is why they continue to exist. At any time, one side will be more attractive or powerful than the other. At another time, as circumstances shift, the opposing side will gain strength. Ingalls (1979) describes a term used by Carl Jung, *enantiodromia*, which is the tendency of all things to turn into their opposites over time.

Ingalls also describes a series of polarities that underlie human energy, such as control versus creativity and ambiguity versus certainty. Organizational polarities include long-term versus short-term needs, quantity versus quality, and line versus staff. Another polarity is the tendency to believe that one should manage form rather than energy. The emphasis on energy does not negate the form; energy surrounds the form and plays off it. The desire is to create a balanced view of the two.

Polarities are only one source of energy. The building and evolving of human relationships as well as functional relationships generate energy as well. Boss subordinate, peer, job-related, and social relationships all create and use energy in the organization. When a relationship between two people is particularly strained, everyone uses up energy talking, worrying, and strategizing about it. When relationships between people or departments are smooth, everything seems to flow. The health of relationships can greatly add to or drain organizational energy. When a great deal of activity or feeling occurs in the organization, it is always because of some source of energy. These include: key figures in the organization, important events, announcements, values, myths or stories, ritual acts or ceremonies, symbols such as logos or mementos, rewards, goals, and information and language. In addition, the effects of these sources of energy can change over time. Tracking whether these sources are helpful or hindering is part of management's responsibility in this model of the organization. Ingalls (1979) describes a matrix between action and consciousness. For this perspective to be useful, we must become *conscious* of the energy and understand how it can guide our actions. We also must be able to translate our conscious aims into action.

### ***Channels of Energy***

The energy that exists within the organization can scatter widely, build or die naturally, or be *channeled* through the forms existing in the system. This is where effective

management counts. For instance, energy flows through the communication networks in the organization during all decision-making, planning, review, and problem-solving processes. All meetings have the potential to move energy or block it, depending on their outcomes. Work flow, scheduling, and supply and distribution systems each channel energy when working effectively. Sales, marketing, and production lines move energy as they carry out their roles in the organization. Energy flows, whether by plan or not.

Energy also can be blocked by delays, confusion, inefficiency, bureaucracy, battles, inhibitions, and breakdowns. Over time, tradition can become a hindrance to energy flow. Policies and cumbersome procedures can get in the way, even if they were initially created to assist. People's attitudes and beliefs, negative emotional states, fear, and distrust can act as obstacles to the energy flow. The "grapevine" can set off resistance in the organization because of the potential for rumors to carry negative energy. One key to managing effectively is to keep channels of information and communication open and to ensure that the flow of energy, in the form of information and indications, is as clean and accurate as possible.

### ***Energy Fields***

In situations in which a feeling is widespread, an energy field is created, almost like a blanket of mist that envelops the organization. All who are within the energy field experience the same mood—the effect of the field. Organizational morale is an example of such an energy field. Energy fields can occur spontaneously within minutes or grow over a long period of time. Some energy fields disappear or change radically very quickly; others last a very long time or never disappear at all. Energy fields are generated by things such as:

1. Specific events: changes in leadership, acquisitions of new businesses or products, divestitures, start-ups, ceremonies, celebrations, and so on.
2. Information: announcements, policies, rumors, and key decisions.
3. Leadership style and philosophy: e.g., authoritarian, inspirational, humanistic, maverick, entrepreneurial, or participative.
4. Culture: values, norms, myths, rituals, feelings, beliefs, rewards, and traditions.

Lasting and profound energy fields, such as organizational culture, are great challenges to managers in times of change. The patterns they create become hypnotic and habitual. The density of the field tends to blind people to anything but the field. In order to change anything, we must first "face up" to where we are and then begin to create new options that are more appropriate to our desired outcomes. Understanding how energy and energy fields work provides a tool with which to assist the change process.



## A CONTINUUM OF MANAGEMENT STYLES

There are times when it is necessary to alter an organization's fields, channels, and key sources of energy. This requires the ability to free up the energy in order to transform it. Three management styles can help or hinder this process in varying degrees. The ideal manager for the model is a true agent of change, facilitating the release and channeling of energy, that is, *managing in the flow state*. The manager on the opposite end of the continuum is one who works against the system, constraining or blocking the natural flow, that is, *managing in the fear state*. Somewhere between these two is the manager who is effective at working in the traditional model, the organization of form. This person works the system from the point of view of results, decisions, and structures. This is *the solid-state manager*. Table 1 describes the orientation of each of these three styles. A manager can alter his or her style at any time. A manager who is feeling threatened is likely to move toward the fear state. One who feels powerful or effective is likely to move toward the flow state.

**Table 1. Continuum of Management Styles**

<b>Fear-State Management</b>	<b>Solid-State Management</b>	<b>Flow-State Management</b>
Works against the system	Works with the structures of the system; tries to ensure that they "fit"	Works with the energy flow in the system; works for harmony; alters structures to free up energy
Win/lose mentality; destructive competition	Win/win when possible; competition within reason is useful	Winning and losing is not important; doing what is necessary is
Self-oriented	Department, function oriented	Total-system oriented
Strategically creates obstacles, barriers	Rearranges obstacles; moves around numbers and structures	Removes, dissolves obstacles; changes the structure to respond to energy needs
Slave to time; frenetic	Tries to manage time; still crisis oriented	Respects imposed timetables and uses sense of "right timing" for events
Preoccupied with payoffs, rewards, image	Concerned with rewards; respects and responds to external influencers; image is important	Motivated from within; sees rewards as tools; image is an illusion
Overly controlling; withholds information, responsibility	Controls using formal systems, policies, rules; shares information as necessary; delegates when appropriate	Lets the flow of energy guide behavior; uses information to unblock the flow and indirectly "control"/guide events; encourages others to take responsibility
Gives lip service to results that serve own needs	Results and outcome oriented; MBO	Oriented to process; results are only temporary realities

**Table 1. Continuum of Management Styles**

<b>Fear-State Management</b>	<b>Solid-State Management</b>	<b>Flow-State Management</b>
Distracted, scattered, anxious, confused, depressed, sick	Pulled in many directions; concerned; seeks information for understanding; works regardless of mental state	Clearly focused; attentive without concern; clarity and foresight; active, healthy
Uncertain of own limits; closed to feedback on performance	Accepts responsibility without knowledge of own limits; aims to please; accepts feedback when given	Clear about own limits and those of others; seeks feedback from own performance as well as from others
Intimidated by tradition	Respects, preserves tradition	Respects purpose of tradition, alters it when necessary
Cannot see polarities; sees only one way	Sees polarities; fights for right answers; resists shifts	Allows polarities to emerge, shift as necessary; embraces both sides as legitimate
Work has little meaning; totally ignorant of the organization's purpose	Meaning is in results, numbers, profit; organization's purpose is perceived as a number	Meaning is in the pursuit of the organization's purpose, its viability, and the process of making a contribution to the larger social environment as well as people's lives; purpose is used to connect everyone together
Believes in complete scarcity of resources, rewards; must fight for them	Resources and rewards are finite and must be distributed in logical, standardized ways	Believes in abundance of resources and rewards; knows how to create them from existing or new sources
Mistakes are suicidal	Mistakes are inevitable, but to be avoided; move on quickly if they occur	Mistakes provide the most valuable source of learning; they are welcome if they occur; it is important to understand them
Focuses on controlling others	Focuses on using others to carry out tasks	Focuses on empowering others
Attachment to own position; power hungry; holds on to authority irrespective of position	Looks after own position; seeks opportunities for power; exercises authority over others consistent with position	Not attached to self, power, authority; can move in and out of these conditions with ease
Erratic mental processes and behavior	Left-brain, analytical orientation; traditionally male behavior	Right and left brain balanced for synergy; androgynous in behavior and orientation

## **MANAGING IN THE FLOW STATE**

There is little question that an expanded perspective is required of our executives and leaders. Quinn (1980) refers to this new image as “the guiding executive,” one who sees

change as ongoing and who understands how to work with many variables in order for things to proceed and flow smoothly in the organization.

The concept of flow can be traced back to the Eastern philosophy of the Tao, which encourages harmony with the natural order of things, the way the universe is meant to unfold. It states that there is a natural sequence to life; that change, like a flowing river, is perpetual; and that we can, at best, facilitate the flow by removing obstacles from its way. Applied to management thinking, to be in a flow state implies seeing the large picture—understanding, objectively, the most appropriate changes or shifts that must occur and assisting these changes with the least amount of cost or disruption to the people and outputs of the organization. Being in the flow state means working in harmony with others and looking after the good of the whole, not just the favored parts of the system. Csikszentmihalyi (1975) describes it as “the holistic sensation that people feel with total involvement.” Siu (1980) describes the ability in this state “to act from an instantaneous apprehension of the totality.” This requires a broad perspective of what is going on and a sensitivity to, or intuition about, what is needed. It means balancing the factual data in each situation with one’s hunches about how to act. As mentioned in Table 1, this balance can be seen in managers who effectively use the functions of both brain hemispheres—the left being analytical and structured, the right being intuitive and creative. It is the synergy between the two that enables the flow to occur.

### ***Values That Support the Flow State***

Certain values are espoused by flow-state managers. They see themselves as being in service to the larger purpose of the company. They strive for the fulfillment of as well as for the potential of the individuals who contribute to it. They have patience and trust in people’s intentions to work for common goals without sacrificing their personal identities. Work to them is meaningful, and they feel enriched from their effort and time spent on behalf of the organization. They believe that there are numerous opportunities in which to demonstrate competence and effectiveness.

Flow-state managers encourage the best effort from everyone and value a work environment that supports learning, exploration, and creativity. In their efforts to ensure harmony among the parts of the organization, they also promote opportunities for group synergy and group recognition. They understand that their values must be shared in order to have a positive impact.

Many of the values of the flow-state manager are illustrated by the life of Gandhi. Gandhi was deeply guided by his inner purpose, his belief in equality and justice, peace, and patience. Having no resources or form with which to manage his cause, he became a master at managing energy. He used himself and other public figures as models and sources, created a widespread energy field on behalf of his vision, and opened new channels for action in the British government and the Indian and Muslim states. He trusted that the flow of events eventually would realize his vision. Of course, such a person also must be aware of the potential risks involved and the personal sacrifices that may be required.

The “flow state” describes the perspective from which this new type of manager operates; because of this person’s ability to facilitate profound changes and achievements in the organization, he or she also may be referred to as the “transformational” manager—one who transforms energy.

### ***The Fear-State Manager***

In most traditional organizations, people strive to advance their own causes, compete for scarce resources, and are rewarded solely for how well they control results. In and of themselves, each of these acts may be a positive condition if it serves the collective purpose of the organization rather than a few individuals. The individual, self-centered focus drains the potential performance of the system. This self-centered focus is the accompaniment of fear and defensiveness. Fear-state managers have a win-lose attitude, play political games, and grasp and control information, assignments, meetings, and other events to serve themselves before all others.

People who act out of fear perceive threat in the forces around them. They assume that there are not enough resources or rewards to go around. Such people believe that they have no choice but to try to win, assuming that others must, thereby, lose. These people typically hear and see everything in the organization with the question “How can this hurt me?” in their minds. It is nearly impossible to have a clear sense of how to proceed appropriately when one is in this state of mind. The physiological reactions to fear shut down our ability to respond freely and be open to new input. The fear state drives people to withhold and protect information and power and to demonstrate blind allegiance to tradition for fear of losing ground.

Under normal conditions, this state can be observed in individuals who lose their tempers frequently, become workaholics, have difficulty delegating responsibility, are reluctant to let go of a lost debate or unpopular decision, or frequently blame others for negative conditions. These symptoms then breed greater strain and fear in others. The fear state is highly contagious in organizations, and the costs are appalling: from wasted energy and low morale to out-and-out conflict between people or organizational units.

### ***The Solid-State Manager***

The solid-state managerial style is familiar; it reflects the traditional attitudes of business in the Western hemisphere. Solid-state managers are skillful at managing the traditional structures in the organization: the charts, policies, schedules, numbers, and “head counts.” A variety of familiar management styles fall into this category: the authoritarian, the organizer, and the administrator. Some of the more people-oriented managers also are within this range. The common factor is that they manage the components—the form of the organization—and do not see or emphasize the relationships, dynamics, and processes as well. They function largely from a left-brain orientation, influenced by external forces such as goals, deadlines, and policies, and are unaware of or afraid to trust their instincts about trends, patterns, and energy flow. They

respond to rewards and punishments, visibility, political expectations, and traditions. They plan according to available, quantifiable facts and are truly the “good soldiers” of management.

Solid-state managers frequently are successful in what they attempt to do. However, more and more of these managers are faced with the dilemma described at the beginning of this article. Their best strategies somehow are not working. Because of their tendency to preserve tradition (perhaps for fear of rocking the boat), solid-state managers do not actively question the way things are done. They are more apt to resist change than to initiate it. It is rare that they will take the time to truly appreciate and learn from mistakes (or successes, for that matter). Conflicts are seen as inevitable, but to be avoided; if they arise, they are to be controlled or diffused in order to regain the status quo. Solid-state managers are skilled in analysis and measurement, sometimes to a fault. Their dependence on “figuring” and “proving” can deprive them of more creative, intuitive responses to challenges. Unfortunately for many of them, we are no longer living in a time of stability and certainty. Pressures, polarities, and ambiguity are a large part of reality. Status-quo thinking alone cannot satisfy these complex demands. There is a need for a new vision of management.

### ***How the Flow State Works***

The flow-state, or transformational, manager’s perspectives are influenced by several unique attitudes, and these, in turn, deeply influence his or her decisions and behaviors.

### ***An Abundance of Opportunities***

To begin with, the flow-state manager feels that the organization offers an abundance of opportunity to those who seek it. The “one big chance” mentality is an illusion; there is no scarcity of options and potentials. Believing in abundance releases energy and excitement. If now is not the time, another chance will emerge or, better, a new opportunity as yet unforeseen will surface. By staying fresh and aware, one actively participates in the opportunities of the day.

### ***Learning Is Essential***

To sustain this openness, the flow-state manager values calculated risks and continual learning. People must have the freedom to explore and make mistakes. Without testing limits, it is difficult to know whether or not one is on or off course, moving too fast or too slowly. Faith in the process includes believing that the process will indicate how to self-correct or how to reorganize in order to keep moving—much like water seeking new channels to keep flowing. Each event, positive or negative, provides more information about where one has been and where one needs to go next.

### *Structures Are Necessary and Changeable*

The flow-state manager recognizes that certain structures are necessary and useful. For instance, job descriptions provide clarity as well as reasonable boundaries between functions. For this manager, however, such boundaries are like walls: although they are useful for defining what is inside them, they inevitably close out some things as well. As part of his or her continuing task to facilitate the process, this manager realizes that role boundaries may need to be changed to reflect changes in circumstances or people. This is true for all structures in the organization. They are vehicles to facilitate the flow—easily created, easily removed. This has major implications for how one organizes, develops plans, and uses policies and rules.

### *Using Common Purpose As a Bond Between People*

Given the uncertainty in organizations, most people require some form of security or stability to perform effectively. This security comes from two major sources: shared acceptance of the purpose and future goals of the organization and the sense of togetherness or community that is created by collective effort. The flow-state manager encourages people to feel connected and attuned to one another. At all levels of the organization, this sense of community can enhance people's motivation to work together effectively, especially during periods of uncertainty or change.

### *Attending to All Stakeholders*

Because the tides can shift at any time, it is important to heed and value all constituents or stakeholders of the organization. Siu (1980) warns of the dangers of taking constituents lightly. As appropriate, some form of recognition and attention to all interested parties is wise. To accomplish this, the flow-state manager may ask for input or feedback, may test a new idea, may praise a point of view, or may reward some contribution as a way of keeping life in the relationship with each of the stakeholder groups. All doors are kept open, and all parties are actively involved.

### *There Is Meaning in All Events*

At times, events and circumstances may change radically in the organization, disrupting people and plans. A shift in leadership or direction may cause pressure or conflict. The flow-state manager respects such transitions, whether or not he or she agrees with them, because each change in the organization serves some purpose in the long run.

### *Seeing the Big Picture That Surrounds Polarities*

The flow-state manager is open to conflicts, differences, and polarities. The solid-state manager usually can see two sides of an issue or conflict and perceives one as correct. Unique to the flow-state manager, however, is the ability to view an issue from all

angles, as if from above. This allows a more complete and objective perspective from which to make decisions. It enables the manager to rise above the conflict without labeling any position as “right” or “wrong,” thus keeping all options open. The flow-state manager realizes that all forces are cyclical in nature and that each will have its turn in time.

A formal decision-making system based on this principle is described by Ackoff (1979). One task force is established to thoroughly investigate why a major decision should be made (the advocacy position). A second task force is also formally created to study why the same decision should not be made. The deciding body can then maintain a clear view of the large picture while having both sides thoroughly and legitimately reviewed.

### *Nonattachment to Self, Action, and Power*

The flow-state manager knows that one must always be ready to respond according to the emerging need: to act or to stop an action, to give up a position of power or to step into one; to take on leadership or to demonstrate followership. This requires letting go of one’s ego attachments to favored positions; such attachments quickly become constraints. This approach increases freedom, self-direction, and choice, allowing the manager to select the actions that are most appropriate at the time.

### *Focus on Empowering Others*

“Freedom from self” allows one to consider the needs of others. The flow-state manager seeks opportunities for others to make a contribution. He or she attempts to facilitate higher levels of performance, to empower others to act on their best intuition and skills. Through delegation, giving away responsibility and authority, and demonstrating trust, a manager can unlock a tremendous amount of motivation and excitement. Becoming an advocate for what others (including subordinates) want to do is a key strategy for unblocking human energy in the organization and transforming it.

### ***Flow-State Strategies***

In accordance with flow-state principles, anything that helps to facilitate the unfolding of events in the organization is considered a valuable approach. A few strategies are particularly useful in this regard.

### *Managing Ambiguity*

Given the high degree of ambiguity in organizational life, managers need to be able to cope with uncertainty. Most people, however, want information, clear choices, and advantages and disadvantages spelled out. They want reinforcement or reassurance from others before they are willing to act. Flow-state managers are aware of these natural tendencies and work to generate as much clarity and understanding as possible. Quinn

(1980) writes of managers who strive to amplify people's understanding of different alternatives and their seeking of clear criteria for making decisions. This takes time and care. Others also will grow more comfortable with new directions if given an appropriate period for adjustment and an opportunity to sample a new approach.

According to Pascale (1978), a basic skill in managing in an uncertain environment is knowing the distinction between having enough data to *decide* and having enough data to *proceed*. It takes courage to proceed; the flow-state manager knows that further action will reveal even more data.

The key strategies in managing in ambiguous circumstances are as follows:

1. Pursue as much clarity and understanding as possible.
2. Establish criteria to test the decision.
3. Create lead time for more information to surface and to facilitate people's levels of comfort.
4. Take slow or partial steps that do not risk the entire project; send out test balloons and watch for prevailing winds.
5. Encourage people to voice their concerns and frustrations with the unknown and reinforce the climate for learning.

### *Sense of Timing*

In uncertain situations, knowing when to act is a skill; timing is an important element in the success or failure of many endeavors. The transformational, flow-oriented manager knows how to order events on a linear timetable, providing the logical sequence so necessary to planning and implementing complex changes. This person also knows how to sense the energy, readiness, and momentum in the organization for implementing critical changes; when to act; and when not to act. This manager also senses people's need for direction and their openness to change.

### *Building Readiness: The Use of Critical Mass*

Building readiness is a key component of the flow-state perspective. Nuclear physics offers us the term "critical mass"—the point at which the momentum necessary for action to occur is reached. Until this happens, the flow-state manager engages in building awareness, understanding, and support for the desired outcome. Critical mass in an organization can be described as the necessary number of "ready" people—a momentum or energy field from which the effort can proceed on its own without continual support.

Flow-state managers identify people throughout the organization who are best suited to advocate a desired change. They invite the support of these people and describe the collective effort that is required for the change to occur. They then use their skills, reputations, influence, and resources to attract others to the effort. When the number of people who advocate the move, with their combined energy and intention, outweigh



those who resist or have not committed themselves, a critical mass is reached and the effort proceeds.

It must be emphasized that this is a strategically proactive move for the transformational manager. The approach is active rather than responsive. This form of influence grows from a manager's intuitive sense of what is needed to facilitate the flow and is congruent with the larger picture as well. Maintaining this ability requires that the manager keep his or her awareness of the organization finely tuned.

### *Nurturing the Inner Flow State*

An organization functions effectively when its purpose is clear, its members work together in pursuit of the purpose, and the energy flows smoothly. This picture of organizational health is a collective reflection of the health of members of the organization. An inner flow state in every person directly affects that person's level of performance and ability to be in synchronization with the flow of the larger organization.

The flow-state manager is keenly aware of his or her inner state and balances and cares for four core aspects of the person: the mind, the body, the heart (emotions), and the spirit. As in the organization, these components are interlinked. Peak performance is the outcome of all four working in support of one another. The mind-body-heart-spirit model is applicable at the organizational level as well. The flow-state manager looks after the mental functioning (decision making, planning, and problem solving, for example); the physical ability (operations, structure, and use of resources); the emotions (morale, creativity, and culture); and the spirit (meaningful work, alignment of the parts, and sharing of a common purpose) of the organization. The balance of these aspects directly affects the health of the organization and the degree to which its energy can flow naturally.

### *Assessing the Situation*

The characteristics described in this article can be exemplified by several questions that the flow-state manager might ask to assess any situation in the organization.

1. How does this situation fit the larger purpose of the organization?
2. What is needed to have this situation turn out ideally for everyone involved?  
What opportunity is here? What is at stake?
3. What circumstances and events have led up to this point? How does this historical perspective influence the way in which we might proceed or the outcome desired? What polarities exist? What is the existing energy field?
4. What do we have going in our favor (people, resources, motivation, timing, etc.)? What real or potential obstacles stand in our way?
5. What in our direct control can be easily created or removed to assist this effort?  
What channels can be opened? What structures are needed?

6. What requires indirect influence, longer lead time, or special consideration? How might these things happen?
7. Who is essential to the critical mass? How can these people be reached and involved to help open channels and build a positive energy field?
8. What assumptions are we making about our desired outcomes or the needs/opportunities facing us? Are these consistent with other people's views?
9. What is my interest in this? What is in this for others? How can I be an advocate for them or empower them?
10. What is the best timing for events to occur? What is an appropriate sequence?
11. Should we be proactive or is it best for us to let things unfold for now?
12. How visible should we be? Should the total effort move ahead at once or should we proceed one piece at a time or in phases?
13. What other pressures might emerge (e.g., resistance, loss of resources, change of leadership, etc.)?
14. What can we learn from this experience? What is meaningful about it?
15. As I look at the overall picture, what hunches or feelings do I have about how to proceed?

The information from these questions shapes a strategy for action. From each action, new learnings and data emerge to help shape ensuing strategies. Flow-state managers ask such questions on an ongoing basis while keeping the underlying principle in mind: What is the best way to proceed to serve the highest purpose for all involved? At times they may choose to do nothing but watch and support.

## ***IMPLICATIONS OF MANAGING IN THE FLOW STATE AND THE USE OF ORGANIZATIONAL ENERGY***

The concepts presented here describe an ideal state. This model is created to help to explain an expanded view of the dynamics of managing. Whether it is possible or practical in today's organization bears further exploration and discussion.

### *How Would Organizations Be Different Under This Frame of Reference?*

The implications of applying the flow-state concept in our existing organizations include the need for attention to the following:

1. A new terminology to discuss energy and flow operationally. Awareness of the shift from talking about nouns (forms and results) to speaking in terms of verbs and gerunds (processes). Descriptions of reality that use action terms to define the energy flow better.

2. New organizational forms and systems that are responsive to the energy flow rather than obstacles to it. Such new forms must be self-organizing, self-correcting, and adaptable.
3. Greater focus on the purpose of the organization and monitoring to ensure that it continues to fit the demands of the larger environment and that all members of the organization are aware of it and understand it.
4. Assessment of the existing sources, channels, and fields of energy to ascertain what helps the organization to adapt to greater complexity and what hinders it. Examination of pervasive cultural factors to see whether they block the self-responsibility, creativity, and adaptability that are necessary for change to occur.
5. Understanding of organizational members' beliefs about the organization's future, its management style, responsibility, and change. This awareness can indicate the need for new perspectives and actions. What beliefs would support desired changes?
6. Understanding of the model of energy as an organization moves through its natural life cycle. Assessment of which management strategies are appropriate to the current growth rate and phase of the organization.

### *Assuming That It Is Desirable, How Does One Implement Change in Organizational Forms and Management Styles?*

Organizations must determine whether their existing energy channels can be opened up or new ones created. The experience of energy flowing freely is a great motivator to continue the process. Each manager can be asked to reflect on the way he or she views the organization (as form, as processes, etc.) and where he or she sits on the continuum of management styles. Key sources of energy (people, events, etc.) can be identified, along with ways to use them best to serve the larger purpose of the organization. A strategy can be developed for building a critical mass of supporters within the targeted system. It is necessary to identify whom to invite initially, how to use these people, and how to spread the awareness.

It is also necessary to study carefully the impact of the potential changes on existing structures and managers. What specifically would need to be changed? Who would assist the effort? What forms of resistance might be encountered? What sacrifices must be made, compared to what gains? What would be the cost in dollars, time, resources, emotion? From this information, an approach can be developed in which changes are sequenced and paced appropriately. Care must be taken not to push the existing system beyond its limits to absorb and respond to changes.

There is also a need to explore how computers and other technology can be utilized to enhance information and energy flow.

Finally, managers must be taught the principles of the flow state. Learning experiences, language, and feedback mechanisms must be developed that reflect the state itself.

## ***Life in the Organization in the Flow State***

The objectives of the flow-state model are to have organizational members care about one another, work collaboratively across functions, conduct debates about problems and possible solutions, and then follow up responsibly, no matter what the outcome. The model predicts higher motivation, constructive tension, more trust and patience, a more satisfying quality of work life, pride in performance, and a deeper alignment with the purpose of the organization.

The flow state is a process, not an end result. It is a state of being, not a place to go. Managing in the flow state is an attitude, not an absolute. A great deal of personal commitment and integrity are necessary to maintain the flow-state frame of mind. As a way of viewing the world, it is an inspiration for behavior. Whatever aids the natural unfolding of events *is* the flow state. The value felt will match the situation at hand; the possibilities are limitless.

With the increasing complexity and need for change in today's organizations, it would seem that anything that would make life in the organization run more smoothly would be welcomed. Executives cannot fight or ignore the challenges, nor can they hope to apply "Band-Aids" to organizational wounds. Some shift in perspective is essential before we can experience relief. That shift is internal to us, to our attitudes and beliefs. Fear *can* be transformed. Form and energy can work in harmony. No matter what we actually do, things will continue to unfold. Managers can assist that unfolding, if only by not blocking the way. We can consider ourselves successful if . . .

When [the effective leader] is finished  
with his work, the people say,  
"It happened naturally."

Lao Tse  
(Quoted in M. Maccoby, 1981, p. 11)

## **REFERENCES**

- Ackoff, R. (1979, Fall). *Management seminar proceedings*. Radnor, PA: Sun Company, Inc.
- Csikszentmihalyi, M. (1975). *Beyond boredom and anxiety*. San Francisco, CA: Jossey-Bass.
- Ingalls, J.D. (1979). *Human energy*. San Diego, CA: Learning Concepts.
- Maccoby, M. (1981). *The leader: A new face for American management*. New York: Simon & Schuster.
- Nadler, D.A., & Tushman, M.L. (1980, Autumn). A model for organizational diagnosis. *Organizational Dynamics*, p. 47.
- Naisbitt, J. (1983). *Trend Letter*, 2(4), 1.
- Pascale, R.T. (1978, March-April). Zen and the art of management. *Harvard Business Review*, p. 156.
- Quinn, J.B. (1980). Managing strategic change. *Sloan Management Review*, 21(4), 7, 5.
- Siu, R.C.H. (1980). *The master manager*. Chichester, England: John Wiley.

# ■ APPLIED STRATEGIC PLANNING: A NEW MODEL FOR ORGANIZATIONAL GROWTH AND VITALITY

**Leonard D. Goodstein, J. William Pfeiffer, and Timothy M. Nolan**

Most organizations do some type of long-range or strategic planning, and the formal strategic planning process has been used for over thirty years. However, our experience as consultants to a variety of organizations has convinced us that most strategic planning processes are poorly conceptualized and poorly executed; the strategic plan rarely impacts the day-to-day decisions made in the organization. To be successful, a strategic planning process should provide the criteria for making organizational decisions at all levels and should provide a template against which all such decisions can be evaluated.

When a consultant asks the managers of an organization about its strategic plan, they frequently look pained or embarrassed and begin to search through their files to find the plan, which obviously is nonfunctional. All too often, strategic planning is seen as a top-management exercise that has little to do with the actual running of the organization.

## **A DEFINITION OF STRATEGIC PLANNING**

*Strategic planning is the process by which an organization envisions its future and develops the necessary procedures and operations to achieve that future.* This vision of the future state of the organization provides both the direction in which the organization should move and the energy to begin that move. The envisioning process is very different from long-range planning—the simple extrapolation of statistical trends or forecasts—and it is more than attempting to anticipate the future and prepare accordingly. Envisioning involves a belief that aspects of the future can be influenced and changed by what we do now. The model of strategic planning presented here helps an organization to understand that the strategic planning process does more than *plan* for the future; it helps the organization to *create* its future.

Strategic planning is, however, more than just an envisioning process. It requires the setting of clear goals and objectives and the attainment of those goals and objectives within specified periods of time in order to reach the planned future state. Thus, targets must be developed within the context of the desired future state and must be realistic, objective, and attainable. The goals and objectives developed within the strategic planning process should provide the organization with its core priorities and a set of guidelines for virtually all day-to-day managerial decisions.

---

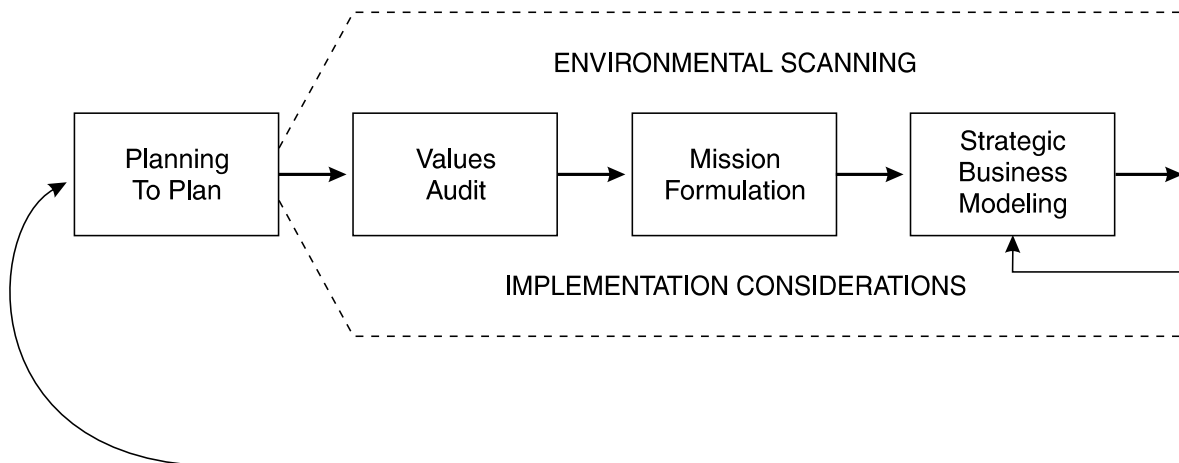
Originally published in *The 1985 Annual: Developing Human Resources* by Leonard D. Goldstein and J. William Pfeiffer (Eds.), San Diego, CA: Pfeiffer & Company.

This definition of strategic planning focuses on the *process* of planning, not the plan that is produced. Although documents delineating mission statements, strategic goals, functional objectives, and so on do emerge from the planning process, it is the process of self-examination, the confrontation of difficult choices, and the establishment of priorities that characterize successful strategic planning. Documents too often are merely filed away until a revision is mandated by some external force.

Strategic planning also is a reiterative process. Strategic planning and strategic management—the day-to-day implementation of the strategic plan—are the most important, never-ending tasks of management, especially top management. Once a strategic planning cycle is completed, the task of management is to ensure its implementation and then plan when to begin the next planning cycle. The future, by definition, always faces us; thus, organizations always must be in the simultaneous processes of planning and implementing plans.

### **A NEW STRATEGIC PLANNING MODEL**

The new model of strategic planning is based on existing models but differs in content, emphasis, and process. This model is intended to be especially useful for medium-sized and small organizations and is as useful for nonprofit organizations as it is for business and industrial organizations. The use of this model in an organization’s strategic planning will provide both new direction and new energy to that organization. The model differs from others in its continual concern with application and implementation, not only after its completion but at every step along the way. Hence the title “Applied Strategic Planning Model.” The purpose of this article is to provide an overview of the model, discuss how it can be used, and highlight the role of the human resource development (HRD) professional in strategic planning. These are described in greater detail in Pfeiffer, Goodstein, and Nolan (1986).



**Figure 1. The Applied Strategic Planning Model**

## Planning To Plan

The prework of the strategic planning process involves answering a host of questions and making a number of decisions, all of which are critically important to the eventual success or failure of the entire planning process. The questions include: How much commitment is there to the planning process? Who should be involved? How long will it take? What do we need to know in order to plan successfully? Who should develop the data? Planning to plan includes developing the answers to these questions and making these decisions prior to the initiation of any actual planning process. It is critically important not to rush into the process without clarifying various expectations, considering who will and who will not be involved, and so on. These issues must be resolved before the decision to plan can be made.

The first step in planning to plan is to make certain that there is organizational commitment to the process—that the key people in the organization, especially the chief executive officer (CEO), see the planning process as important and are willing to invest time and effort in the process in a way that is visible to the rest of the organization. Steiner (1979) defines the CEO as the person or persons with the authority to manage the organization. Steiner (p. 80) points out that the CEO can be the president, the president and the executive vice president, or some other combination of individuals; in the case of a division of an organization, this authority can be exercised by a divisional manager or the like. What is critical is that this authority must be involved in the planning process in a highly visible way to signify commitment.

Once commitment from the chief executive officer is secured, the next concern is to identify the planning team. The CEO should be involved, especially in the early stages, as should other key people in the organization. The model presented here requires top-management involvement on a continuous basis. At the same time, both input to the process and reactions to decisions that are being reached must be solicited from a

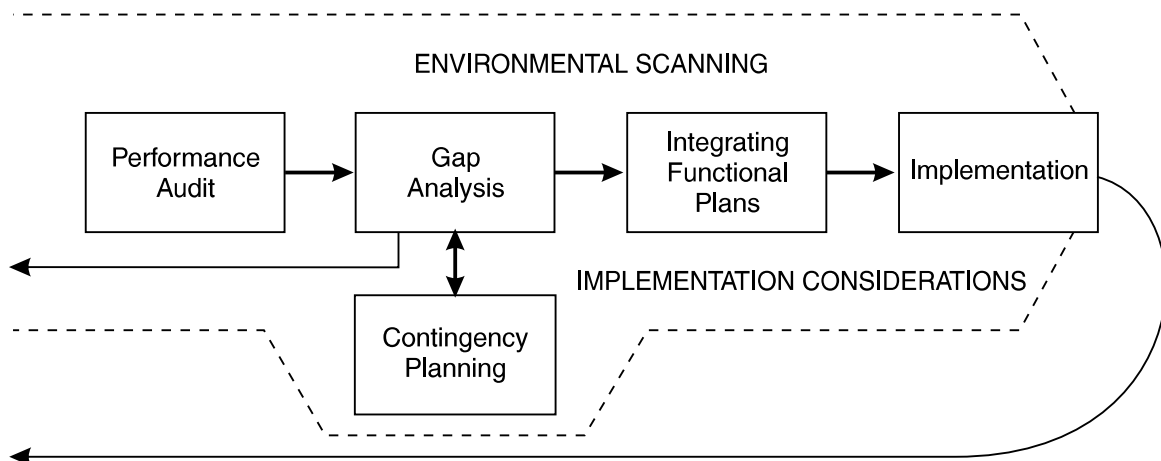


Figure 1 (continued below). The Applied Strategic Planning Model

broadly representative group of people in the organization. To be effective, a planning team should be able to observe and process its own group dynamics. This means that the planning team probably should not exceed ten to twelve permanent members. Who should be involved, what the selection process should be, how to deal with organizational members who feel that they should have been included, how to solicit input and feedback regularly from various segments of the organization, and so on, are matters that need to be addressed with both candor and sensitivity by those initiating the strategic planning process. Among the factors to be considered in making these decisions are the size of the organization, its structure, the various power groups that exist, and the organization's history in dealing with issues of general organizational importance. Again, these issues should be resolved prior to the initiation of any actual planning.

Although it has been suggested that the planning process be assigned to a staff group, we believe that deciding the future course of an organization is the task of top management—a task that cannot and should not be delegated. The proper role of staff in this process is to serve as a resource to the management planning group, to conduct research, generate data, and develop alternative ways of integrating and implementing the action steps that emerge from the planning process.

Another issue that must be dealt with is how long the process will take. As with many such processes, it usually takes longer than anticipated. It often is difficult to ascertain how much consensus already exists within the management team on a variety of issues, how much team building the team has undergone, how available the necessary data will be, and what the resources of the organization are for developing data that do not exist. Without the answers to such questions, it is not possible to predict how long the process will take.

Realistically, an organization should expect to spend eight to twenty days in the initial round of the planning process, depending on its size, complexity, and skills—especially its skills in problem identification and problem solving. With each repetition of the process, the time may be reduced by half, until a minimum of two to four days is required.

In an ideal model, the process can be completed in nine to twelve months. In such circumstances, the planning group would meet fairly regularly, perhaps every six weeks, for two or three days at a time. Ideally, the group would work effectively toward consensus, develop a mission statement that is rapidly and enthusiastically endorsed by the organization, and then develop strategic plans expeditiously. The resulting action plans then would be developed, tested, integrated, and implemented promptly. However, it is more likely that significant stumbling blocks will arise at various points in the sequence, blocks that must be addressed and resolved before the group can move on.

The HRD professional fills two potential, yet incompatible, roles in the strategic planning process. The first is that of a participant in the process. In this role, the HRD person represents the human resource function and argues for HRD concerns. The second role is that of facilitator, the person who ensures that process issues are



addressed properly. It is clear that no one person, despite skill or intent, can play both roles successfully. If the first role is to be played by an internal person, it makes sense for an external HRD person to perform the second role.

Another issue is where the strategic planning sessions should be conducted. The site must be away from the interruptions of daily work. A retreat-type setting often is conducive to the kind of envisioning and confrontation that is involved in strategic planning. The type of facility that might be used for a team-building session probably would be appropriate for a strategic planning session.

### ***The Values Audit***

A values audit is an examination of the values of the members of the planning team, the current values of the organization, the organization's philosophy of operations, the assumptions that the organization ordinarily uses in its operations, the organization's culture, and, finally, the values of the stakeholders in the organization's future. In this values audit, the planning team moves from an individual focus to a broader examination of the organization and how it works as a social system. The values audit is the first formal step of this strategic planning model, an emphasis that is different from that found in most strategic planning models.

This step also involves an examination of the personal values of the individual members of the team. Rokeach (1973) defines a value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" (p. 5). An individual for whom excitement is an important personal value will envision a different organizational future than will a person who holds security as a high personal value. Likewise, the goals and dreams of an individual who holds professional reputation as a value and is less interested in power will be different from those of a person with the opposite priorities.

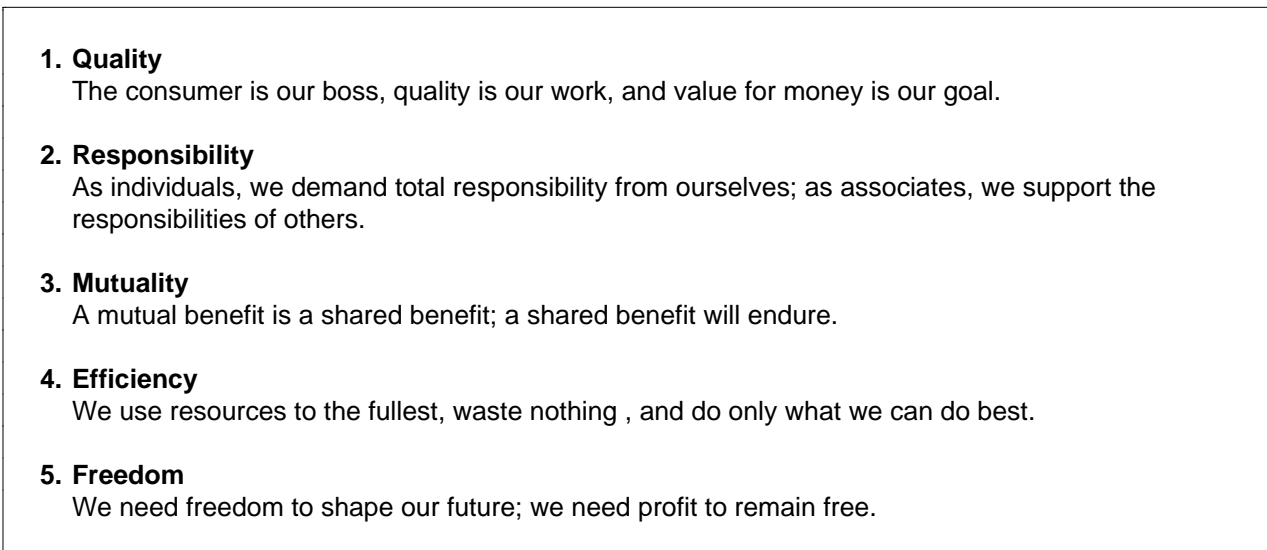
These differences have clear implications for the organization's future, design, decision-making processes, and all other work of the management team. If the differences are not identified, clarified, and resolved early in the planning process, there may be little or no agreement about how the organization's future meets the personal expectations of the individual members of the management group. Once there is clarity and consensus on values, the strategic planning process can move ahead. Indeed, strategic planning is, in some respects, a value-clarification exercise, and the actual strategic plan for an organization represents the operational implementation of the consensual values of the management team.

Once the individual values of the management planning team have been worked through, the values of the organization must be dealt with. These are evidenced by the end state or mode of behavior that the organization appears to prefer, but because organizational values are not easily tapped or identified, it may require some exploration by the planning team to determine, for example, how much risk taking the organization should engage in or whether "equity" is a strongly held organizational value. Both the

development of such questions and the process of searching for answers require some level of facilitative expertise.

The point emphasized here is that organizations have values and that these values must be identified as part of the strategic planning process. Any strategic plan that attempts to ignore or is inconsistent with or contrary to the existing organizational values is extremely unlikely to succeed and may well backfire.

An organization's values are organized and codified into its philosophy of operations, that is, the way the organization approaches its work. Some organizations have explicit, formal statements of philosophy, such as the Five Principles of Mars, the multinational candy corporation (see Figure 2).



**Figure 2. The Five Principles of Mars**

These formal statements integrate the organization's values with the way it does business. Value-driven organizations such as Mars spend a good deal of time and energy disseminating and tracking the impact of their philosophy on all organizational behavior. All employees are expected to know the philosophy and to use it in their daily work, and there are serious sanctions against any violation of the philosophy by an organizational member.

All organizations have philosophies of operation, whether or not these are stated explicitly, and all organizations disseminate their philosophies and judge members on conformance to philosophy. If an organization's philosophy of operations is implicit, it is necessary to make it explicit as part of the strategic planning process. The strategic plan must fit the philosophy or the philosophy must be modified—a difficult task at best.

An organization's philosophy of operations includes a series of assumptions about the way things work and the way in which decisions are made. Such assumptions in the profit-making sector include “No profit can be made doing business with the government” or “Allowing a labor union to organize our hourly production people

would destroy this company.” In the nonprofit sector, typical assumptions are: “If we do not spend all of this year’s budget, they will cut us next time” and “You have to go along to get along.” Some general assumptions are that the organization’s growth is assured by an expanding and more affluent population or that there never will be a satisfactory substitute for the organization’s major product or service.

Unless such assumptions are examined in terms of their current validity and relevance—whether or not they ever were true or relevant—the organization will continue to assume that they are true and operate accordingly. Thus, an important part of the strategic planning process is to identify the assumptions that the organization makes about its environment, its operations, and how things do or should work and to examine their validity.

One function of the strategic planning consultant is to keep a record of organizational assumptions as they are observed and, at the appropriate time in the planning process, to present them to the group for examination. This may require some courage on the part of the consultant.

The planning team members’ values, the organization’s values, its philosophy of operations, and its operating assumptions all produce the organization’s culture, which Marvin Bowers, former managing director of McKinsey and Company, defines as “the way we do things around here” (Deal & Kennedy, 1972, p. 4). The organization’s culture provides the social surroundings in and through which the organization performs its work. It guides the organization’s members in decision making, task behavior, and practically everything else they do in the organization.

There is no single index of an organization’s culture, but the anthropological evidence is everywhere. An outsider first experiences the organization’s culture in its physical structure and then in how those guarding the organization’s boundaries—guards, parking-lot attendants, receptionists, and the like—behave toward them. The war stories told about the heroics of the organization in the “good (or bad) old days,” the organizational heroes and villains, the rites and rituals of the organization, and the symbols that the organization uses to portray itself to the public provide information about the organization and its culture. This information should be analyzed and integrated into the strategic planning process.

If the strategic plan is not integrated with the culture of the organization, it is doomed to failure. The strategic planning team also should examine its own culture and realize how it affects the process of planning the organization’s future.

Finally, an audit of organizational values requires a stakeholder analysis. Stakeholders are those individuals, groups, and organizations who will be impacted by or interested in the organization’s strategic plan. They must be identified, and their concerns must be determined (that is, how their resources, status, freedom of action, relationships, and activities may appear to them to be impacted by shifts or changes in the organization’s direction). Stakeholders typically include: employees (including managers), clients or customers, suppliers, governments, unions, creditors, owners,

shareholders, and members of the community who *believe* that they have a stake in the organization, regardless of whether or not such a belief is accurate or reasonable.

Once the stakeholders are identified, the impact of various future states on different stakeholders can be considered. It is important to identify who the planning team regards as significant stakeholders early in the values audit. If this is not done until later in the process, a more selective list may emerge. The stakeholders are the various constituencies that need to be considered by the strategic planning team.

The values audit is the most important and the most difficult part of the planning process. It requires an in-depth analysis of the most fundamental beliefs that underlie organizational life and organizational decision making. Such confrontation can be a long and painful experience. But without such work, differences in values, philosophy, and assumptions will surface continually in the planning process and block forward movement. Once these issues are successfully clarified and resolved, the differences do not interfere with the planning process and it is relatively easy to move to the next stage of the process.

### ***Mission Formulation***

When there is informed consensus about the underlying values and beliefs that will drive the organization, the planning team can turn its attention to the next stage of the process: mission formulation. This involves developing a clear statement of what business the organization is in, a concise declaration of the purpose or function that the organization is attempting to fulfill in society or the economy.

In formulating its mission, an organization must answer three primary questions: (a) *What* function does the organization perform?; (b) For *whom* does the organization perform this function?; and (c) *How* does the organization go about filling this function?

Most organizations tend to answer the “what” question in terms of the goods or services produced. Manufacturers of detergents see themselves as in the “soap business,” and gasoline producers see themselves as in the “oil business.” As Levitt (1975) pointed out a decade ago, such myopia prevents organizations both from seeing new opportunity for growth and expansion and from responding to threats and challenges. The recommended alternative is to answer the question in terms of the customer or client needs that the organization attempts to meet. If an organization identifies itself as meeting certain public needs, it will be more sensitive to identifying and treating those needs, more likely to develop new products and services to meet those needs, and less likely to experience obsolescence and decline. If a detergent manufacturer sees itself as being in the business of providing a mechanism for helping people to clean their garments, or if gasoline producers see themselves as being in the business of providing sources of energy to consumers, many new options are open to them (ultrasonic cleaners, solar and wind power generators, and so on). Successful organizations try to identify value-satisfying goods and services that meet the needs of the public and include these considerations in their mission formulations. The major

issue in mission formulation typically is achieving consensus on how broadly or narrowly to answer the “what” question.

Identifying the “who” is the second concern of mission formulation. No organization, no matter how large, can meet all the needs of all possible clients or customers. The mission formulation requires a clear identification of what portion of the total potential customer base an organization identifies as its primary target. The process of sorting out the potential customer or client base and identifying which portion should be sought out by the organization typically is called market segmentation.

Markets can be segmented in many ways: geographically, financially, ethnically, and so on. The needs of Sun Belt consumers are different from those of Frost Belt consumers.

Federal Express serves customers who are willing to spend more than the price of ordinary postage to ensure next-day delivery of packages. Kosher foods have devout consumers, as do soul foods. General Motors has five traditional automobile lines, each designed for consumers in different economic strata.

Once the planning team has identified what the organization does and for whom, the next step is deciding *how* the organization will proceed to achieve these targets. The “how” can involve a marketing strategy, such as being the low-cost producer or the technological leader or the high-quality manufacturer; it may involve a distribution system, such as regional warehouses or evening classes in factories or no-appointment medical treatment facilities. It may involve customer service or personalized selling or any of a variety of processes through which an organization can deliver products or services to a defined consumer group.

One more important factor must be considered as part of mission formulation: the identification and prioritizing of the organization’s driving forces. Tregoe and Zimmerman (1980) identify nine basic categories of *driving forces*. These are:

1. *Products or Services Offered.* The organization is committed primarily to a product or service such as retail banking, corn-sugar refining, or automotive manufacturing, and limits its strategy to more of that product or service, done better.
2. *Market Needs.* Market-driven organizations continually survey potential customers to discover unfilled needs for goods and services. Once these are identified, the organization develops products to fill those needs.
3. *Technology.* Organizations that are technology driven continually try to develop products and services based on the latest scientific breakthroughs.
4. *Production Capability.* Capacity-driven organizations have a primary commitment to keeping their existing production capability utilized, e.g., to have hospital beds filled or to have aluminum ingots on the back loading dock ready to be shipped.

5. *Method of Sale.* The method of sale, such as door-to-door selling, direct mail, premiums and bonus programs, and so on, directs the strategy of these organizations.
6. *Method of Distribution.* Some organizations are driven by their current method of distribution, which may be regional warehouses, manufacturer's representatives, pipelines, and so on.
7. *Natural Resources.* Certain types of organizations are driven by their dependence on natural resources such as coal, timber, petroleum, metals, or land.
8. *Size and Growth.* Organizations that are driven by set goals regarding size and growth constantly strive for continuing significant growth above current performance.
9. *Profit/Return on Investment.* Some organizations set high requirements about profit margins or return on investments and make decisions to achieve those goals.

Although all nine of these areas should be considered in strategic planning, Tregoe and Zimmerman believe that an organization must be clear about which factor is its driving force; when decisions are to be made that require choosing among these nine considerations, the decision makers in the organization must have mutual understanding about whether their goal is to emphasize profit, or research and development, or the development of a sales force in order to achieve growth, or some other factor that will be the single driving force behind the organization's strategy.

We, on the other hand, have found it to be more useful to have the strategic planning team prioritize the driving forces from one to nine in terms of their perceived relative importance, rather than to attempt to identify a single one. The importance of gaining consensus on these priorities should be apparent. Most major, strategic decisions that organizations make involve the allocation of resources according to a set of priorities. When there are inadequate resources or the choices are incompatible, the rank order of the nine strategic areas will determine how resources are to be allocated or which direction will be chosen. A consensual rank order, with the most important driving force in first place, enables the planning team to make otherwise difficult decisions rather easily.

Once the questions of "what," "who," and "how" are answered and the driving force identified, these elements can be woven into the organization's mission statement. This should be a brief (one hundred words or less) statement that identifies the basic business the organization is in. The mission statement, which should be known to all members of the organization and understood by them, answers the questions of what the organization does, for whom, and how, and identifies the organization's major, strategic, driving force. By providing this information for both internal and external use, the organization identifies its distinctive competence(s)—those distinctive products or services offered by the organization that set it apart from its competitors. The following is an example of a reasonably effective mission statement:

The Alpha Corporation is a low-cost manufacturer and marketer of consumable food-service items for home and industrial use. We intend to maintain our position as a market leader by meeting customer needs and providing a high level of quality and service while maintaining a sufficiently high level of earnings to satisfy our investors.

Developing a mission statement is an extremely difficult and time-consuming task but one that the planning group must complete before moving to the next step. Developing, editing, and reaching consensus on such a statement requires skill, patience, and understanding. However, the mission statement provides an enormously valuable management tool to an organization: it clearly charts its future direction and establishes a basis for organizational decision making. The next step is for each major unit of the organization to develop its own mission statement. Unit mission statements should be more focused and more limited than that of the total organization, but they clearly must be derived from the organizational statement.

### ***Strategic Business Modeling***

Strategic business modeling is the process by which the organization more specifically defines success in the context of the business(es) it wants to be in, how that success will be measured, and what will be done to achieve it, consistent with the newly established mission statement. The strategic business model consists of two parts:

1. The strategic *profile*, or quantified business objective. Examples of these might be: increase after-tax profits to 5 percent, reduce annual turnover to less than 9 percent, and pay no more than 20 percent of net income in taxes. The strategic profile should identify the business(es) the organization wants to be in three to five years in the future, including the quantitatively specific indicators of success such as profitability, market penetration, liquidity, and so on.
2. Statements of *how* the quantified business objectives will be achieved, in specific segments. For example, the objective “reduce the effective tax rate to 25 percent” will be achieved by (a) sheltering 70 percent of income, (b) purchasing \$500,000 in capital equipment, and so on. This may include a model of the future organization, a statement about how much organizational risk taking will be involved, how competitors will be approached, and how other critical areas of organizational activity will be managed. The specific products and services that the organization proposes to provide and the specific markets to which they will be aimed also should be identified.

As an example, the Alpha Corporation’s strategic profile may include: “increase sales 15 percent a year for five years.” With this target established, the second part of strategic business modeling is to define how it will be done. At this point the issues of plant capacity, marketing strategies, product development or acquisitions, capital, and human resource needs can be considered. These would then be detailed in a later phase called “integrating functional plans.” The “how” consideration would include the

identification of the various routes by which each organizational objective could be met, a cost/benefit analysis of each, and selection of the particular strategies that are most likely to achieve the organization's objectives.

It is important to envision an organization's future prior to an in-depth analysis of its current performance. The resulting target should reflect the values and major directions developed in the earlier stages of the planning process.

That applied strategic planning is distinctively different from long-range planning becomes most clear in the strategic business modeling process. Long-range planning tends to be merely an extension of what an organization is doing already. The Alpha Corporation may plan to sell more units through its existing distribution network. A hospital may plan to open a suburban branch. Both of these plans involve only slight variations in or expansions of the product or service offered in existing markets. Such typical long-range planning often is myopic and unduly constraining. When an organization focuses heavily on that area of the market that it currently occupies, it overlooks other possible markets. Strategic business modeling, in contrast, provides a template against which the organization can measure a number of its recent decisions.

Several considerations are critical to the success of this stage. First, the modeling must be congruent with and build on the identified values and mission of the organization. Second, the modeling must be done in a context of proactive futuring: the belief that, although no one can fully predict the future, it is possible to anticipate significant aspects of the future, to conceptualize a desired end state for the organization taking those anticipated aspects of the future into account, and to work proactively to make that desired future state occur. Within this context, the organization takes responsibility for its own future rather than assigning that responsibility to unseen external forces. Third, modeling involves a heavy emphasis on focused creativity, a free-flowing generation of ideas that involves many alternative options for the organization to consider. Success in this phase of the process is most likely to be attained when there is maximum creative output within *realistic* boundaries. There is little or no point in the Alpha Corporation's planning team considering a new business focus unless the corporation has expertise and resources in that business.

### **Performance Audit**

The performance audit examines the *recent* performance of the organization in terms of the basic performance indices (such as growth, production, quality, service, profit, return on investment, cash flow, and so on) that have been identified in the strategic profile. The purpose of the performance audit is to provide the data with which the "gap analysis"—the determination of to what degree the strategic business model is a realistic and workable one—can be conducted.

Any data that can help the organization to better understand its present capabilities for doing its work should be included in the performance analysis. Such data might include life cycles of existing products, employee productivity, scrap rate, inventory turnover, facilities (including capacity and condition), and management capability. The



important question that the performance analysis must answer is whether or not the organization has the capability to successfully implement its strategic business plan and achieve its mission. Therefore, in planning the performance audit, special attention must be paid to securing the hard data that will indicate the organization's capacity to move in the identified strategic directions.

The performance audit also should include information about the forces outside the organization that might impact the strategic business model. One of the most important sets of data is the competitor analysis, which profiles organizations that are in the same business or aiming for the same market segment of clients or consumers. The competitor analysis should include "creative crossovers"—items that are sold or services that are delivered for similar reasons. For example, one of the chief competitors of Cross pens during the holiday season is not another pen manufacturer but the billfold industry, because both pen-and-pencil sets and billfolds are frequently purchased as holiday gifts for men. Because the competitor analysis may require some research, and—as an additional benefit—to increase awareness of the marketplace, we recommend that each member of the planning team have responsibility for conducting an analysis of one to three competitors.

In addition, market research, examination of macro and micro economic trends, and studies of work-force availability should be included in the data gathered for the performance audit. This information should include a consideration of both current and future trends—a longitudinal perspective. In the game of chess, this is called "thinking down board," i.e., "If I do this, my competitor will do that, then I will need to . . . ."

Much, but not all, of the data required for the performance audit will be available in organizations that have good management information systems, including financial reporting systems. Furthermore, although data bases may be available (inside or outside the organization), the organization may need to hire or reassign financial staff to research, validate, and analyze the data. This is a crunch point in many organizations: the ability—in terms of time, personnel, expertise, and so on—to handle and report on the data. However, it is a critical step that must be completed adequately.

One major emphasis of the performance-audit analysis should be a strategic business unit (SBU) analysis. A strategic business unit is a division, department, or product line that is a business unto itself within the organization; for example, the loan department in a bank, the home-furnishings division of a large department store, or the pharmacy in a large "drugstore." The SBU analysis should identify which aspects of the business are losing money, how strengths can be reinforced and weaknesses eliminated, and so on.

It should be obvious by now that the performance audit and subsequent analysis are some of the most detailed and time-consuming aspects of the strategic planning process. However, without this important, detailed information, the basis for planning is incomplete and shaky. In addition, the need for candor, openness, and nondefensiveness during the performance audit cannot be underestimated. An organization that fools itself during the performance audit is almost certain to find itself with an unworkable plan.

Obviously, under such circumstances, the time and effort put into the strategic planning process will result in a travesty.

### **Gap Analysis**

As was mentioned previously, the gap analysis is a comparison of the data generated in the performance audit with the strategic profile. If there is a substantial discrepancy between the profile and the organization's capacity to achieve that profile, the planning team must return to the strategic business modeling phase and rework the model until the gap between the profile and the organization's capacity to achieve it is reduced to a more realistic size. For this reason, the Applied Strategic Planning Model (Figure 1) depicts an arrow running backward from the gap analysis to the strategic business modeling phase, in addition to the arrows running forward from strategic business modeling to the performance audit and then to the gap analysis. Several repetitions of this process may be necessary before the gaps can be closed. Occasionally, the mission statement may even need to be modified in the process.

If the gap analysis reveals a substantial disparity between the performance audit and the strategic profile or the strategies identified for achieving it, the design or functioning of the organization may need to be reexamined. Obviously, either the strategic business model, or the organization, or both need to be modified in order to close the gaps between the plan and the organization's capacity.

A significant part of the gap analysis is the comparison of the strategic business model with the outcome of the values audit and the mission statement, in order to ascertain that the things the organization is proposing to do are consistent with its culture. As has been noted earlier, plans that do not take into account and build on the organization's culture are not likely to succeed. This portion of the gap analysis requires the same degree of openness, candor, and confrontation that should have typified the original values audit. The gap analysis is important because it tests the organization's "wants" against reality; in effect, it is the anchor that keeps the plan from floating off in an unguided, or misguided, direction.

### **Contingency Planning**

As part of the gap analysis, the strategic planning group typically will identify the major opportunities of and threats to the organization as well as the key indicators that suggest that these opportunities or threats are likely to become realities. Although these events or conditions are not highly likely to occur, they are considered because they will necessitate changes if they do occur. Contingency planning is placed below the linear phases of the model (see Figure 1) because those phases are based on high-probability assumptions.

Aside from "universal" concerns such as war, economic collapse, and the like, each type of business or organization is subject to a specific set of contingencies that must be planned for. For example, producers of building materials are heavily influenced by new housing starts which, in turn, are a function of interest rates and general economic

conditions. In developing its strategic business model, a producer of building materials may identify several alternative futures, each based on different volumes of housing starts. Housing starts, in turn, are influenced by a variety of governmental actions; the elimination of mortgage deductions on personal income taxes clearly would be a threat to housing starts, while a large governmental program to subsidize single-family homes would be an opportunity. The strategic business model of the building-materials producer would assume that neither of these two events would be likely to occur, but contingency plans would be developed on the basis of both possibilities.

Contingency planning is based on the assumption that the ability to forecast accurately the significant factors that will affect the organization is somewhat limited, especially in terms of variations in those factors. However, the planning team should be able to identify the factors themselves, such as interest rates, employment, housing starts, foreign currency exchange rates, and so on, and develop alternative plans based on possible variations in these factors. Thus, contingency planning provides the organization with a variety of business modeling strategies that can be used with a variety of scenarios, each of which can be evaluated and planned for.

The contingency-planning process also should identify a number of key indicators that will trigger an awareness of the need to reexamine the adequacy of the strategy currently being followed. A “trigger point” could be an event such as the warehouse burning down or a major supplier’s failure to renew a contract, or it could be a sharp, positive turnaround in the economy that offers the possibility for expansion and growth. When a trigger point is identified as having been reached, two levels of response should be generated:

1. *Higher-level monitoring.* No precipitant action should be taken; in fact, no action may be required. However, the *possibility* of a need for a change in main-line assumptions should be noted, and indicators should be watched.
2. *Action.* At this level, the decision is made that conditions are different, and some contingency plan is implemented or some aspect of a strategy is modified.

Contingency planning is based on the realization that the old joke about “Plan B” is not really a joke. As Louis Pasteur once observed, “Chance favors the prepared mind.”

### ***Integrating Functional Plans***

Once the gap analysis has been completed, and the planning team agrees that the gap between the strategic business model and the organization’s capacity is a manageable one, planning should be delegated to functional units of the organization, each of which should be called on to develop detailed, functional plans, with a budget and a clear-cut timetable for execution. Ordinarily, there should be a financial plan, a product plan, a marketing plan, a human resources plan, a capital-equipment plan, and so on.

For example, in a human resources plan, current and future needs for staffing on the managerial, supervisory, technical, production, and administrative levels would be developed for the time period of the plan. Such a plan would take into account employee

turnover, staffing needs, recruitment and training programs, and costs, and would include contingency plans.

Each unit's functional plan must be checked against the organizational values audit and mission statement to determine whether the proposed actions and directions are consistent with what the organization has said it wants to be. This check may reveal a need for further clarification of the values, mission, and strategic business model of the organization so that all plans are developed with the same overall objectives and assumptions.

Each plan developed by a functional group in the organization also must be understood and agreed to by each of the other functional groups in the organization. This process often is difficult, because once the model is developed and plans are made, each part of the organization begins to compete for limited resources in order to attain its objectives, achieve the planned growth, and so on. Several departments simultaneously may require the services of the graphics department, need a new computer program, or produce something that requires the support of the sales staff or the mailing department. All these actions have timing and budget implications as well. It is imperative that each of the functional units within the organization understands the impact of such competition and agrees to the planned allocation of resources both to itself and to the other functional units.

The planning team then will identify the gaps in and between the combined plans, how these can be closed, and what the impact of the gaps might be on the successful execution of the strategic business model. The integration of the functional plans involves putting together all the pieces in order to ascertain how the overall plan will work and where the potential trouble spots are. Most of this integration should occur in the budgetary process.

### ***Implementation and Implementation Considerations***

Although implementation is the final step of the model, and the functional plans cannot be implemented until integration and checking occurs, there is a continual need for implementation throughout the planning process. There are implementation aspects of the planning-to-plan process. If the values audit identifies incongruous values in segments of the organization, these need to be addressed *as soon as they are identified*, not held until the final implementation phase. The mission statement should be distributed for comments and suggestions before it is accepted, and no further planning should be done until there is consensus on the mission statement. Each step of the strategic planning process has implementation considerations and each should be addressed during that stage, not postponed until the final implementation phase.

The final implementation involves the initiation of the several action plans designed at the functional level and their integration at the top of the organization. This may, for example, involve new construction, initiation of management development or technical training, increased research and development, marketing of new products or services, and so on. All parts of the organization should feel that there is activity on all levels of

the organization that will bring about the successful completion of the organization's mission.

The most important test of implementation, however, is the degree to which organizational members, especially managers, integrate the strategic plan into their everyday management decisions. A strategic plan is being implemented when the initial response of a manager confronted by a decision is to consider whether an answer is found in the organization's strategic plan. Although guidelines for every decision will not be provided by the planning process, consideration of the plan as a first step is the best evidence of the plan's implementation.

### ***Environmental Scanning***

Throughout their existence, organizations need to be aware of what is happening in their environments that might affect them, and this is especially true during the planning process. Four separate but overlapping environments, in particular, should be monitored: the macro environment, the industry environment, the competitive environment, and the organization's internal environment. These should be surveyed in depth to contribute to planning to plan, the values audit, the strategic business model, and so on. The environmental scanning process also will identify a variety of factors, both internal and external to the organization, to be considered as part of the strategic planning process. In fact, one of the extra benefits of strategic planning is that the organization gains a better understanding of how environmental scanning should be done.

Factors to be considered as part of the macro-environmental-scanning process include social factors such as demographics, technological factors such as the large-scale use of microcomputers, economic factors such as interest rates, and political factors such as increasing governmental deregulation. Among the factors to be considered as part of the industry environment are the structure of the industry, how the industry is financed, the degree of governmental presence, the typical products used in the industry, and the typical marketing strategies of the industry. The competitive-environment scan includes consideration of competitor profiles, market-segmentation patterns, research and development, and so on. Finally, among the factors to be considered as part of the internal organizational environment are the structure of the company, its history, and its distinctive strengths and weaknesses. Predicting how each of these areas might affect the organization over time is an essential part of the strategic planning process, one that needs to be considered in each phase.

## **CONCLUSION**

Organizations need strategic planning because the world changes constantly. It is foolhardy and unrealistic to assume that economic conditions, consumer needs and expectations, competition in the marketplace, or a host of other factors will be the same two, three, or five years from now as they are today. A strategic planning process is a systematic effort by an organization to deal with the inevitability of change and to

attempt to envision its own future. The importance of this process is that it enables an organization to help to *shape* its own future rather than to simply *prepare* for the future.

The Applied Strategic Planning Model presented in this article is markedly different from others, in both content and in process. The differences lie primarily in the attention paid to the psychological aspects of the process, especially during the values audit; in the importance of the mission formulation; and in the emphasis on proactive futuring in the development of the strategic business model. This model also is more process oriented than the others now found in the literature. It pays more attention to how the planning process works and less attention to the plan that the process generates. It also defines an important function for the HRD professional in the strategic planning process. Finally, the involvement of key members of the organization, the examination of the social and psychological underpinnings of the organization, the constant environmental surveillance, and the ongoing awareness of the need for implementation throughout the planning process produce a broader and yet more detailed, more immediately applicable plan than that which results from using other models. This truly is Applied Strategic Planning, an activity that provides criteria for making important day-to-day decisions in organizations.

## **REFERENCES**

- Deal, T.E., & Kennedy, A.A. (1982). *Corporate cultures: The rites and rituals of corporate life*. Reading, MA: Addison-Wesley.
- Levitt, T. (1977). Marketing myopia. In *On management* (Reprints from *Harvard Business Review*). New York: Harper & Row.
- Pfeiffer, J.W., Goodstein, L.D., & Nolan, T.N. (1986). *Applied strategic planning: A how to do it guide*. San Diego, CA: Pfeiffer & Company.
- Rokeach, M. (1973). *The nature of human values*. New York: Free Press.
- Steiner, G.A. (1979). *Strategic planning: What every manager should know*. New York: Free Press.
- Tregoe, B.B., & Zimmerman, J.W. (1980). *Top management strategy: What it is and how to make it work*. New York: Simon & Schuster.

## ■ WHY EMPLOYEE INVOLVEMENT OFTEN FAILS AND WHAT IT TAKES TO SUCCEED

### Bob Crosby

Just as one was bombarded a few years ago with enthusiasm about employee involvement efforts—such as those in connection with Japanese quality circles—today one is bombarded with stories of the failures of such efforts. The occasional success story whets our appetite, but more often than not we hear comments such as “Three-fourths of all such efforts fail”; “We tried small employee groups at our company and they bombed”; or “Employee-involvement groups seemed to work for a while but they don’t even exist in our company now.”

Paradoxes abound. We know that the resources of each individual employee need to be used as fully as possible, but U.S. adaptations of Japanese quality circles do not seem to be the answer for most organizations.

The first step toward success in an employee-involvement effort is to define what is meant by the term “employee involvement.” At one level, employees have always been involved merely by virtue of being employed. Similarly, companies have always hoped to derive the most from the time and talents of their employees. But an employee-involvement effort in today’s terms necessitates a fundamental shift in attitude from viewing employees as workers who need to be prodded toward viewing them, instead, as people with valued skills who want to do excellent work and to contribute to the well-being of their companies.

Modern employee involvement is based on attempting to use employees’ talents and experience for the greatest possible good of the company. The economic sense of this goal is clear to everyone, just as is the fact that it makes for a better work environment. However, the notion that the goal *can* be accomplished is not at all clear, nor is it obvious how to go about accomplishing it.

Supervisors and their subordinates do not want to be in conflict or experience adversarial situations at work. On the contrary, they have many goals in common. There is ample support for the notion that people have pride of craft; they want to do quality work and achieve a high sense of self-esteem. Nobody joins a company in order to do poorly; people join, by and large, with good intentions. From direct experience with some fifty organizations and the second-hand reports of more than four hundred companies over the last several years—noting both stark failures and striking successes—the author has formulated twelve guidelines for achieving success in an

---

Originally published in *The 1987 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

employee-involvement effort, thereby negating the notion that an adversarial relationship is a natural one.

## **1. COMMIT TO TOTAL INVOLVEMENT, A POSITIVE OUTLOOK, AND ECONOMIC FEASIBILITY**

The terms in which employee involvement is discussed are critical. Ideally, employee involvement encompasses *every* employee. The process of involvement is intended to use fully the talents and experience of everyone.

To be effective, employee involvement also must be implemented in an environment of making results happen rather than finding fault or blaming. If this is not the case, the process can easily deteriorate. In a results-oriented environment, anything can be discussed with quick feedback and minimal defensiveness. This leads to searching for new opportunities for productivity and facing up to persistent problems. Companies that do not know how to shift from focusing on what is wrong to focusing on identifying opportunities need to seek help from consultants who can help them make this shift.

In addition, any employee-involvement effort must make economic sense. When the objective is one of “loving thy neighbor,” the effort cannot succeed; failure is precipitated because the executives who initiated the effort are either naive or distorting the truth. An employee-involvement effort done well is productive; that it also creates a better and more humane work place is an added benefit.

## **2. USE A TOP-DOWN STRATEGY**

Beginning at the top of the organizational hierarchy when implementing employee involvement is a strategy that sets up a success-oriented cycle. Those at the top can demonstrate that the effort is for everyone, that it works, and that it is not simply another program being tried but, rather, a new way of life for the company. With this approach, top management, middle management, and front-line supervisors are allowed to experience success before they are asked to enable their subordinates to have similar successes. The process begins when top managers have learned how to deal with the tough issues they face with their bosses as well as the tough issues they face with the people beneath them in the hierarchy. Before the involvement effort moves to hourly wage earners, top and middle management have already witnessed and experienced its potential for success.

Philosophizing by itself is not effective; simply holding an orientation session with the top people in a company to announce an employee-involvement effort for hourly wage earners does not work. The importance of employee involvement is measured by how seriously it is integrated into the ongoing structure of the company, including the top echelons.



### **3. TRAIN MIDDLE MANAGERS**

The entire management of a company undertaking an employee-involvement effort needs to clearly understand the function of middle managers. With the exceptions of the church and the military, middle management did not exist at the turn of the century. Most industries were home industries, in which parents were executives and children were front-line workers. But as home industries merged and became larger, someone in each of these enterprises—perhaps the eldest child—became a supervisor. Those who became supervisors immediately discovered that they had been thrown into the muddy waters of human problems. They were no longer involved mainly with technical issues; now they had to figure out a way to manage people effectively.

When people become middle managers, they need expanded knowledge of policies and procedures. They may continue to provide expertise in technical areas, but by necessity they become more and more dependent on their subordinates for technical expertise. An effective middle manager soon discovers that his or her primary function is the use of human resources. If this fact is not discovered, the middle manager competes with the most intelligent of the front-line workers, fearing that their technical expertise will become so well known in the company that they will be promoted, replacing the middle manager. Therefore, it is critical to any employee-involvement effort that companies train their middle managers in the use of human resources; through such training people will be able to clearly understand their jobs, obtain the information they need to do a good job, and obtain the authority to do what they are given the responsibility to do. These human factors, when managed well by middle managers, will lead to greater productivity and foster collaboration and a spirit of cooperation among all levels of the organization. In order for this to happen, top managers need not only to arrange for training, but also to make it very clear that they are rewarding their middle managers and their first-line supervisors primarily for their ability to use the resources of the people they supervise.

### **4. EMPOWER SUPERVISORS TO MAKE DECISIONS AND NONSUPERVISORY PERSONNEL TO INFLUENCE**

The success of an employee-involvement effort is dependent on two different kinds of empowerment: empowering supervisors to make decisions and empowering nonsupervisory personnel to influence the decision-making process (to be heard). When supervisors are appropriately empowered to make decisions, they are able to supervise better; they are able to use their authority more clearly and quickly; they are even able to make authoritarian decisions and be followed more surely than ever before. In addition, they are better able to listen because they are sure that their authority is accepted. When supervisors are secure in their positions, they can listen well and be influenced because they know who will make the ultimate decisions. In daily decisions, then, maximal

effort can be made to use the experience and talents of anyone in the company who has knowledge about how a particular decision will affect the company's productivity.

Empowering nonsupervisory workers is also essential to an employee involvement effort. All employees need to have the power to influence the work place as it affects them, as it affects productivity, and as it relates to their talents and experience. In this context it is important not to confuse *influencing* with *decision making*. Nonsupervisory personnel need the power to influence the decision-making process by ensuring that they are heard; supervisors need the power to make final decisions. Clarifying the difference between the two kinds of empowerment is essential in an employee-involvement effort. Otherwise, top managers will resist the effort for fear that they will lose their decision-making authority; also, employees from lower hierarchical levels may erroneously think that they are being asked to make decisions rather than offer their opinions. Real empowerment means that people understand, more clearly than ever before, how they influence and who makes the final decision.

## **5. USE A DATA-BASED APPROACH**

The most common complaint about employee-involvement efforts is that they degenerate into gripe sessions. Employee-involvement efforts that work best begin with a data base, such as that derived from the administration of a survey. The most effective data base is one that identifies the human factors:

- How clearly do people understand their roles?
- Are they obtaining the information they need to do a good job?
- What sense do they have about their futures in the company?
- Are they appreciated for what they do?
- If their work groups are unproductive, can they influence these groups to become more productive?
- Do they clearly understand the larger picture or are they expected to be robots without any sense of the company's direction?
- When plans are made, do they hear about them in time to implement them appropriately?
- When decisions are made in areas in which they have experience and expertise, are they consulted?

There are many similar questions about human factors that need to be answered. When employees are presented with data that they have helped to generate, these data constitute a starting point for successful employee involvement. When employees then discuss issues indicated by these data, it becomes permissible to talk about the aspects of work that often are not even noticed or clearly conceptualized by anyone in the organization.

A common error is to gather data and keep these data at the top-management level. In fact, this practice is detrimental to productivity. Effective employee involvement efforts require that data be shared. Not all data from all groups need to be known to every group; however, the people who work in shipping, for example, should examine the data about shipping that they generated, should work through the meaning of these data, and should generate recommendations for effective ways to address any issues that need resolution. Perhaps no change process is more effective than that which occurs when data are gathered and fed back to the work force. Employees then can respond systematically to the data, develop recommendations to which management can respond, and share in the monitoring of the follow-through.

## **6. DEVISE A CUSTOMIZED STRUCTURE**

Employee involvement needs to be tailor-made for each organization. The people within each company must be the ones who bear primary responsibility for developing the kind of structure that will make it work. Only when a customized structure is established and constantly monitored will employee involvement become a way of life—a way of doing daily business.

The organization needs to decide about the birth and death of groups, leadership of groups, the issue of intact work groups versus task forces to deal with certain concerns, the kinds of report forms that need to be developed and made available, and the kinds of training that will support ongoing employee involvement. These issues are unique to each company. Although it is useful for an organization's management to know what other companies have done, that organization is most likely to succeed when its management develops unique ways of implementing employee involvement instead of buying another company's prescription.

Employee involvement can be started quickly with the survey-feedback method, after which the effort quickly moves from the general to the specific in its focus. Outside people can help start employee involvement, but management must make its own unique adaptation.

## **7. ADDRESS SYSTEM ISSUES AT THE TOP LEVEL**

An effective data-gathering process makes it clear that many issues permeate all groups in an organization and are, therefore, *system* issues. For example, if all groups in the organization score low on a survey item involving role clarity, then role clarity is a system issue and must be addressed at the top level of the company. Such issues cannot be addressed as successfully at lower levels. Sometimes a group can create its own environment and succeed in addressing system issues at its own level; however, this approach does not promote system-wide productivity. System issues can be identified easily with an effective data-gathering tool.

## **8. CONDUCT TRAINING IN PROBLEM SOLVING AND PROVIDING FEEDBACK**

In order for employee involvement to work, a large proportion of people in the organization have to be trained in simple problem solving. A clear procedure for solving problems is needed; employees at all levels need to know exactly what they are to do when working on problems. At the very least, it is essential that they have the ability to distinguish between interpretive and concrete statements so that information provided to management and recommendations based on this information are as clear as possible. Note the difference, for example, between a recommendation that says “Improve sanitation in department B” and one that says “Department B’s hoses are leaking from broken connecting joints, and the drain is partially clogged; therefore, we recommend that the connecting joints be replaced.”

Supervisors also need skill training in completing the feedback loop, that is, in returning to their subordinates with information about what has happened to their recommendations and in doing so in a supportive, intelligent way. One of the major reasons for employee-involvement failure is that no response is made to worker suggestions.

## **9. USE THIRD-PARTY INTERVENTION TO ADDRESS DYSFUNCTIONAL SUPERVISOR-SUBORDINATE RELATIONS**

Effective employee-involvement efforts make use of the services of third parties when necessary to handle dysfunctional supervisor-subordinate situations. For example, if the company has determined that a poorly functioning supervisor is to be kept in his or her position, then, as part of the employee-involvement effort, a third party needs to intervene between the supervisor and the subordinates who are affected. Third-party work of this type requires the services of someone who knows how to bring two individuals together, prepare them for a meeting, deal with the issues directly and quickly, and keep the two people from dealing with the issues as if a personality conflict were the basis of the problem.

The term “personality conflict” is, in itself, a dysfunctional concept. It is a Twentieth Century way of framing an interpersonal problem. When people choose to think in this way, they are usually deciding to be locked into a hopeless stalemate. Rather, an effective third party can help people to make the commitment necessary to achieve success, identify precise and concrete changes that need to take place in the relationship, and follow through with the individuals involved for a period of time to ensure that these changes are happening.

An effective third party can remedy 80 to 90 percent of all supervisor-subordinate situations that are perceived as dysfunctional. A highly skilled negotiator can usually reverse even chronic situations in a few weeks. If such a turnaround does not occur,

employee involvement is imperiled, at least with respect to any group that is experiencing negative relationships.

Turnaround is dependent on whether the people involved are committed to improving the quality of their work relationship; if they are not committed, change is unlikely. However, a skilled third party usually knows how to foster commitments as well as take steps toward resolution.

## **10. ACKNOWLEDGE THAT DISAPPOINTMENTS ARE INEVITABLE BUT NOT DEVASTATING**

People need to be informed and reminded repeatedly that disappointments will occur in an employee-involvement effort, no matter what precautions are taken to prevent them. When people are disappointed, they have two choices: to convince themselves that the effort is not working and abandon it altogether or to fix whatever has gone wrong. If employee involvement is to be a way of life for a company, a long-term commitment is necessary and must be begun by focusing on core, important issues. People should be told that they will have to take one step at a time, addressing one issue at a time and occasionally experiencing disappointment in the process. Eventually these disappointments will be overcome, and employee involvement will become a natural part of organizational life; when this point has been reached, the focus will shift from problems to opportunities.

## **11. VIEW INVOLVEMENT AS CULTURAL TRANSITION**

Employee involvement needs to be seen in the context of a gradual transition of the company. Table 1 illustrates how one company expressed the directions toward which it preferred to move. The situation described in this table emphasizes the transitional nature of an employee-involvement effort. Employee involvement is not a three-month, magical program for accomplishing grandiose goals; instead, it becomes a standard way of functioning for a company while it is pursuing directions that, over time, will represent a significant cultural shift.

## **12. COORDINATE THE EFFORTS OF INDIVIDUALS, GROUPS, AND THE ORGANIZATION ITSELF**

For employee involvement to succeed, it must be seen in the context of the three interrelated components that contribute to the effort: the individual, the group, and the organization. Each individual in the company must have a commitment to making employee involvement work, and so must each group. All groups within the organization establish norms that either support or work against employee involvement. Norms are generally unspoken rules that govern behavior; for example, norms tell us

**Table 1. Cultural Transition Within One Company**

<b>From (The Way It Once Was)</b>	<b>Toward (The Way We Want It To Be)</b>
Authority related primarily to status and role.	Authority primarily related to knowledge and competence, yet with clear lines of status and role authority when needed.
Low trust.	High trust.
Engineering design decided at the top without conferring with people who will work with the equipment.	All employees who will use equipment will be able to influence engineering design.
Supervisors feeling attacked, criticized, or threatened by hourly workers' suggestions.	Supervisors feeling supported by hourly workers' suggestions.
Supervisors holding onto notion that they have to know the most about technical matters.	Supervisors experiencing power from effective management of subordinates who are freed to use their technical knowledge and experience.

what is permissible to wear and what language is permissible to use. Similarly, people achieve a sense of the norms regarding whether it is permissible to favor employee involvement, to favor using people's resources, and even to be hopeful about an employee-involvement effort. An effective employee involvement effort deals with such norms in groups and helps people understand how norms are shaped and how one keeps from becoming a victim of group norms.

The third component, the organization itself, is the basic ground for the whole effort. All three components are important, but the other two can work in support of employee involvement only if the organization truly demonstrates consistent commitment to the use of human resources. This commitment is demonstrated in statements from top management, in the presence of top managers in training sessions held for workers, and in a visible attempt to make the effort work. For example, when the chief executive officer joins workers and middle managers in learning how to develop and recognize a recommendation that is specific and concrete, the chances of effecting change increase considerably.

## **RESULTS**

When all of the guidelines discussed in this paper are attended to, dramatic economic results are produced. Other changes also occur. Safety improves, even though safety may not be addressed directly. People feel free to submit requests for resources that they need, to disagree with their supervisors, to bring up viewpoints that are not popular, and to identify safety problems. In most cases, prior to an employee-involvement effort, these same people would have believed it better to "play it safe" and not mention such concerns.

Productivity usually strikingly increases in companies with an effective employee-involvement effort, and so do other kinds of improvements. The following are some examples from the author's experience:

- Turnover in a fast-food restaurant was reduced from 43 to 21 percent.
- A law firm billed 27 percent more clients than the previous year.
- A car dealership reduced the time necessary to repair a car and increased maintenance results.
- A manufacturer with 250 employees increased sales 23 percent and saved \$50,000 by lowering the number of accidents that occurred.

Sometimes such results happen even when the effort has been haphazard and has not fully taken into account the twelve guidelines. However, for those companies that want to outperform their competitors, employee involvement of the scope described in this paper needs to incorporate these guidelines so that it becomes a way of life.



# ■ STRATEGIES FOR HELPING MANAGERS TO DOWNSIZE ORGANIZATIONS

**Lynda C. McDermott**

When faced with increased competition and/or economic recession, many organizations are confronted with the problem of limited resources and the necessity to downsize.

Although the term may conjure up negative implications, there are both positive and negative consequences (see Table 1) of downsizing, and HRD professionals can assist managers in focusing on these.

**Table 1. Example of Results of Efforts to Downsize an organization**

Positive Results	Negative Results
<ul style="list-style-type: none"> <li>■ Better communications</li> <li>■ Identification of employee-skill deficiencies</li> <li>■ More realistic career planning</li> <li>■ Housecleaning with regard to employees, procedures, equipment, etc.</li> <li>■ Better money management by managers</li> <li>■ Innovation and creativity</li> <li>■ Better performance</li> </ul>	<ul style="list-style-type: none"> <li>■ Low morale</li> <li>■ Focus on short-term solutions rather than on long-term consequences</li> <li>■ Immobility in thinking and behaving</li> <li>■ Loss of good or best people</li> <li>■ Last-in/first-out philosophy of human resource management</li> <li>■ Increased stress among employees</li> </ul>

Outlined in this article are seven strategies for helping managers to more effectively downsize the organization. These strategies may be applied sequentially or simultaneously. They emphasize systematic data-based actions and strategic thinking, both of which are challenging for decision makers who may have a tendency to be short-term thinkers and fire fighters during a downsizing crisis.

## **STRATEGY 1: CONDUCT AN ORGANIZATIONAL ASSESSMENT**

During the downsizing transition, managers may assume two different styles of managing the situation: the reactionary style and the visionary-action style. Table 2 illustrates the differences in these two styles.

---

Originally published in *The 1988 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.



**Table 2. Typical Statements by Managers During Downsizing Transition**

Reactionary Style	Visionary-Action Style
<ul style="list-style-type: none"> <li>■ Not in <i>my</i> department.</li> <li>■ We should make 20-percent cuts across the board.</li> <li>■ Eliminate A and D product lines.</li> <li>■ Cut the staff.</li> </ul>	<ul style="list-style-type: none"> <li>■ Do a cost-benefit analysis in each area.</li> <li>■ How can we improve efficiency in each area?</li> <li>■ What are the alternatives and their consequences?</li> <li>■ What should be our organization's strategy?</li> </ul>

In this most critical strategy of conducting an organizational assessment, HRD professionals can help managers become aware of the need to move from a reactionary style to a data-based visionary style. Listed below are the steps in this strategy.

1. Identify and analyze short-term issues and objectives.
2. Use organizational models for looking at the organization from different perspectives to determine in what areas longer-term changes are required (for example, technology, production processes, decision-making patterns, the accountability and reward systems, and human resource planning processes.)
3. Once potential actions in each area are outlined, identify anticipated outcomes or consequences of each action before making decisions.
4. Emphasize the optimization of efficiency; for example, reduce waste and duplication, clean house of extraneous and unuseful resources, do what is possible or necessary to keep the best performers, sharpen the focus on accountability, and set firm standards of performance and objectives. Staff and support areas should not be left out of this process.
5. If extra money is available for something, use it to increase the quality (not quantity) of internal information and market/competitor information.

## **STRATEGY 2: HELP MANAGERS CONFRONT AND ADDRESS THE EMOTIONAL ISSUES INSIDE THEIR ORGANIZATION**

During a downsizing crisis, there is usually an element of pain, that is, a loss of security in people that often results in a loss of productivity and potential inability to engage in creative problem solving. To successfully implement the types of changes we are discussing requires cooperative actions by managers and employees and sensitivity to these “feeling” issues.

The following are some suggestions that HRD professionals will find helpful in working with managers as they address the emotional side of the transition:

1. *Hold communication sessions.* People need information to make decisions, so management should be visible for informal conversation, which also helps with the organization assessment and strengthens morale.

2. *Form task forces.* When the employees are involved, their level of awareness is raised, and usually there is an increased readiness for change. However, members of the task force need to be assured that they are not working themselves out of the organization but, rather, finding new ways to use their abilities.
3. *Try to maintain employment.* This can be accomplished by filling openings with internal qualified staff, where possible; eliminating deadwood; using internal temporary transfers to areas that need help; lending employees to civic or governmental organizations; and temporarily processing work for other units.

### **STRATEGY 3: HELP MANAGERS TO CREATE A VISION OF WHAT THE ORGANIZATION COULD OR SHOULD BECOME**

Managers who focus just on cost cutting and become embroiled in the details must learn that cost cutting is only the first step in revitalizing the organization. In a downsizing environment, there is little necessity for helping managers to become aware that some kind of change is needed; but because their immediate response to adverse conditions is often reactive, they need to be encouraged to take strategic action.

The organization will inevitably be going through some type of transformation. There may be a remote possibility that it will cease to exist, but often it will move into a different way of looking and operating. HRD professionals can play a key role by helping managers to step outside the immediate problems and put on a “space suit of objectivity” and begin to ask and seek answers to questions such as the following:

- What (other) external environmental changes can we expect in the short term (six months to a year) and in the long term (two to three years)?
- How can we create an exciting and attractive vision for the future?
- What are/will be our organizational values? For example, what do/will we stand for? What is the reason for our existence? What is/will be our mission?
- What changes in the organization’s structure are needed to achieve our new mission?
- What changes are needed in the organization’s long- and short-term planning process?
- What management skills will be needed to achieve our future strategies?
- What current organizational resources, products, and markets will require a change in priority or emphasis? What new resources will be required?
- What are the implications for current technology, policies, procedures, and systems?

As managers focus on and resolve such issues, they will better position the organization for both short-term and long-term growth.

#### **STRATEGY 4: DEVELOP AN INTERNAL AND EXTERNAL PUBLIC IMAGE**

In addition to emphasizing increased communications between managers and employees during a downsizing crisis, HRD professionals should make managers aware that they must also be concerned about the organization's image, both internally and externally. Management must decide if the organization should portray itself as being in crisis, or if it should appear to ignore questions and concerns about its stability and portray a posture of blind optimism, or if it should assume some image in between.

The public image of the organization can have a significant impact on suppliers, customers or clients, employees, and competitors. It can affect credibility, confidence, loyalty, and morale. During this strategic phase, HRD professionals should ask managers to answer and take action on questions such as the following:

- What do we stand for and how should we communicate it?
- What elements of the present situation should we make public? How do we make them public?
- What image do we want to project to our clients, customers, suppliers, competitors, regulators, employees, and the general public?

#### **STRATEGY 5: ESTABLISH PLANS AND ACCOUNTABILITIES**

As with all effective change efforts, plans and accountabilities should be developed at the beginning of the change process and should be monitored continually. Planning how the organization should be managed during a downsizing transition can be done by the executive team that is focusing on macro-issues such as strategic direction.

Departmental managers may focus their concerns on cost cutting in their specific departments and on the "people" issues. Throughout this process, the HRD consultant can play a key role by monitoring progress and results, confronting issues, and facilitating meetings.

#### **STRATEGY 6: NEGOTIATE ROLES**

In all change efforts, certain roles are fulfilled. Some managers are responsible for initiating change, others are responsible for implementing change, others support the change with little direct involvement, and some are the targets of the change effort—that is, they are expected to change. Some managers, of course, may serve in multiple roles.

In addition to these traditional change-effort roles, more specific roles must be assumed by executives and managers in a downsizing effort. The following questions and answers illustrate some of these roles:

- Who will take on the role of the “heavy” (the one giving the unpopular information or orders)? Often the chief executive officer or chief financial officer fulfills this role.
- Who is responsible for day-to-day operations (that is, for keeping the organization running)? This role is often filled by a chief of operations and line managers.
- Who will explore creative ways of managing in this new environment? Although this role is often given to the staff, it is more effectively played by a senior-level task force.
- Who will be sensitive to and support the emotional issues? This role is often delegated to the personnel or human resource department, but it should be the responsibility of all those involved.
- Who will keep watch outside the organization for strategic-planning and public image issues? This is often the role of the chief executive officer and senior staff.

The role of the HRD professional should be to facilitate this role-negotiation process.

## **STRATEGY 7: MONITOR IMPLEMENTATION PROCESS AND EVALUATE ACTIONS**

Monitoring and evaluating the change-effort process is easier if specific plans and accountabilities are developed and a regular schedule for evaluation is established. The monitoring and evaluation of plans and actions should be shared by all the people in the organization who are directly involved in the change effort.

## **CONCLUSION**

A significant number of organizations today are faced with shrinking or limited resources that demand strategic and creative management. If they are to survive and eventually prosper again, their managers need help in focusing on short-term operational and financial management issues. They also need to maintain a visionary outlook and concern for wisely and systematically managing all their resources, including their employees. The HRD professional can be very instrumental throughout this downsizing transition, primarily serving in a process consulting role.

## ■ FOSTERING INTRAPRENEURSHIP IN ORGANIZATIONS

### Gifford Pinchot III

*Intrapreneur: Any of the “dreamers who do.” Those who take hands-on responsibility for creating innovation of any kind within an organization. The intrapreneur may be the creator or inventor but is always the dreamer who figures out how to turn an idea into a profitable reality.*

Gifford Pinchot III, 1985  
*Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur*, p. ix

Entrepreneurism is alive and well in the United States. It is generated by the American spirit of adventure, the desire to try new things. Americans are known for this spirit, and it shows up in their approach to business and organizational life. They do not want to be just cogs in a machine; they want to contribute, to make names for themselves, to do something new and different. This desire is not exclusive to entrepreneurs, who branch out on their own and start new businesses; it is also characteristic of *intrapreneurs*, those heroes inside existing organizations who are driven to innovate. In fact, it is unusual for innovation to happen in a large organization without one or more such individuals who are totally dedicated to making it happen.

Unfortunately, the systems of control in many organizations, particularly in very large ones, often make innovation difficult if not impossible. Intrapreneurs often have to battle tedious bureaucracies to see their “intraprisers”—those innovations to which they dedicate themselves—become reality. Yet innovation still happens, despite such systems of control. There is almost no stopping intrapreneurs in pursuit of their dreams, even when they have to leave their organizations to realize those dreams. The tragedy of this phenomenon is that when intrapreneurs leave to become entrepreneurs, it is their parent organizations that suffer from the loss of some of their best employees; often these employees start businesses that later become competitors of the organizations left behind.

---

Originally published in *The 1989 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

Based on and adapted from *Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur* by G. Pinchot III, 1985, New York: Harper & Row. Copyright © 1985 by Gifford Pinchot III. Used with the permission of the author. The hardcover book is available from Pinchot & Company, 175 North Main Street, Branford, CT 06511, phone (203) 488-4009. The price is \$15.00 (includes shipping and handling in the U.S.).

Halting the exit of dedicated intrapreneurs poses an enormous challenge to today's organizations. Despite the systems of control they have created, most organizations do not want to lose these people. Consequently, they need to find ways to encourage rather than discourage the development of intraprisers. A number of organizations are successfully accomplishing this objective (Pinchot, 1985)—for example, 3M, General Electric, IBM, Tektronix, Ore-Ida, Texas Instruments, Du Pont—and much can be learned from their experiences. This article addresses two important issues: (1) the ways in which an organization can encourage innovation and empower intrapreneurs and (2) the roles that an HRD practitioner can assume to help in this process.

## **WAYS TO ENCOURAGE INNOVATION AND EMPOWER INTRAPRENEURS**

### **1. Encourage Self-Appointed Intrapreneurs**

The traditional organizational approach to job assignments is paternalistic. The manager decides which subordinate would be right for a particular task and then delegates the task to that person. But intrapreneurs are not typical subordinates; they come up with intraprisers on their own and cling to them steadfastly, doing whatever is necessary to be allowed to execute those intraprisers.

Although the idea of allowing a subordinate to choose his or her own projects may seem unusual, it fits with one of the primary objectives of any manager: to get subordinates to engage their minds and hearts in tasks that fulfill corporate objectives. Managers may have difficulty in letting go of the notion that they know best how tasks should be delegated and that only the traditional tasks associated with their subordinates' jobs are appropriate. The critical test for accepting or rejecting an intraprise about which an intrapreneurial subordinate feels passionately is whether that intraprise helps to fulfill corporate objectives. The intrapreneur has almost a sixth sense about the services and products that clients and customers need, and the wise manager will recognize and make use of this sense.

Intrapreneurs cannot be appointed and told to bring their zeal to bear on specific intraprisers. Instead, managers should watch for subordinates who express passionate beliefs in specific projects; then these subordinates can be empowered to act on these beliefs. What often happens is that intrapreneurs are so convinced of the rightness of their intraprisers that they proceed without permission. The system that recognizes and fosters intrapreneurship may only be legitimizing what is already happening. Managers need to recognize another potential benefit of encouraging intrapreneurship: the intrapreneur commitment to an intraprise in which he or she deeply believes can shave weeks or months from the time required to execute that intraprise. When an intrapreneur gets going, the speed of work can be astonishing.

## **2. Allow the Intrapreneur To Follow Through to Completion**

In many large organizations, new ideas are handed from group to group during the course of development. Part of this practice stems from the specialization of work that often develops in big companies. However, it is not natural for an idea to be formed by researchers, then developed in the form of a prototype by people in advanced development, then designed by engineers, then executed by people in manufacturing, and finally sold by marketing people. Such a system does not work because (1) people want to work on ideas of their own choosing and are most committed to those ideas, and (2) no one can transfer everything he or she knows about something to another person, regardless of the extent to which that knowledge is documented. Thus, taking intraprisers from intrapreneurs and reassigning those intraprisers to others can result in the loss of two elements that are critical to success: commitment and knowledge.

Finding ways for intrapreneurs to stay with their intraprisers is an important challenge for managers. The source of the intrapreneur satisfaction is commercial success and social contribution. Consequently, the intrapreneur will not be content until the idea that he or she is committed to has reached the market and started to sell well; this commitment extends to seeing the idea fulfill its promise in commercial terms. Keeping the intrapreneur assigned to an intraprise past the point of market introduction is important not only in terms of the intrapreneur's own satisfaction but also in terms of protecting the organization's market position. Very often the intrapreneur and the members of the intrapreneurial team are the only ones capable of altering the idea quickly enough to keep up with market demands and/or competitor efforts.

## **3. Let the Intrapreneur Decide and Act**

Intrapreneurs need to feel that they are in control of their intraprisers. They like to be their own bosses and to do their work as they see fit. One of the surest ways to quell innovation in an organization is to subject intrapreneurs to a cumbersome process that keeps them from making their own decisions and acting quickly in accordance with those decisions. Tying an intrapreneur's hands with bureaucratic red tape not only causes frustration; it also may preclude action to such an extent that the entire intraprise is jeopardized.

A number of large organizations place the authority for making decisions about intraprisers with people at several hierarchical levels above the intrapreneur. Often these people cannot or do not communicate with the intrapreneur and, therefore, do not have access to critical information about decisions. Also, the thinking accompanying a potential innovation is usually so complex that those who are not intimately involved cannot hope to grasp it fully. As a result of this dilemma, many intrapreneurs break corporate rules on purpose by simply announcing what they plan to do and proceeding without permission.

Occasionally it may be necessary to let the decision-making authority reside with people other than the intrapreneur, and on these occasions it is essential that the



intrapreneur be able to communicate face to face with these people. Most of the time, however, the intrapreneur knows the intraprise best and is in the best position to decide and act as he or she sees fit. This is not to say that intrapreneurs should not be given feedback about their intraprises; on the contrary, they care so deeply about the ultimate success of their innovations that they generally welcome feedback.

#### **4. Provide the Freedom and Resources To Experiment**

An organization that commits all of its resources to planned activities cannot foster intrapreneurship. Innovation cannot be planned; when an intrapreneur becomes committed to an innovation, he or she must have access to organizational resources in order to turn the idea into reality. Asking an intrapreneur to predict in advance what resources he or she will need to follow through on an as-yet-unthought-of innovative idea is ludicrous; nevertheless, those resources must exist when the intrapreneur adopts such an idea.

The necessary resources take three forms:

1. *Discretionary time.* In the absence of discretionary time, the intrapreneur's ideas die. This time is needed to prove the viability of an idea without putting that idea under someone else's critical scrutiny. An intrapreneur generally goes through a series of actions aimed at turning an idea into successful reality; the first time is rarely the charm. That is the nature of innovating. But if the first is expected to be the last and experimentation is outlawed, innovation eventually goes by the wayside.

2. *Discretionary funds.* Beyond simple tinkering, experimenting with innovations cannot take place without money. Many organizations slash discretionary funds from their budgets without considering the effect that this policy might have on employees' future intraprises that could either save money or bring in unanticipated funds.

The authority for discretionary spending—and for deciding specifically how to spend money earmarked for a particular experiment—should lie with the people who will work on innovations. It may seem that intrapreneurs tend to spend their allocated funds in unorthodox ways, but it is important to remember that innovations are themselves unorthodox. The course of experimentation often requires a change in plans, which in turn necessitates substituting one expense for another. The system that requires justification of such substitutions or that demands inflexibility in how the experimenter spends allotted money hinders intrapreneurship. Another important point is that even a small amount of money can encourage employees to innovate and can convey an important message about the organization's support of experimentation as well as its belief in its people.

3. *Discretionary help.* Turning innovative ideas into reality generally requires the efforts of at least several people. Yet discretionary help in the form of fellow employees that intrapreneurs can call on when needed is often more difficult to obtain than discretionary money. The practice of freezing numbers of employees in units, departments, or divisions, which is fairly common in large organizations, can seriously



undermine intrapreneurial efforts. Organizations should be aware that intrapreneurs generally need to recruit fellow employees and should create ways to override freezing policies if necessary so that promising innovations can be pursued.

It has long been true that most organizational innovation takes place in a sort of corporate underground that exists beneath the confines of formal systems. Tenacious intrapreneurs frequently find ways to obtain what they need to pursue their dreams, regardless of whether they have official approval. However, when an organization makes it possible for the entrepreneur to obtain discretionary resources by using official systems rather than the underground, innovation is much more likely to occur.

### **5. Avoid the Grandiose Approach**

Some organizations—particularly large ones—make the mistake of assuming that every intraprise that receives the go-ahead should or will result in enormous economic success and, therefore, is worthy of enormous investment. This viewpoint ignores a couple of important facts: (1) many smaller successes can equal one large one; and (2) huge financial investments at the outset can deplete funds that may be more critically needed later, after an innovation has taken hold and achieved some degree of success.

A better approach—one that allows an organization to grasp more opportunities—is to encourage and sponsor a number of small intraprises, each of which offers some short-term promise and several possibilities for the future. This approach fits better with the successful pattern of innovation—a series of corrected mistakes eventually leading to success, followed by rapid expansion. Also, a policy of pursuing a number of small intraprises rather than saving resources only for huge ones gives an organization a better chance of getting in on the ground floor of new industries. Intraprises have a way of becoming new lines of business with their own managements headed by the intrapreneurs who initiated them, and such developments enable a large organization to diversify and to become as responsive to clients and customers as small companies characteristically are.

### **6. Tolerate Risk, Mistakes, and Failures**

Innovation is inherently risky; the organization that encourages innovation is an environment in which people are conditioned to failure and mistakes as an everyday part of their jobs. Most organizations, if polled on the subject, would say that they encourage innovation. However, although they might also claim to encourage risk taking, the opposite is more often true. Part of the problem is that managers often trust themselves to take risks but do not trust subordinates or those in lower organizational levels to do the same, probably because managers are the ones who take much of the blame if risks taken at lower levels result in failure. Consequently, the tolerance of risk, mistakes, and failures must come from the top of the organization, must be communicated downward, and must be genuine. Simple lip service is not enough; when employees actually do fail in innovative efforts, the response of top management must bear out this tolerance.

When failure is not accepted in a system, employees eventually stop taking risks, which means that they stop innovating. Also, it is important to remember that the organization that refuses to tolerate failure is not immune to it. Failures happen, despite people's best efforts to avoid them; thus, a policy against risk taking on the basis that it might result in failure does not make sense.

The benefits of tolerating risk and failures are great:

1. *Learning.* At the very least, people learn from their failures and can apply what they have learned to future efforts. This learning is not exclusive to the person who experiences the failure; coworkers and others frequently share in the learning.

2. *Generation of other innovations.* It is often the case that the failure of the originally conceived intraprise leads to the success of a different but related innovation.

3. *Market exploration.* Not all market discoveries can be made on the basis of information extrapolated from past experience. The organization that tries to gauge future moves exclusively on the basis of history relies on ideas whose time has passed—a policy that is dangerous in turbulent times. All markets are fraught with unknowns that can be uncovered only through experimentation. Intrapreneurs who are passionately dedicated to their intraprisers are tenacious in developing customers for their innovations.

## **7. Be Patient**

One of the most formidable barriers to innovation is not giving innovative intraprisers time to reach maturity. In some industries it takes a long time to achieve success. Some organizations become impatient with intraprisers and pull the plug on their financial backing before giving an intraprise a reasonable amount of time to achieve a degree of success. In many organizations personnel changes wreak havoc with intraprisers; for example, the intrapreneur's manager or sponsor may move up or out and leave the intrapreneur out of favor with the powers that be and/or without the help and encouragement needed to proceed.

The problem of assigning a limited time frame for achieving innovative success can be addressed in several ways:

1. *Slow the pace of job transfers.* These days managers move up the corporate ladder with such speed that they seldom stay around to see the completion of intraprisers begun in their areas. Consequently, they may tend to favor intraprisers that promise quick success—and an accompanying positive image—rather than risky, long-term innovations. The elimination of layers of middle management, as suggested in *In Search of Excellence: Lessons from America's Best Run Companies* (Peters & Waterman, 1982), will help to alleviate this problem. A manager will have fewer steps to take in reaching the top; will spend more time in each position; and may, as a result, be more inclined to encourage long-term intraprisers.

2. *Reward the individual steps of innovation, not just the achievement of the final goal.* Waiting for the success of an innovation can be frustrating even to the

intrapreneur. When the ultimate reward is far in the distance, it is important to celebrate the achievement of each step along the way.

3. *Make managers' rewards dependent on what happens in their areas after they have moved on.* This approach would encourage managers to focus on long-term success and the innovations that make it happen. The same approach can be taken with CEOs by paying them bonuses after their tenure for successful innovations that were begun under them.

4. *Encourage all employees to consider the long run.* Traditionally only managers have been expected to consider the good of the company in the long run, but all employees should be encouraged to consider the future consequences of their actions. This process is an important part of an employee-involvement program in which people at all organizational levels are taught to be involved, to make good decisions, and to focus on such long-term issues as quality and turning first-time buyers into loyal customers. One way to do this is to promote the survival of intrapreneurial teams that are assembled to work on innovations; these teams should be kept intact through the successful introduction of the innovation and for some time thereafter to ensure that each team will face the consequences of its members' actions.

5. *Promote a sense of ownership among employees.* An organization can encourage intrapreneurs by offering them the ability to earn a sort of "ownership" of their intraprises that would simulate that of the actual organizational owners. This ownership would include the responsibility not only for completing the innovative intraprise but also for administering the necessary "intracapital"—the discretionary budget allotted to the intrapreneur to fund the innovation. The feeling of ownership generated by this responsibility leads to a sense of security akin to that which owners feel, which, in turn, leads to a consideration of the long run.

6. *Promote the relationship between intrapreneurs and their sponsors.* Organizations that want to foster intrapreneurship must honor this relationship and ensure that intrapreneurs are not separated from their sponsors through events like promotions, transfers, and reorganizations. Sponsors need to maintain contact with intrapreneurs, perhaps even after those sponsors have retired. Offering senior executives a chance to serve as sponsors after retirement, thereby affording them a chance to continue participating in organizational life and earning money, would be an excellent incentive to innovation.

## **8. Discourage Obsession with Turf**

As managers climb the organizational ladder, they sometimes are overconcerned with getting to the top more quickly than their peers. This attitude can lead to an obsession with turf, a struggle for position that can overshadow the importance of striving for results and looking ahead to the future. Because the intrapreneur's responsibility entails crossing turf boundaries and integrating disciplines in the interest of doing something new, obsession with turf can make life difficult for the intrapreneur.

Obsession with turf is contagious; when managers play one group against another, nonmanagerial employees start manifesting the same obsession. Another factor that can exacerbate the problem is the practice of comparing employees during the process of performance review. Also, in larger organizations, separate functions such as accounting sometimes develop a sense of loyalty that leads to snobbery, unhealthy competition between functions, and rigid territorial boundaries.

To eliminate or circumvent this problem, managers can take several actions:

1. *Stay focused on results.* When managers maintain this focus, nonmanagerial employees tend to do the same and are more willing to help intrapreneurs than they might otherwise be.

2. *Emphasize win/win rather than win/lose solutions.* The traditional win/lose attitude is based on the view of an organizational pie that consists of a fixed amount of resources, and this attitude fosters obsession with turf. However, when all employees are productive, the organization as a whole wins and the actual size of the pie increases. When everyone has access to more resources, concern with turf is less likely to develop.

3. *Build small teams whose members represent different functions.* Such a team is particularly appropriate for pursuing an intrapreneurial intraprise because its members operate in the interest of the innovation rather than in the interest of the individual functions they represent (see “9. Form Cross-Functional Teams”).

4. *Help people to feel secure in their individual turfs.* When employees are insecure, they often see intrapreneurial ventures as threats and tend to react by entrenching themselves in their individual territories. Employees need to feel that they have their own small kingdoms within the organization; once they feel secure in those kingdoms, it becomes easier for them to be generous and to cooperate with intrapreneurs. To engender security, managers should ensure that people have sufficient control in their own areas to pursue their own dreams; when people feel in control in this way, they are less inclined to deny intrapreneurs access to needed resources.

## **9. Form Cross-Functional Teams**

The best approach to pursuing innovation is to form cross-functional teams expressly for that purpose. When such a team is assembled, the members are recruited and actually taken away from their usual job responsibilities. Then they are assigned exclusively to the intraprise.

This approach offers a number of advantages that tend to foster innovation:

1. *The members of the team identify with the intraprise rather than with their individual functions.* Therefore, it is easy for team members representing different functions to let go of any functional loyalty that might otherwise hamper progress on their innovation.

2. *The team can concentrate exclusively on the intraprise.* Team members do not have to divide their attention between the intraprise and other job responsibilities.

3. *The team members possess enough knowledge and skills for superior problem solving.* Because all functional areas involved in the development and marketing of the intraprise are represented on the team,<sup>1</sup> the members are better able to see a problem from all different aspects, to identify possible ramifications, and to generate effective solutions.

4. *The team can act quickly.* It is an autonomous, functionally complete group, and it can move with great speed because of its control over its innovation and because of the commitment of its members. With innovation it is often true that speed makes the difference between success and failure.

5. *There is continuity in team membership.* All members are assigned to the intraprise at least until it has been completed and preferably until sometime after the intraprise service or product has been successfully introduced. The continuity of knowledge, skill, and commitment afforded by this approach offers a distinct advantage over the situation created by changing personnel during the period of the intraprise.

6. *The team is responsible to a single leader, who is also a team member.* The important point is that the leader be in a position to determine the performance of team members, including his or her own. If this is not the case and individual members continue to report to their functional supervisors, the team members experience mixed loyalties, which, in turn, can cause delays, confusion, and so on.

7. *Commitment and ownership are fostered by recruiting rather than appointing team members.* Only people who are interested in an intraprise and volunteer to serve on an intrapreneurial team should be members. If no one volunteers, this is an indication that the intraprise is not a good idea.

## **10. Let the Intrapreneur Choose from Multiple Options**

In pursuing an intraprise, the best policy is to leave many options open to the intrapreneur and to let him or her make all the choices. Requiring an intrapreneur to use exclusively internal resources, for example, may hinder the development of the intraprise.

Putting the intrapreneur in charge offers several advantages. For example, the intrapreneur who is allowed to choose where and how to get the job done can take advantage of the best deals in terms of both price and speed of delivery; often the best deals are not available from internal suppliers who do not have to be as competitive as external ones. Also, both internal and external vendors find it easier to deal with only one person who can evaluate products and services and then has the authority to buy what he or she wants. The intrapreneur can respond quickly when time is important and

---

<sup>1</sup> This does not necessarily mean that each of these functions has donated someone to serve as a member of the team. Instead, it means that someone on the team either knows or learns how to perform each of the functions necessary to the intraprise. Often team members learn how to do tasks that have nothing to do with their regular job assignments.

can avoid the tedium of waiting for approval of purchases. With this approach, innovations become reality sooner.

The principle of allowing the intrapreneur to make major choices should extend to selling the innovation as well. Often companies go through the entire innovative process and then assign responsibility to sell their innovations to the regular sales force. What frequently happens in such situations is that the sales force is not as committed to an innovation as are the members of the intrapreneurial team that developed it; consequently, the salespeople may ignore or give improper attention to the new product or service in favor of selling existing ones with which they are more familiar and more comfortable. For these reasons some people believe it is better for the intrapreneurial team to have its own sales force dedicated exclusively to selling the innovation.

## **THE ROLES OF THE HRD PRACTITIONER IN FOSTERING INTRAPRENEURSHIP**

The most important function, that an HRD practitioner can perform in helping an organization to foster intrapreneurship is that of consciousness raising. It may be that an organization's personnel, both managerial and nonmanagerial, are totally unaware of the concept of intrapreneurship and its benefits; even if some employees are familiar with the concept, it is quite likely that the organization is not actively encouraging intrapreneurs. The practitioner's job is to turn this situation around. There are several roles that the HRD practitioner can assume in connection with the responsibility of raising people's consciousness: consultant, promoter, educator, trainer, and facilitator. These roles and the associated activities are discussed in the following paragraphs.

### ***Consultant/Promoter***

By keeping in close contact with managers and their needs and objectives, the HRD practitioner will be in a better position to advise intrapreneurs who seek the practitioner's help in promoting particular intraprisers. The practitioner also should keep an eye out for appropriate people within the organization who can serve as sponsors of intrapreneurs and should be prepared to put intrapreneurs in touch with these sponsors.

Another way in which the HRD practitioner can serve as a promoter is to emphasize the importance of supporting the intrapreneur's idea from inception through entry into the market. No idea becomes organizational reality without the sponsorship of key organizational members. The intrapreneur, his or her immediate supervisor, and at least one or two members of a management level above the supervisor's should understand the importance of sponsorship to the success of the intrapreneur idea. The practitioner can make this importance known, help to recruit sponsors, and perhaps even serve as an advocate of the idea.

When an intraprise succeeds, the practitioner should point out the need to recognize and reward the intrapreneurial team. Sometimes there is a tendency to heap glory exclusively on the intrapreneur who originally pursued the idea, but the reality is that all

the members of the team are intrapreneurs. They all take the risks involved in turning a new idea into reality, and they all should be rewarded. The practitioner can be instrumental in seeing that this happens.

On the other hand, when an intraprise fails, there is a potential for career setbacks, not only for the intrapreneur but for the entire intrapreneurial team. If these setbacks occur, the practitioner should be ready to provide encouragement, to point out options, and to coach members of the team as appropriate. If the intrapreneur is inclined to accept the total responsibility for failure, the practitioner should work with the intrapreneur to ensure that this negative experience does not permanently damage his or her innovative spirit.

### ***Educator/Trainer/Facilitator***

#### *Working with the Intrapreneur, the Intrapreneurial Team, and Sponsors*

Often an intrapreneur is made the leader of an intrapreneurial team whose task is to bring a particular intraprise to fruition. However, if the intrapreneur has no leadership experience, he or she may be at a loss as to how to fulfill this role. The HRD practitioner should be able to help find or even conduct appropriate training for the intrapreneur and should be willing to serve as a source of further information on the subject of leadership.

Also, lack of experience on the part of the intrapreneur and other members of the intrapreneurial team may mean that they will need help in setting achievable milestones for their intraprise. If this is the case, the practitioner should be prepared to train the team in goal setting and action planning. It may be that the members of the team will need help with team building and with solving problems having to do with team-member interactions. The practitioner may find it helpful to teach the team some of the basics of group process and development as well as some tools that they can use to help group work flow more smoothly. Attending some team meetings as a facilitator may also be appropriate, especially during the early stages of the team's existence.

Intrapreneurs also may lack experience in dealing with organizational politics. Their zeal can sometimes serve to their political disadvantage. Consequently, when working with intrapreneurs, the practitioner should remain on the lookout for political pitfalls that might spell disaster for intraprises. Educating intrapreneurs and their sponsors with regard to these pitfalls and to potential enemies behind the scenes is one of the more valuable services that the practitioner can provide. With knowledge of barriers that might be faced, the intrapreneur and his or her sponsor can plan an effective strategy for by-passing these barriers or at least mitigating their potency.

One political issue that an intrapreneur may not be prepared to handle is the possibility that the innovation might be stolen if it is a success. As discussed previously, it is important, both for intrapreneurs and for the organization's interests, to keep intraprises in the hands of their creators. However, connection with successful intraprises is a strong enticement to those who might want to steal the idea if it is

particularly desirable to competitors. Even if it seems unlikely that the idea could be stolen, some individuals might attempt to steal the limelight, the credit, or other rewards that rightfully belong to intrapreneurs. The practitioner should keep intrapreneurs and their sponsors informed about such possibilities and should be prepared to give advice for dealing with threats or actual thefts. This may entail putting intrapreneurs in touch with legal counsel or others who will be able to advise them about patents, copyright issues, and so on.

### *Working with Management*

Battling long-established systems of control may be the HRD practitioner's greatest challenge in helping to foster intrapreneurship. For example, the notion of granting decision-making authority to intrapreneurs may be totally foreign to established organizational policy. An important point to stress to top management is that innovation cannot wait; when it is put on hold, the competitive edge may be lost. The practitioner can also help managers to realize that even though they may be unable to fathom a particular decision or its urgency, their faith in the intrapreneur and his or her profound commitment to the intraprise should convince them to grant the authority to follow through on that commitment.

Similarly, if managers are skeptical about providing resources for the purpose of experimenting, the practitioner should stress that people who are not encouraged to experiment may eventually lose the inclination, if not the ability, to innovate. Also, employees who are never trusted to handle money, as would be required during the process of experimentation, may become indifferent to it and never learn to spend it fruitfully yet prudently. Because the process of experimentation requires responsibility in using resources, responsibility is what employees who experiment learn—along with an enhanced appreciation of scarce resources. The practitioner may be able to use these principles effectively as selling points.

It also may be useful for the practitioner to cite precedents for fostering intrapreneurship along with examples of bottom-line results (Pinchot, 1985). Many large companies—IBM, Tektronix, Ore-Ida, 3M, and Du Pont, among others—allow their employees to spend between 5 and 15 percent of their time exploring ideas of their own choosing. The results of providing employees with discretionary resources in this way have been impressive. Ore-Ida, for example, reported savings of more than two million dollars from the outcome of an experimental project that the company funded for \$15,000. Ore-Ida and Texas Instruments offer employees different funding sources as ways to finance their experiments, and both companies have reported benefits.

On the other hand, an inclination to spend too much in the initial stages of innovation may be the problem in a large organization. In this case the practitioner should emphasize the advantages of financial restraint, pointing to the fact that greater funds may be necessary once the innovation has achieved a degree of success and goes into full swing as a viable line of business. As discussed previously, management sometimes loses sight of the fact that a number of small intraprises can equal one large



one. Another useful selling point for investing relatively small amounts in several small intraprisers is that this approach gives the organization an opportunity to capitalize on new trends.

If management seems reluctant to support a number of intraprisers, the practitioner might suggest a policy of encouraging competition among intrapreneurial teams. With this policy several teams develop intraprisers with the understanding that the best design, developed with the least expenditure of resources, will be the one that the organization ultimately supports. This approach gives rise to superior innovations but can work only if intrapreneurs are allowed to determine how to get the job done. In contrast, one sure way to discourage innovation is to take the all-too-frequent approach of always supporting the design that is developed by the people who have the formal authority and resources—such as the design of the engineering division as opposed to that of an eager intrapreneur from marketing. Performance—not politics—should be the basis for evaluating intraprisers; using resources creatively and effectively and generating the best design should be the criteria for judging intraprisers. The practitioner should encourage top management to be open minded when evaluating intraprisers and to let employees know that innovation, regardless of its source, is valued.

Despite intrapreneurs' best efforts—and those of the practitioner to provide sufficient support—intraprisers frequently fail. How management treats such failures can go a long way toward encouraging or discouraging innovation. One advantage to failure that managers may tend to lose sight of is that it is rarely total; it almost always leads to valuable learning, not only on the part of the employee or group that has failed, but also on the part of those who learn from documentation as well as word-of-mouth information about that failure. The practitioner can stress this point to managers and can cite examples like that of Ore-Ida, whose management tries to encourage experimentation through its fellows program, whereby employees can receive grants for pet innovative projects (Pinchot, 1985). This program, for which there is no retribution whatsoever for failure, is, according to Ore-Ida's manager for research and development, intended to tell employees that they do not need to be afraid to fail and that all they need to do is learn from their efforts. Ore-Ida gives each intrapreneur who pursues an idea a certificate, even if the intraprise in question has failed. This policy says to employees that their learning is valued as much as their intraprise efforts.

Managers must be able to congratulate employees for what they have learned even when their intraprisers have failed. People at all levels should be conditioned to take pride in the knowledge and skills acquired and the courage they have shown in pursuing intraprisers. This may mean that the practitioner will have to work with management to establish and publicly acknowledge support of intelligent risk taking, creativity, and similar values. The knowledge that these values are organizational norms gives rise to security, which is a prerequisite to innovation.

## **CONCLUSION**

Intrapreneurs are the people of courage and conviction within our organizations. By pursuing innovation with total commitment, they are largely responsible for organizational growth and expansion; without them progress would be difficult, if not impossible. An organization can make it difficult or easy for intrapreneurs to pursue their intraprisers. It can insist on adherence to rigid system controls; or it can encourage experimentation, risk taking, and the pioneering spirit. It can force its intrapreneurs to leave and start their own businesses, or it can make a purposeful effort to keep these people and to provide them with what they need in order to create. The challenge for the HRD practitioner is to guide intrapreneurs, intrapreneurial teams, their sponsors, and the organizational management toward behaviors that foster rather than hinder intrapreneurship.

## **REFERENCES**

- Peters, T.J., & Waterman, R.H., Jr. (1982). *In search of excellence: Lessons from America's best run companies*. New York: Harper & Row.
- Pinchot, Gifford III. (1985). *Intrapreneuring: Why you don't have to leave the corporation to become an entrepreneur*. New York: Harper & Row.

# ■ A MODEL FOR THE EXECUTIVE MANAGEMENT OF TRANSFORMATIONAL CHANGE

**Richard Beckhard**

The focus of this article is the management of a transformational-change effort in a significant system or a complex organization. The management of this type of change is distinctly different in a number of ways from the management of change in many other arenas that concern HRD practitioners daily. A transformational change is orchestrated by the organization's executive managers, who must have access to a model that enables them to diagnose and manage the change process. In addition, employing such a model effectively is dependent on the managers' understanding of a number of important issues: the nature of transformation, the implications of transformational change, the organizational conditions and behavioral changes that are necessary for transformation to succeed, and the challenges and dilemmas that are likely to be encountered. This article presents a model for transformational change that HRD practitioners may suggest to managers facing this difficult task, and it provides useful information that practitioners can pass along to managers to help them develop the understanding of the process that is so critical to success.

## **THE NATURE OF TRANSFORMATION**

The definition of transformation in Webster's is "A change in the shape, structure, nature of something." This definition coordinates well with the needs and practices of organizations involved in transformational change. There is no question that there is an increasing need for a complex organization in today's world to change its shape to accommodate changing demands; an organization faces a heavy responsibility in attempting to determine the shape, in terms of both size and complexity, that will allow it to function effectively in the dynamic world in which it operates. Merely altering the configuration or writing new job descriptions is an inadequate and possibly even inappropriate response, given the difficulty of the task.

Transformation in an organization can also address *structure*, or the basic parts of the organization that are responsible for its character or its *nature*. Structure includes values, beliefs, reward systems, ownership, patterns, and so on. Sometimes environmental factors change and necessitate significant reappraisals of the

---

Originally published in *The 1989 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

organization's nature: consumer interests and demands, work force, technology, telecommunication, and competition.

However, an in-depth assessment of shape, structure, character or nature, and environment—difficult and essential as that task may be—is insufficient of itself. Undertaking transformational change also necessitates reexamining the organization's mission and creating a vision or desired future state as well as the strategies by which the organization can move toward that vision. The strategic issues involved in formulating an organization's mission and vision are quite different from those involved in “running the store” or increasing profits in the short term, and HRD practitioners need to ensure that executive managers who attempt transformation are aware of these differences.

The types of organizational changes that can be called transformational are as follows:

1. *A change in what drives the organization.* For example, a change from being production driven or technology driven to being market driven is transformational.

2. *A fundamental change in the relationships between or among organizational parts.* Examples include redefining staff roles and moving from central management to decentralized management or from executive management to strategic management.

3. *A major change in the ways of doing work.* Such transformational changes include moving from low-technology to high-technology manufacturing systems, implementing computers and telecommunications, and redesigning the customer interface (for example, by providing salespeople with lap computers so that they can interact directly with both customers and suppliers).

4. *A basic cultural change in norms, values, or reward systems.* An example of a cultural change is moving from standardized incentive rewards to individualized ones.

## **ORGANIZATIONAL PREREQUISITES**

The following ten conditions or elements, which are discussed in order of priority, must exist before transformational change can be achieved in an organization.

### ***Prerequisite 1: Committed Top Leaders***

One or more of the organization's top leaders, including the chief executive officer (CEO), must be committed champions of the change. In assisting executive managers with transformational change, the HRD practitioner cannot overemphasize the importance of top-level commitment and the visibility of that commitment. Those at lower organizational levels who will be responsible for implementing various aspects of the change cannot be expected to commit to the effort until they see for themselves that the organizational leadership is similarly committed. Although it is possible to achieve

some degree of change without top-level commitment, that change is likely to be ephemeral at best.

### ***Prerequisite 2: Written Description of the Changed Organization***

It is essential to have a statement, written in behavioral terms, of how the changed organization will function. This statement should include a description of the basic organizational character, policies, values, and priorities that will exist as a result of the transformational change. The HRD practitioner should stress that this statement is not a list of short-term objectives and should monitor the writing process carefully to ensure that the statement is sufficiently detailed and focused on behavior.

### ***Prerequisite 3: Conditions That Preclude Maintenance of the Status Quo***

Another critical prerequisite is the existence of a set of external conditions that makes the choice of maintaining the status quo either unlikely or impossible. The HRD practitioner should explain to the executive managers that the transformation will not occur unless people are feeling so much pain in the present situation that they are motivated to change it; in the absence of such pain, resistance will take over and make the change difficult or even impossible.

### ***Prerequisite 4: Likelihood of a Critical Mass of Support***

The organizational situation should be studied carefully to determine the potential that a critical mass of support for the change will develop. The HRD practitioner can assist in this task through the use of such means as surveys and interviews. The key players involved in the change, both inside the hierarchical system and in the immediate environment, must be identified and their commitment to the change solicited and obtained.

### ***Prerequisite 5: A Medium- to Long-Term Perspective***

Transformational changes take years, not months; it is important that the executive managers understand and accept this time perspective. The HRD practitioner might want to cite examples from his or her own experience of the fact that “quick-fix” changes tend to be just that—first-aid treatments that do not have a base for perpetuation. However, it should also be stressed that it is sometimes necessary in the turbulent transitional environment to make quick, dramatic changes in the organization’s character. When this is the case, a trap is to mistake such an event for the completion of the entire change effort; instead, it represents only the beginning of the change-management process. Executive managers may need help in discerning the difference between the individual changes that take place during transformation and the completion of the transformation itself. They also may need help in developing a clear strategy for managing the tension between the need for stability—the need to “run the store”—and the need for change.

### ***Prerequisite 6: Awareness of Resistance and the Need to Honor It***

Those managing a transformational change need to be helped to understand and accept resistance to that change. It is essential to devise strategies for working with rather than against resistance. Many executive managers assume that resistance is a representation of “the enemy,” whereas the reality is that no change can occur without it. Resistance is the process of internalizing, taking on and letting go, and moving into the new state. This process is totally normal, not neurotic. The tension between the status quo and change is an inherent part of transformation. The appropriate response is to set up ways to manage the resistance productively and to ensure that its effects further the organization’s progress in its journey from here to there.

### ***Prerequisite 7: Awareness of the Need for Education***

The executive managers must develop awareness of the need to educate the people and groups involved in or affected by the change. This education may go well beyond simply fostering understanding of the change itself; it may include needs assessment and subsequent training in the skills and knowledge that are shown to be essential to functioning successfully in the changed environment. Education is also one of the best tools for reducing resistance and obtaining commitment to a change. The HRD practitioner can play a vital role in developing awareness of the need, pinpointing the kinds of education required, and providing such education through various training programs.

### ***Prerequisite 8: The Conviction That the Change Must Be Tried***

This conviction on the part of executive management should include willingness to sustain an experimental attitude throughout the change effort and to stick with the effort. Inherent in this willingness is the assumption that occasional failures will be experienced and will be accepted as a normal part of the learning process that accompanies change. Intolerance of such failures will convince those implementing the change that executive management is not, in fact, committed to the change process and that the old ways of doing things are safer. It is essential that management reward rather than punish the risk taking required in abandoning the old and trying the new. The HRD practitioner can assist in assessing people’s orientations toward risk, fostering risk-taking behaviors, and developing an appropriate reward system.

### ***Prerequisite 9: Willingness To Use Resources***

Executive management must be willing to “put its money where its mouth is” and use all kinds of resources—technical, consultative, and expert—in support of the change effort. Those responsible for implementing the change will be thwarted in their efforts if they cannot have access to the resources they need. The HRD practitioner can provide useful assistance in specifying the resources that are needed, in serving as a resource, in

identifying other internal and external resources, and in encouraging people to generate creative ways of using resources.

### ***Prerequisite 10: Commitment To Maintaining the Flow of Information***

From the outset of a transformational-change effort, information must flow freely between and among the different parts of the organization. All employees must receive explicit information about the vision, values, priorities, and rewards that will govern the new state or condition. This often means issuing such information before all of the details are complete. In addition, information about the progress of the effort and about what has worked and what has not worked is extremely valuable. When information is not shared appropriately, mistakes can be repeated and valuable time and other resources can be wasted. Inadequate information also can lead to morale problems. The HRD practitioner can help by stressing the importance of communication; by suggesting appropriate ways to communicate; and by recommending, setting up, and/or conducting training in communication if necessary.

## **A MODEL OF TRANSFORMATIONAL CHANGE**

The process of transforming inputs (needs and raw materials) into outputs (goods and services) is the “work” of an organization. When an organization needs to transform itself, it is, in fact, transforming its work. In any such change, there are three states that must be dealt with: (1) the *present state*, which is things as they are; (2) the *future state*, which is what the changed condition will be; and (3) the *transitional state*, which is the one that exists when evolving from the present to the future—the state during which the actual changing takes place.

The author’s model addresses the critical relationships among these three states as well as the ten prerequisites previously discussed. It consists of the following steps:

1. *Designing the future state.* The future state can be defined as the vision for the organization or the strategic objectives of the change. It includes not only the end state but also an intermediate state, which, for example, might be a year or two from the time during which the future state is being planned. The model assumes that for either the end state or the intermediate state, a scenario is needed—a written description of the envisioned behavior of the operation at some point in time. Generally the existing situation is seen as a problem and the future state as the solution to that problem.

2. *Diagnosing the present state.* This diagnosis is performed in the context of the future state. The model suggests that during this step the entire gamut of issues embedded in the defined change problem must be identified, analyzed, and prioritized in terms of any probable domino effects. This means determining whether the individual parts of the change process should or must be completed in a particular order.

3. *Extrapolating what is required to go from the present state to the transitional state.* This step consists of identifying in detail what is required to get from here to there:

the activities that must be completed, the resources that must be allocated, the relationships that must be in place, the management structures that are necessary for the transition, and the rewards that must exist. These requirements should be listed in sequence and some time frame established for meeting them.

4. *Analyzing the work that occurs during the traditional state.* This step consists of formulating a complete picture of how the organization will function during the transitional state.

5. *Defining the system that is affecting the problem.* This step does not necessarily mean that everyone affected by the problem must be identified. What is essential is to identify a “critical mass” of people inside and directly outside the organization who must be committed to the change in order for it to succeed. The smallest number of people or groups is the optimum.

6. *Analyzing each of the members of the critical mass with regard to readiness and capability.* Readiness refers to an individual’s attitude toward the change, and capability refers to an individual’s capacity to do whatever the change requires of him or her. This step is important in that organizational transformation always necessitates the need for changes in the behavior of those who hold key roles in the organization. For example, the types of decision making that are appropriate for a functionally controlled organization are inappropriate for a matrix organization or an organization driven by business areas.

When managing a transformational change, the CEO must behave in ways that indicate commitment to the new state; demonstrating such commitment may be a new and unfamiliar form of behavior. In addition, the goals, priorities, and even activities of the human resource manager may require major modification as a result of transformational change; he or she may need to switch from controlling to facilitating, from providing services only to leading the change, and/or from simply implementing policies to actively initiating new mechanisms like improved reward systems. Finally, a transformation can involve agonizing changes in the power structure, expectations about performance, and the control wielded by heads of major staffs in their own functional areas. The staff heads may have to develop new relationships among themselves and with the business leaders; new rewards must be negotiated; and many questions must be answered. The staff heads, who are accustomed to functioning as “experts” in their particular functions, may need to become supporters, facilitators, and leaders in long-range thinking—a major change requiring behavioral modification. It is a good idea to know at the outset whether the members of the critical mass will be willing and able to respond appropriately to the change; then, if it is determined that certain members are unwilling or unable, that situation can be planned for and dealt with.

7. *Identifying the power relationships and resources necessary to ensure the perpetuation of the change.* It is not enough to carefully analyze what is required to get from here to there; it is equally important to analyze and provide what is necessary to make the change stick.



8. *Setting up an organization (or structure or system) to manage the transformation.* The company's executive managers are responsible for managing the organization that is set up, not necessarily for managing the change work itself. In the absence of such a setup, the transformational effort may deteriorate into a series of undocumented experiments from which people fail to learn.

## **EXAMPLES OF THE MODEL AT WORK**

### **Case 1: A Cultural Change Initiated Within the Organization**

The large, multinational chemical company that is the subject of Case 1 had facilities in over eighty countries and produced a variety of products from pharmaceuticals to heavy chemicals. It operated in many markets, and its competitors were all over the world. Its ownership relationships varied from a wholly owned territory to joint ventures to a partnership.

The company was organized in approximately ten areas of business, each of which had its own board of directors and its own CEO, but all of which were wholly owned by the parent company. The enterprise governance was achieved through a board of directors, half of whom were designated as executive directors who provided the company's active leadership and half of whom were designated as nonexecutive (external) directors who fulfilled the more traditional board functions. The organization had historically operated through executive management in which the executive directors were the CEOs of the individual businesses as well as the heads of the territories and the functions, such as finance and personnel.

This organization was a leading part of the economy of its home country. It was traditional, highly people oriented, somewhat paternalistic, and a comfortable place to work. Relations with the trade unions were excellent; the company was one of the first to start joint consultations many years ago.

Eventually it became apparent to several members of both the main board and the heads of the businesses that the technically controlled, decentralized divisions, which were primarily local in nature, were not appropriate for addressing the market of the future. Technical innovation had slipped; markets had been eroded in various ways; some of the products were too mature for growth.

Some of the members of the executive board decided to rethink the organizational culture with the following aims:

1. To focus on moving toward a world-wide business;
2. To place the authority for running the businesses with the heads of those businesses rather than with the central directors;
3. To reduce the central directorate to a small number of enterprise directors and to limit their influence; and

4. To revitalize research and development and relate it more to the businesses, replacing the highly centralized research effort with a smaller central effort.

For a number of years the efforts of those who were proponents of this vision were either contained or circumvented by the majority, who resisted such a massive change. The resistance followed classic patterns. For example, commissions and study groups were set up to study organizational changes and changes in board functioning. Through various tactics such as postponing, returning reports for further clarification, and stalling based on excuses like “bad timing,” the change efforts were effectively squashed.

A few proponents of the change effort saw themselves as having to provide the executive leadership for the change and having to develop a strategy for doing so. Two or three of them who were on the main board solicited support from other board members; they worked even harder to obtain commitment from the heads of the businesses, who would soon be board members. Over a six-year period the board membership moved from a minority of three people who supported the change to a “critical mass” of individuals who were firmly committed to the change and concerned only about how to implement it.

As some of the leaders of this effort moved into top positions, they began to strengthen the division leadership and to exert their influence in various meetings of the leaders of the businesses around the world. They engaged in goal setting and envisioning for the enterprise and changed the methodology by which the business heads reported to control groups from the center. They began to institute the actual changes that were necessary:

1. They reduced the number of board members to seven and granted group control to all members.
2. They redefined the role of the business head to that of CEO with control over all of his or her resources.
3. They changed to a strategy-management mode in which each of the business heads met with the entire executive board once a year to define strategic objectives and once a year to establish a budget. No other contact with the board was required of the business heads, although each had a contact on the board who provided ongoing support.
4. They revised the budget process.
5. They significantly reduced overhead by combining various subheadquarters of related businesses, thereby eliminating well over twenty thousand overhead positions. With the new, smaller board, they were able to reduce the support staff. The smaller staff allowed them to move their headquarters to a building half the size, thus providing one more visual symbol of the change in the organizational culture.

Despite all of these changes, the leaders of the change effort consciously supported and maintained those values and ways of work that had been productive in the past, such

as joint consultation with the unions. They set up specific change-management systems that were administered by committees, subgroups of board members, and special study groups and closely monitored the resulting efforts.

In this case the driving force for transformational change came from within the organization and was led by the top leadership. For the last several years the transformation has been led by one particular member of that leadership, who was designated as the “project manager” of the entire change effort. He used his position power to effect the critical mass that was necessary to make the change.

### ***Case 2: A Change Induced by Competitor Activity***

For many years the large, consumer-goods enterprise that is the subject of Case 2 had virtual monopoly on its products. It sold world-wide, was a household name, and had virtually no competition. It was driven primarily by technology, the making of its products, and the quality of those products. Although there were stores all over the world, manufacturing and distribution were highly centralized; most of the products were made in one giant plant. The majority of the company’s employees worked at this home plant, with relatively few workers located at other plants. The function of research and development was very active, constantly upgrading product quality and in recent years moving into related products.

The organization was humanistic, caring, and paternalistic. Employees were never fired; a job at the company was a career for life that paid very well, included excellent benefits, and afforded a nice place to work.

The organization’s market share had been relatively stable for a long time and even growing in concert with the growth in the world economies. However, it suddenly began to erode as a result of the emergence of a Japanese competitor that managed to produce a product that was not only competitively priced but also of comparable or better quality. This situation had never existed before. For a time the company failed to acknowledge the problem until the numbers began to be serious, at which time management decided to “regroup, become leaner, and work differently.” As is often the case, the first thing the management planned to do was to eliminate people. Programs were instituted to reduce 20 percent of the work force, and these programs were implemented in various ways—generally in a humanitarian manner.

At this point the manufacturing entity, which was the largest facet of the organization in terms of people, initiated a change effort that was very creatively managed. Although the starting point was the requirement of reducing numbers of employees, this requirement was translated into a productivity-improvement program that was implemented under the leadership of a transition-management team composed of high potential managers. The team members solicited improvement suggestions from the entire organization, received several hundred, and culled these to approximately fifteen. Then they set up fifteen study groups, each of which was charged with designing a new state for one of the fifteen suggestions. When the study-group reports and recommendations had been submitted and approved by the hierarchy, transition teams

were established to manage the process of implementing the recommendations. Finally the new states began to emerge.

This change process enabled the manufacturing entity to effect not only the required reduction in numbers of employees, but also an improvement in operation. With many fewer people, ideas that had been considered impossible, such as combinations of major functions, were now implemented successfully. For example, five levels of management were cut; this development sent a message to the work force that the required reductions were not to take place only at the lower levels of the hierarchy.

Other parts of the enterprise made cuts, but not as radically. However, top management became aware that all of the work-force reductions, although necessary, were not attacking the basic problem: the organization had been designed for another time in history rather than for the competitive world in which it now lived. The business was not driving the organization; instead, the organization was driving the business.

It became apparent that the company needed to reorganize fundamentally. After consultation and planning, the company set up the organization in approximately fifteen lines of business, each representing a separate product line and each with a general manager. Clusters of these general managers reported to three group vice presidents. The manufacturing, technical, sales, and other staffs were matrixed. Part of each functional staff was now dedicated to the new businesses, but significant parts were kept functional in order to achieve the synergy necessary for certain processes to occur.

As it is easy to imagine, these changes produced a whole new set of issues. It became necessary to develop a number of change-management organizations to cope with the various matrices and to move the company toward some of the major changes that were essential to the total transformation. Ultimately, the transition state led to several thousand new jobs, important shifts in management, and a test of top management's commitment.

To achieve the critical mass, it was necessary to accomplish the following:

1. Make changes among the key leaders in the organization;
2. Provide new, highly committed leadership that would coordinate all manufacturing efforts; and
3. Make changes in the leadership of the various parts of the manufacturing process, the sales process, the advertising process, and so on.

It took a year to train a group of people to function as the general managers. A task force was set up to provide the training, most of which occurred on the job.

This case presents a situation in which the commitment for change was high at the top; but the methods for achieving the change were confused at first, and not enough effort was expended to infuse the total organizational environment with commitment. Each of the organizational parts was working on its specific concerns, and no one analyzed the domino effect. Subsequently the organization centralized the management of the change effort and instituted information linkages among the parts. Today the change tends to be managed in a more system-wide way than it was previously. The

critical dimensions of this transformational effort were starting with a vision that was at first unclear or at least insufficiently communicated, focusing too much on cost reduction and not enough on developing a new state, trying to function without adequate transition-management structures, and consciously intervening in the matrix-management issues until they became acute.

## **THE CHALLENGES OF TRANSFORMATIONAL CHANGE**

As discussed in this paper, a number of challenges must be met any time a transformational change is attempted:

1. Ensuring the commitment of the CEO and key leaders;
2. Ensuring that adequate resources are allocated to support the change and to maintain it once it has been achieved;
3. Reaching an appropriate balance between managing the change and managing the stability of the organization;
4. Ensuring appropriate use of special roles, temporary systems, study groups, consultants, and transition teams;
5. Continually evaluating both the total effort and its individual parts in terms of planning improvement;
6. Establishing and maintaining continuity of leadership during the change process;
7. Appropriately allocating rewards (and punishments) consistent with the priority of the change effort;
8. Ensuring adequate information flow among various parts of the organization; and
9. Constantly monitoring the system to ensure that people know what is happening during the change, understand their roles in the process, and comprehend the total effort rather than only isolated elements of it.

This impressive list could be quite intimidating to any executive managers faced with planning and implementing an organizational transformation. Consequently, the HRD practitioner's role in helping managers meet these challenges can be extremely useful and challenging in its own way.

# ■ LINKING STRATEGIC PLANNING TO THE MANAGEMENT OF PEOPLE

**Michael G. Busch**

## **INTRODUCTION**

Strategic planning is essential for organizational success, and a key function of strategic planning is helping the organization to achieve its goals by effectively organizing its people. Despite the fact that most organizations recognize the importance of planning and plan routinely, many of them struggle to achieve their goals, largely because of a failure to link business plans with the way in which people are managed.

Although many organizations claim to have a planned approach to the management of their people, their commitment typically takes the form of slogans such as “People are our most important asset” or “Our people make the difference.” Difficulties arise when organizations fail to go beyond the slogans and to consider “people assets” in the strategic-planning process. In one manufacturing firm, for example, management and labor spent two years developing a statement about trust, mutual respect, cooperation and teamwork—a statement that was supposed to describe the working relationships within the firm. In fact, the statement described a condition that did not exist. Planning was still conducted with a focus on reducing budgets, restricting expenditures, and limiting employee input and involvement. Four years after the statement was developed, no change had occurred in productivity, customer service, or employee morale.

A strategic-management plan is a long-range and powerful commitment that goes far beyond mere statements about the importance of people to the achievement of organizational goals. It describes in detail the “people results” desired and how these results will be measured. Most business plans describe their targeted business goals in measurable terms; typical examples include “We will increase sales by 10 percent” or “We will increase our market share by 5 percent.” As the following examples show, strategic goals concerning people can also be stated in measurable terms:

- Our employees will have the highest productivity and cost-reduction scores in the industry.
- Our company will have the most highly motivated work force in the industry; 95 percent of our employees will feel proud to work here.

---

Originally published in *The 1990 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. Based on “Organizational Strategy for Successful People Management” by M. Busch, 1989, *Mid-American Journal of Business*, Vol 4, No. 1, pp. 7-10. Copyright © by Ball State University. Used with permission.

- We will reduce operator errors by 50 percent.
- Ninety-five percent of our employees will rate their supervisors “good” or “excellent” on leadership, respect shown to subordinates, listening, and managerial skill.
- Ninety-five percent of our employees will rate this company best in the industry in products, service, and management.
- We will increase innovation by 300 percent.

These and other “people results” can be articulated, quantified, and assessed in a variety of ways. The organization simply sets a standard, measures against this standard, and documents the outcome. Examples include measuring management practices through formal third-party observation or employee satisfaction through surveys and interviews. Actually, people results can be seen and experienced in a way that the numbers included in traditional business plans cannot be experienced. People results produce energy, work enjoyment, and performance on a daily, immediate basis.

A good strategic-management plan has six components. These components are presented in Figure 1 and described in detail in the following paragraphs.

- |   |
|---|
| <ol style="list-style-type: none"> <li>1. Vision and values</li> <li>2. Structure and roles</li> <li>3. Recruitment and selection</li> <li>4. Training and development</li> <li>5. Communications</li> <li>6. Care and concern</li> </ol> |
|---|

**Figure 1. The Components of a Good Strategic-Management Plan**

### ***Vision and Values***

This component is critical because it defines the overall business purpose and strategic direction of the organization. It also defines the work-group and individual goals necessary to accomplish the overall business purpose. If an organization has no clear vision, it has literally lost its basic reason for existence. A problem also can exist when an organization has a vision that is not shared by all employees. It is obvious that employees share a vision when they consciously address the issues of how they want to work together and what they must do.

Vision is more than the profits, activities, projects, or programs of an organization—more than producing products and services. Vision is a view of what the organization will look like in the future as well as a statement of the greater purpose of the organization. Vision produces a connection between the day-to-day routine of even the smallest job and the larger purpose of the firm.

Any organization has values—rules that tell employees what is really important in the way they do their work. Sometimes these values are written, and sometimes they are implicit. However, it is only after they have been clearly defined, written, and articulated throughout the organization that they become parameters for determining how decisions are made, how problems are solved, and ultimately how the vision is accomplished. When they have been dealt with in this formal fashion, they become the mechanism that allows employees to feel personally responsible for their contributions to the organization. Formally stated values can be powerful and long reaching, as shown in the following example: “We want to meet the challenge of change without compromising our commitment to our basic principles.” Because values are people centered, it is imperative that the strategic planning team examine and react to the values held by employees.

### ***Structure and Roles***

An organization’s structure is actually a “snapshot” of a work process frozen in time so that it can be viewed. Structure enables people’s energy to be focused toward process improvement and goal achievement. Employees must have a clear definition of not only the work structure but also the roles used to organize the work. If structure and roles are not clear, people will not know what the work process is, who is responsible for what, whom to go to for help and decisions, and who can assist in solving problems that may arise; consequently, they will devise work that may or may not be crucial to achieving the organization’s vision. This situation is analogous to being on a team but not knowing what the game is, who the players are, or how to play the game.

Structure needs to be designed to accomplish fundamental results by using the simplest work process possible. Often, however, an organization’s work process allows people to create work because they have surplus time, are waiting to be told what to do, or are operating in confusion.

Structure also must be simple to manage, flexible, and easy to understand and must have as little hierarchy as possible. It must support the people who have direct, day-to-day contact with the organization’s external customers. If the structure is focused on supporting the quality and quantity of front-line contacts with customers, it will be easily understood and used as well as flexible and dynamic because it aligns people’s energies.

Most structures have as their basis the assumption that effective action stems from top leadership; therefore, structures are designed from the top down. In contrast, if an organization starts with determining how to make the front line more effective, it begins from a different assumption that will lead to an atypical structure.

### ***Recruitment and Selection***

When creating and filling organizational roles, it is important to find a match between the values of the organization and the values of the individual employee. Without this



match, individuals may use or express their technical expertise in ways that cause interpersonal conflicts within work groups or across department lines. Also, people will find ways to express their values within a wide range of role behaviors that are allowable but cause enormous disruption and frustration.

People's values are not easily changed. It is much easier to seek a good fit during the hiring process than to employ corrective measures after hiring. Assessing an individual's values during an interview is not difficult, although this aspect is usually ignored. One way is to inquire about "decision points" when candidates discuss their education and work experience. Questions about why and how a decision was made usually lead to an explanation of the values behind that decision.

An individual's experience and expertise with regard to a particular role needed in the organization are important. However, that individual's values are equally important if he or she is to achieve the goals designated by the organization using the means specified by the organization's values.

### ***Training and Development***

With a rapidly changing environment and the advent of the "global market," knowledge and expertise quickly become obsolete. Consequently, companies must work continually to improve employees' abilities. First-line supervisors and middle managers must be trained not only in functional knowledge and skills but also in organizational values, general business management, and leadership skills. Executives must receive training in how to model the organization's values and how to implement its vision.

All employees must achieve a sound understanding not only of the organization's vision and values but also of the environment in which they must function. Because training also provides instruction in job skills, it must be tightly linked to the changing nature of the work, thereby enabling people to resolve the problems that arise.

### ***Communication***

Communication is one of the most neglected components of a strategic management plan. Typically communication in an organization is taken for granted. The truth is, however, that this function is essential to accomplishing the business plan. The vast majority of organizational problems can be traced to ineffective communication. Effective communication, on the other hand, integrates and reinforces the vision, values, and business issues throughout the organization. Proper information flow nourishes and feeds the organization so that it can function normally.

The two critical aspects of an organization's communication process are (1) the flow of information between managerial and nonmanagerial employees and (2) the acquisition of both *qualitative* and *quantitative* information from and about the organization. Qualitative information is obtained from such sources as focus groups, exit interviews, performance reviews, the "grapevine," suggestion forms, and opinion

surveys; quantitative information is obtained by monitoring demographic data about the work force and how it is changing.

Four “communication media” contribute to an organization’s communication process and its effectiveness:

1. *Personal contact*: the quality and amount of personal contact among employees.
2. *Printed materials*: the kinds, quality, and amount of printed materials flowing through an organization, including informational bulletins and pamphlets, historical publications, annual reports and plans, internal newsletters, policy manuals, and memos.
3. *Audiovisual materials*: the kinds, quality, and amount of films, videotapes, slides, and electronic technology used.
4. *The internal environment*: the “body language” of the organization—signs, bulletin boards, photographic displays, art, decor, and the kinds and quality of the equipment and furnishings provided for employees.

These media also convey what is and what is not important within an organization. For example, a company newsletter can report an event in concise, factual terms or in the context of its significance for the reader. In addition, the presence of a high-quality facility and high-quality equipment tells employees that quality is as important for them as it is for the customers. The information conveyed in these ways enhances the information and knowledge that employees need to perform effectively.

Questions to ask when reviewing the effectiveness of organizational communication include the following:

- Is management’s commitment to employee needs reflected in a total program of timely and relevant communication?
- Are different media used? Are they used at different, scheduled intervals?
- Do the communication media help to create and/or maintain a climate that encourages positive personal communication?

### ***Care and Concern***

This final component is simple to describe but difficult to implement. Simply put, it means *treating employees in the same way that they are expected to treat the customer*. Employees cannot be expected to treat customers with respect and consideration if they do not receive the same treatment from the employer.

Several questions can be asked in an effort to determine the level of care and concern that exists in an organization:

- How much care is given to integrating an employee’s personal and professional growth into the business of the organization?
- What does the work environment convey to employees?

- What are the personal touches and organizational programs used to make the employee feel special and cared for?

In addition, care and concern can be demonstrated through recognition and appreciation (celebrations, awards, letters of appreciation, encouragement), employee activities such as picnics or sports teams, benefits, managerial modeling of organizational values (so that employees sense the congruence between values and behavior), and the linkage of compensation with performance.

## **CONCLUSION**

A well-organized, comprehensive, strategic-management plan coupled with humanistic, rational leadership at all levels can lead to high employee performance. It is only with the proper management of employee assets that an organization can fulfill its financial, product, marketing, sales, growth, and profit goals. By attending to the six components of a good strategic-management plan—vision and values, structure and roles, recruitment and selection, training and development, communications, and care and concern—an organization benefits not only itself but also its individual people.

## ■ TIME-BASED EVOLUTION AND FASTER CYCLE TIME

### Kenneth W. Herzog

If there were a universal “truth” applicable to business and industry across all organizational settings, it would be that organizations today encounter greater challenges than were encountered ten or five years ago—or even one year ago. As a result, present-day organizations, more than ever before, must contend with Darwinian natural-selection mechanisms operating within their business environments. Thus, organizational evolution, like human and animal evolution, depends on continual adaptation to environmental influences. The demands of specific business environments are varied and sometimes complex, but they typically include the following:

- Increasing technological innovation;
- Decreasing availability of resources;
- Increasing customer demands for value-added elements of products and services; and
- Increasing competition in both the domestic and international marketplace.

The classic example of an organizational system sluggish in response to environmental-selection mechanisms is the American automobile industry. Once world-class leaders in automobile design and production, American manufacturers now frantically attempt to gain ground in a marketplace that they once dominated. There is evidence that some evolutionary progress and recovery are beginning to take place, for example, in the Saturn experiment by General Motors and partnership trends between American and Japanese automobile manufacturers. Nevertheless, a *New York Times News Service* article (1991) points out that during the first two quarters of 1991, Japanese automobile manufacturers increased their market share 4 percent over the same period in 1989. The increase, when added to existing market share, translates into nearly 30 percent of domestic passenger-automobile sales. American manufacturers do not enjoy such encouraging results.

The American steel industry is another classic example. Many believe that American steel—unlike automobile manufacturing—is, for all practical purposes, nearly extinct. Similarly, consumer electronics, as an American industry, appears dangerously close to sharing the same fate. However, focusing an analysis entirely on manufacturing

---

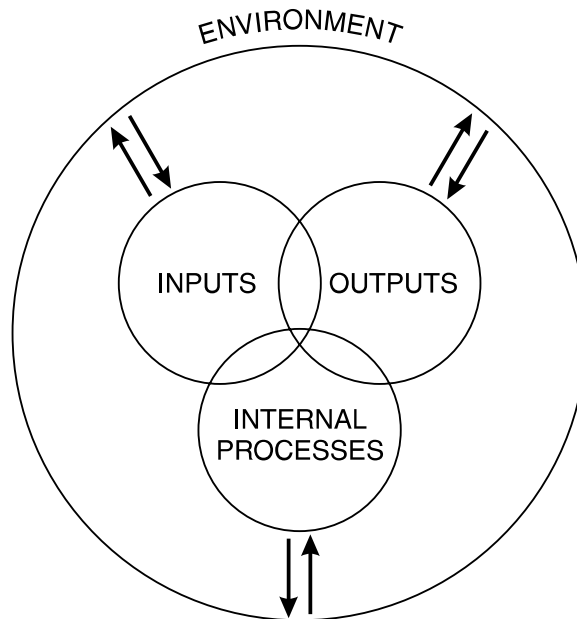
Originally published in *The 1992 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company. Based, in part, on “Faster Cycle Time,” in J.W. Pfeiffer (Ed.), 1991, *Theories and Models in Applied Behavioral Science* (Vol. 4), San Diego, CA: Pfeiffer & Company.

seriously underestimates the influence of evolutionary processes on nonmanufacturing sectors. For instance, savings and loan institutions, banks, and many other service-oriented industries just now are learning how much their vitality and survival depend on an ability to evolve relative to the natural-selection mechanisms operating in their environments.

The idea of adaptation is not new; much of the human resource development (HRD) and organization development (OD) literature has emphasized awareness of and adaptation to changing business environments for two decades. The hard reality is that neither technological innovation nor sensitized customer demand nor global competition is likely to decrease. Resources are not likely to become more readily available. The hardest reality is that, like many animal species that are now extinct, organizations that do not evolve probably will fail to survive.

## **ORGANIZATIONS AS SYSTEMS**

On the theoretical side, the concept of organizations as “systems” plays a major role in organizational evolution, that is, conceptualizing organizations as a continuing cycle of interrelated inputs, internal processes, and outputs functioning together in order to achieve a common purpose. Organizations are also open systems (Katz & Kahn, 1978) and therefore subject to environmental influence (see Figure 1). Most importantly, changes in any one aspect of the system necessarily cause changes in the other parts.



**Figure 1. Organizations as Open Systems**

For animal organisms, the environment is *the* source of oxygen, food, water, and other nutrient input. Without continued input the organism will not have the ability to

sustain itself. Once nutrients are absorbed, biological and physiological processes transform nutrient input into outputs that increase the organism's likelihood of survival in its environment. Animal systems seek only nutrients that can be processed efficiently and promote species survival. Evolution in the animal kingdom does not build in a need for excess.

Organizations share similar systemic attributes. For organizations, the environment is a source of customers, human resources, operating capital, raw materials, technology, and other nutrient input. Like animal organisms, without continued input of nutrients, organizations cannot sustain themselves. Similarly, once nutrients are absorbed, internal processes are activated to transform the nutrients into product and service outputs, which increase the likelihood of survival. However, unlike animal organisms, organizations tend to import excess nutrients and develop internal processes that functionally inhibit system efficiency and survival outcomes.

The universal truth within the world of animal systems is that environmental conditions change over time. Climates and habitats change, nutrients become more difficult to obtain, and competition for available resources increases accordingly. In response, animals alter the ways in which they seek and process inputs. The alterations occur through a series of naturally occurring genetic mutations within the organism. The mutations create changes in internal processing and nutrient-seeking behavior so that survival outcomes can continue. Genetic mutation is a survival-of-the-fittest natural-selection mechanism in which the "fittest" are transformed into organisms that are similar, yet more adaptive and appropriate for their environments. Natural selection is random and cannot be controlled by the organism itself.

Organizations also operate within environments that change over time. Technological nutrients continually increase in complexity and cost; raw materials, operating capital, and human resources become more difficult to obtain; and end users of organizational products and services increasingly demand higher-quality, value-added outputs. Further complicating the environmental picture, the number of organizations competing for the same customer attention in both the domestic and international marketplace continually increases. All of these factors create evolutionary demands for the organization to do more with less.

In response, organizations have learned that they too must alter the ways in which inputs are obtained and processed. The alterations occur through a series of internal mutations, which create changes in internal processing and behavior so that survival outcomes can continue. Organizational mutations are also part of environmental survival-of-the-fittest selection mechanisms, but here is where the comparison with animal organisms no longer holds. Unlike animal mutations, organizational mutations are not random; they are initiated through managerial action. Thus, organizational evolution is intentional and controlled through managerial decision processes and managerial behavior. Simply put, organizations can learn from animal evolution and, furthermore, can deliberately initiate action to generate evolutionary progress.

## **THE NEXT EVOLUTION**

Present-day organizations represent the surviving fittest—those that have created intentional mutations within their internal processes so that organizational inputs can be efficiently transformed into customer-accepted outputs. However, being one of the fittest in the present evolutionary epoch does not ensure continued fitness as environmental conditions change. Consequently, the present fittest must proceed with a future awareness, because evolutionary processes will continue to select only the evolved fittest.

Evolution in general requires system behaviors that increase the likelihood of obtaining continued inputs. Characteristically, organizational evolution requires behaviors that produce product and service outputs acceptable to customers. Outputs accepted by and valued by customers return profit. Profit, in turn, increases the organization's ability to strengthen its customer base and to obtain the continued human resources, raw material, and technological nutrients needed for evolutionary progress. This pattern suggests that the surviving fittest, now and in the future, necessarily must evolve into customer-responsive organisms.

The evolutionary advantage enjoyed by customer-responsive organizations is well documented and has led some organizational anthropologists to predict that those first to respond to customer needs hold the highest probability of survival (Blackburn, 1990; Bower & Hout, 1988; Dumaine, 1989; Gupta & Wilemon, 1990; Meyer, 1990; Peters, 1989; Stalk & Hout, 1990; Uttal, 1987). Speed to market becomes even more critical, given the number of competitors—or predators—operating within the boundaries of a finite marketplace. Thus, speed to the marketplace through time-based management may very well be the next wave of organizational evolution.

## **FASTER CYCLE TIME**

An organization that is first to reach customers with products and services has clear evolutionary advantages over its competitors in the same marketplace. Furthermore, the organization is likely to be perceived as innovative, responsive, and on the leading edge of evolutionary progress. Intangibles, such as good will, increase because of the higher value that customers place on organizational outputs. Market share and profit increase accordingly. Simply put, evolved, leading-edge organizations enjoy greater returns on outputs and, thus, greater ability to obtain nutrient inputs from their environments.

The evolutionary advantage enjoyed by first-to-market outputs is so strategically significant that, in nearly all cases, “the first entrant into a market typically dominates that market in both share and profit margins” (Meyer, 1990, p. 1). Similarly, Peters (1989) suggested that time-based management and speed to market are quickly becoming the fundamental determinants of competitive advantage or disadvantage. Organizational evolution into a time-based system can be facilitated through a process identified as *faster cycle time* (see Meyer, 1990; Pfeiffer, 1991).

## ***Principles of Faster Cycle Time***

Faster cycle time (FCT) is defined as an “ongoing ability to identify, satisfy, and be paid for meeting customer needs faster than anyone else” (Meyer, 1990, p. 1). The definition is intended to communicate the following six key points:

1. Faster cycle time is *continual* and *ongoing* and involves finding ways to constantly improve internal processing. Organizations that relax in a dynamic environment invite speedy evolutionary retardation.
2. Faster cycle time is concerned with *identifying* specific customer needs in order to be first with the ability to fulfill those needs.
3. Faster cycle time is concerned with *quality output and customer satisfaction*, which suggests that *high quality can never be sacrificed in order to speed products and services to market*.
4. Organizations that make use of FCT deliver added value to customers and deserve to be *compensated adequately* for their contributions to increased customer satisfaction.
5. Faster cycle time is focused on *meeting customer needs*. This means that products and services that are not acceptable to customers are not acceptable to the organization.
6. Organizations that employ FCT develop and introduce products and services *faster than any of their competitors* in order to gain evolutionary advantages that lead to control of their markets.

In summary, faster cycle time is a time-based management process that highlights an organization’s ability to quickly develop and bring its products and services to market. Yet, even though speed is emphasized, FCT moves beyond simple increases in the pace of work or simple replacement of people with machines and advanced technology. Faster cycle time *requires increases in the amount and speed of organizational learning* and compels systemic integration of new values, modified (mutated) organizational structures, and supporting reward systems to reinforce fundamental changes in the work process (internal processing).

## ***KEY STEPS IN IMPLEMENTATION***

As a part of organizational evolution (which is controllable), implementing FCT requires the elimination of unnecessary inputs and inhibiting process steps. Meyer (1990) outlines six fundamental principles or interconnected steps that must be taken in order to ensure evolutionary success through faster cycle time. This section is devoted to a discussion of those steps.



## **1. Understanding the Customer's Definition of "Value Added"**

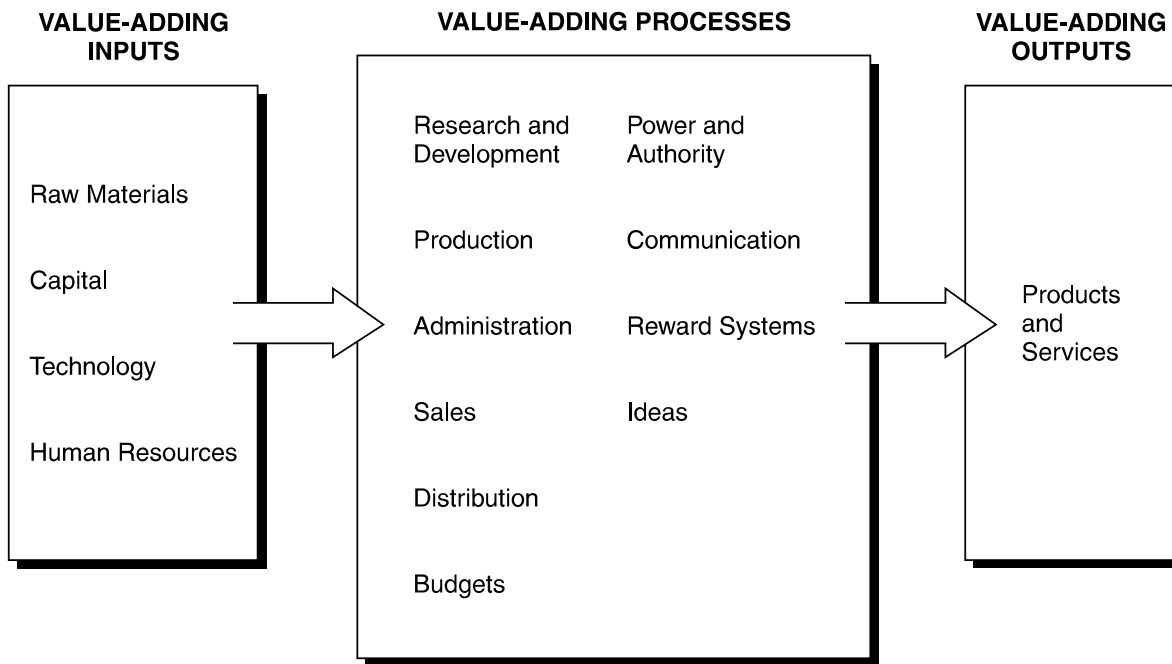
Faster cycle time categorizes two classes of organizational work: (1) that which creates output that is more valuable for end users (customers) and (2) that which does not. Value-added work is simply work that the customer is willing to pay for. Predictably, value-added work increases revenue and, subsequently, profit. Thus, work that does not add value becomes a cost that reduces an organization's ability to obtain inputs needed for evolutionary progress. Faster cycle time is driven by an intensified *focus of organizational effort on work that adds value for the end customer and elimination of work that does not*.

Understandably, a value-added work focus is possible only after detailed definitions of what customers consider value-added have been developed. Customers are defined as "anyone willing to pay" for a product or service (Meyer, 1990). This definition differs from definitions found in other continual-improvement processes such as "total quality," in that "internal customers" are not recognized as part of the value-adding process. In time-based systems, the inclusion of "internal customers" skews explicit understanding of what is added value for the end users who actually pay for the added value. End users (customers) produce revenue, whereas internal customers produce cost and, hence, reduce profit.

Accordingly, the first step in FCT implementation is precise identification of end customers. Once identified, precise definitions of what is value added for the customer can be determined. Necessarily, information identifying what is value added for customers needs to come from customers. Any other source risks high levels of error. Then management defines the *value-added focus* of the organization, that is, its strategic direction and whether or not the organization is willing to commit sufficient resources to meet customer needs. A value-added focus results in *value-added propositions* (that is, specific statements constructed by the organization that describe what is and what is not value added). Value-added propositions function as operational guidelines that unify the organization in accomplishing strategic value-added goals.

## **2. Focusing Organizational Work on What Adds Value for the End Customer**

Managerial decisions on a strategic focus and the ensuing action to eliminate unnecessary inputs and processes can proceed only after customer-determined definitions of value-added elements have been identified. Subsequently, the organization can focus on work that adds value. An effective way to differentiate between work that adds value and work that does not is to create a map of the organization's *value-delivery system*, which includes everything required to complete the input/processing/output cycle (see Figure 2).



**Figure 2. Example of Organizational Value-Delivery System\***

The mapping process identifies critical inputs (including vendors and suppliers), critical internal processes and systems, and all major outputs. Effective maps include only the most important components of the present system. Unnecessary detail should be eliminated to make identification of critical and important processes less confusing. System detail can always be added once the basic value-adding system is fully understood. The map must be realistic, not a vision of how things should be. The completed map should include all key players and stakeholders, key process steps, key tasks, and the amount of time required to complete each task.

### **3. Restructuring the Organization**

A well-developed map reveals all critical process steps and explicitly identifies value-added and nonvalue-added input/processing/output components. The information provides management with a clear picture of specific mutations required to focus on organizational work that the customer is willing to pay for.

A flat hierarchy and multifunctional work teams are essential for fast response to customers. By their very nature, centrally controlled, functionally differentiated, and hierarchically structured organizations do not respond well to customer needs. The fundamental reason for this failure is that such organizations tend to view customer concerns from rigid functional boundaries, and this viewpoint makes it extremely difficult for organizational members to see the big picture of customer satisfaction. Fast

\* From "Faster Cycle Time" in J.W. Pfeiffer (Ed.), *Theories and Models in Applied Behavioral Science* (Vol. 4), p. 70, San Diego, CA: Pfeiffer & Company.

response is almost impossible when function drives output. Fast response necessitates evolution into a multifunctional (cross-functional), team-based organizational structure; and this evolution requires shifts in the balance of power so that responsibility for implementing value-added propositions is shared among as many functions as feasible.

Multifunctional teams consist of both customers and representatives from each functional area whose work adds value to the end product or service. Customers, as team members, are essential in the continual redefinition of *value added*. The team members' role is to support one another in value-added work, as defined by the team. According to Meyer, the evolution into team-based, cross-functional structure requires an organizational architecture that emphasizes values and supporting reward systems related to the following:

- Team charters rather than functional charters;
- Team goals rather than functional and individual goals;
- Team-member roles and responsibilities instead of functional roles and responsibilities;
- Team boundaries and limits rather than functional boundaries and limits;
- Team relationships with other teams, other functions, and organizational management;
- Team rewards; and
- Team-support requirements from functional areas.

#### **4. Continual Process Evolution**

In contrast to functionally rigid architectures, multifunctional architecture utilizes and incorporates knowledge, skills, and abilities from many different functional areas, all of which have expertise in varied elements of the organizational work process. Multifunctional cooperation, thus, affords the highest likelihood of overcoming tendencies toward excess and inefficient work processes, which inhibit fast response and result in evolutionary retardation.

Process means simply *how* work is accomplished within the organization. Continual process improvements are notable evolutionary advantages. If internal processes are more efficient and require less input, then speed to the marketplace and customer acceptance will increase correspondingly. The net effect is higher revenue, decreased operating costs, and higher earnings. Process improvements, therefore, must be pursued as enthusiastically as the development of value-added products and services. Many organizations do not sufficiently attend to process for several reasons, including the following:

- Meaningful process improvement requires time, money, and additional resources;
- It can be difficult to implement;

- It requires high levels of cross-functional cooperation; and
- It is difficult to measure, which means that a return on investment is difficult to show.

Process evolution begins with dedicating whatever time, money, and resources are necessary for establishing process-improvement goals and developing meaningful process measures.

### **5. Setting Challenging Goals To Reduce Cycle Time and Publicly Measure Progress**

Faster-cycle-time proponents suggest that meaningful process improvement is attainable through reductions in the time required to finish the *complete processing cycle*, that is, the amount of time necessary to transform inputs into customer-accepted outputs. Time-based strategy requires (or encourages) at least a 50-percent improvement as an initial goal for reductions in processing cycle time. If the goal were lower than 50 percent, employees could find many ways to tighten their belts and perhaps reach the goal without changing the process. The idea is to set challenging goals that require teams to move beyond simply increasing the pace of work and to find new paths for the process.

After challenging goals have been established and mutations determined, the focus shifts to measurement. If a process-cycle beginning and a process-cycle end can be defined, then what happens in between can be measured. Given that the determination of what to measure and of what measures will be most meaningful is often subjective, it is important to select measures easily understood by the organization, its teams, and the industry in general. Measurement results then must be distributed or displayed to communicate clearly the progress toward improvement. Individuals, work teams, and organizations learn from and pay attention to what is measured.

### **6. Creating an Environment That Stimulates and Reinforces Continual Learning and Action**

Meyer (1990, p. 13) defines organizational learning as the “creation of knowledge that is accessible and used throughout the entire organization to accomplish its mission.” Organizational learning cannot take place until the people in the organization have access to information. Fast response and faster cycle time constitute a *competitive strategy* that must be learned throughout the whole organization.

Evolved organizations stimulate knowledge acquisition and learning as well as arouse innovation and creativity by asking the question “So what?” and by publishing the resulting information throughout the organization. Without free-flowing information throughout all parts of the system, evolutionary progress in the entire system is severely inhibited. Learning organizations understand that there is characteristically a period of “unlearning” and “letting go” of existing beliefs, policies, and power relationships.

Accordingly, reward systems are structured in a manner that reinforces incremental progress and organizational ability to evolve through FCT principles.

## **HUMAN RESOURCE DEVELOPMENT IMPLICATIONS**

Organizational evolution does not occur randomly, nor does it occur as a result of chance. Evolution requires focused effort on the part of all organizational members. As organizations are, and always will be, products of their environments, new values and methods of work that “fit” into the business environment must be learned and integrated into the total organizational system. Accordingly, as speed to market becomes one of the more important determinants of successful evolution, the speed of organizational learning and the role of HRD in facilitating that learning become even more vital.

Over the past seventy years or so, human resources, as a functional specialty, has evolved. The vocabulary used for that functional identification has changed, for example, from “personnel” to “labor relations” to “employee relations” and finally to the present-day “human resources.” The name changes alone indicate major evolutionary shifts in the focus of the human resource function. Appropriately, time-sensitive environments and time-based strategy require still further evolution. Freedman (1990) and Hackett (1988), among others, have suggested that during the next evolution the HRD professional may have five roles: (1) keeper of stakeholder interests; (2) negotiator and influencer; (3) knowledge professional; (4) futurist; and (5) catalyst and champion of change.

*Keeper of stakeholder interests.* As keeper of stakeholder interests, the HRD professional explicitly stresses the mission and economics of the organization and, thus, the interests of organizational management.

*Negotiator and influencer.* As negotiator and influencer, the HRD professional facilitates the communication of information and serves as a representative of employee interests.

*Knowledge professional.* As a knowledge professional, the HRD professional uses his or her technical expertise specifically for support rather than for administration.

*Futurist.* As a futurist, the HRD professional is sensitive to external conditions and trends that influence the input/processing/output cycle.

*Catalyst and champion of change.* As a catalyst and champion of change, the HRD professional guides the organization in breaking down resistance to change and in breaking down the internal barriers inhibiting continual learning and evolutionary progress.

Faster cycle time requires a cultural change whereby “business as usual” becomes transformed into a streamlined, time-sensitive, continual-learning process. This transformation leads to ongoing evolutionary advantage only because continued learning becomes part of the organization’s culture and value-delivery system. Human resource

development, because of its penetrating involvement at all organizational levels, is in a unique position to greatly affect the outcome of organizational evolution.

## REFERENCES

- Blackburn, J.D. (1990). *Time-based competition: The next battleground in American manufacturing*. Homewood, IL: Dow Jones-Irwin.
- Bower, J.L., & Hout, T.M. (1988, November-December). Fast-cycle capability for competitive power. *Harvard Business Review*, pp. 110-118.
- Dumaine, B. (1989, February 13). How managers can succeed through speed. *Fortune*, pp. 54-59.
- Faster cycle time. (1991). In J.W. Pfeiffer (Ed.), *Theories and models in applied behavioral science* (Vol. 4, pp. 65-70). San Diego, CA: Pfeiffer & Company.
- Freedman, A. (1990). *The changing human resources function*. New York: The Conference Board.
- Gupta, A.K., & Wilemon, D.L. (1990). Accelerating the development of technology-based new products. *California Management Review*, 32(2), 24-44.
- Hackett, T.J. (1988, March). The real role of personnel managers. *Personnel Journal*, pp. 70-75.
- Katz, D., & Kahn, R.L. (1978). *The social psychology of organizations* (2nd ed.). New York: John Wiley.
- Meyer, C. (1990). *Six steps to becoming a fast cycle time competitor* (rev. 1.22). Los Altos, CA: Strategic Alignment Group.
- New York Times News Service. (1991, September 4). Japan car makers come out on top in U.S. recession. *San Diego Union*, p. E2.
- Peters, T. (1989, June 12). Speed becomes a leading edge. *Fortune*, p. 12.
- Stalk, G., Jr., & Hout, T.M. (1990). Redesign your organization for time-based management. *Planning Review*, 18(1), 4-9.
- Uttal, B. (1987, March 2). Speeding new ideas to market. *Fortune*, pp. 62-64, 66.

## ■ GROWING BY LEAPS AND BOUNDS: MANAGEMENT DEVELOPMENT THROUGH KEY GROWTH EXPERIENCES

### Jason Ollander-Krane and Neil Johnson

The dilemma of developing and retaining quality managers is one that human resource development (HRD) consultants confront frequently. Consider the following scenarios:

- A consultant flies to San Francisco to meet with the top executive of a leading advertising agency. As they settle down to enjoy lunch, the executive spreads out a large piece of paper marked in squares like a chess board. In each square is the name of a manager in his agency. “Now,” he asks the consultant, “tell me what happens if I leave my job. In which order should I promote these people?” They talk for a while, and it turns out that there is no manager whom the executive would rank above the others; he feels that no one is ready for major responsibility. The executive concludes, “I need to change that and I need to change it fast. What do I do?”
- The president of an organization asks a consultant this interesting and revealing question: “Where do I get the talent I need to manage this company? We lose all of our best people. We need to grow our management talent by leaps and bounds each year, and yet we have fewer resources than we did in past years. How will we get smart, hard-working, results-oriented managers to take us toward the year 2000?”
- In a small service company, a junior executive works for a person widely reputed to be a tough manager of people. The junior executive is highly prized by her company and carefully watched to be groomed for greater things. After three years, she is promoted to a more senior job. That year she is responsible for an incremental 33 million dollars in profit. At the end of the year, she resigns to start her own company.

Scenarios like these are not uncommon in companies today. Organizations want to grow talented managers quickly and keep them longer, yet they are thwarted at each turn. The employees whom they do manage to develop often leave before their talents can be utilized fully or after having made significant, one-time contributions, exiting their companies without providing a sufficient return on the considerable investments

---

Originally published in *The 1993 Annual: Developing Human Resources* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

that have been made in them. Organizations need ways to help employees to make huge leaps in experience—experience that results in enhanced creativity and increased profits.

From 1980 to 1990, in a casual but meaningful study, the authors surveyed almost three hundred managers. These managers were asked about their biggest growth experiences, and it was discovered that these experiences have a number of things in common. Chief among them is that they defy the conventional HRD logic. Not only do they defy this logic, but everything about the factors that produced growth for these employees opposes traditional thinking about how people in companies grow. Yet the people surveyed did grow—and quickly. The authors have developed a term for these development activities: “key growth experiences” (KGEs). The process of participating in a key growth experience is known as “leaping” because the experience involves a significant leap in responsibility. This article offers a detailed look at KGEs and leaping, including how these experiences can be captured and used in organizations and how to avoid the common occurrence of a participant’s leaving one company for another after a key growth experience.

## **WHAT ARE KEY GROWTH EXPERIENCES?**

One way to describe the concept of KGEs is to say that they provide development through on-the-job *experience* rather than on-the-job *training*. The typical method of on-the-job development is to place an employee in a job, provide job-content and skill training, and then stand back and watch the employee grow. This method works; but it works slowly and gradually as people learn, try, make errors, relearn, and try again. Key growth experiences spring from a different idea. They begin with the concept that when people need to get a job done they do it, do it well, and instinctively try to make the best choices. In fact, most learning in life takes place through such a process. Similarly, KGEs provide life learning in the workplace. The fascinating outcome is that participants learn faster and more completely than they do with the traditional method; they put their learning to work more readily; and they learn much more than conventional training could ever teach them.

Implementing key growth experiences is easy; the idea is to match employees with job experiences that have special attributes, such as those described here, and let them do their best. The most amazing and special aspect of these experiences is that they do not involve the creation of an educational model that one needs to learn and then apply rigorously in a company. All that is needed is an understanding of the process, an ability to identify KGEs, and a willingness to put them to work. The theories about these experiences are based on empirical evidence that KGEs already exist in companies—in every company.

## **THE CHARACTERISTICS OF KEY GROWTH EXPERIENCES**

Key growth experiences share these characteristics:



- They begin with big leaps in responsibility.
- They involve leaps of faith (as well as responsibility).
- They are unique, once-in-a-lifetime responsibilities.
- They involve people in a way that builds lasting social and professional bonds.
- They take place in flat, nonhierarchical organizations.
- They are an efficient, low-cost way of providing development.

### ***Leaps in Responsibility***

Trainers are always hoping that the people they train will learn not only how to do but how to think, to change not how people act but how people are. Leaps in growth and responsibility seem to teach just these things. Participants in key growth experiences report that the situations they find themselves in are like real-life survival simulations. They have limited resources, a huge amount to do in a short amount of time, lots of pressure for results, and high expectations from their bosses. They need to make things work. In situations such as these, logic and learning have little to do with success; instead, flexibility and an ability to think creatively promote success. It is not surprising, then, that participants find themselves jumping into the rapids and swimming like crazy. In doing so they discover that they can swim, often better and with more stamina than they ever suspected.

The idea of putting young managers in over their heads certainly flies in the face of traditional development logic and may sound crazy to some. Most managers advocate slow, carefully planned growth for their people. Yet it is known that most growth takes place when people are required to stretch, to wonder if they will succeed, and to rely on instinct more than intellect. In the study conducted by the authors, hundreds of managers validated this intrinsic, instinctive way of learning as they recalled when they had grown most. They all said that they learned best when they made giant leaps in their levels of responsibility. From these testimonies it can be concluded that the typical HRD paths are old-fashioned, slow, and expensive. Although leaping may seem to be risky and to involve outcomes that are too unpredictable, in fact, neither is true. The overwhelming majority of participants report that KGEs work precisely because participants are placed in situations beyond their experience levels, resulting in the feeling that they must get the job done in the best way they know how. Participants say that the risky, unpredictable aspect makes the experiences work better. Fortunately for companies, the outcomes are far from unpredictable.

### ***Leaps of Faith***

Many participants identify a crucial element in the success of their key growth experiences. Essential to their growth, they say, is the fact that they are forced (often along with the managers who select them for the assignments) to rely on a belief that

they can survive and complete their assignments successfully. Many report that at the beginning of their experiences they themselves did not believe they would succeed. Instead, they had faith because the managers who made the assignments (or with whom they worked) thought they could succeed. The faith that a participant has in the manager who makes the assignment is critical in facilitating a leap. Although the importance of such faith makes sense given all that is known about the power of expectation and self-fulfilling prophecy, very few job assignments are made with this in mind.

### ***Once in a Lifetime***

Participants often say that they would repeat the experiences tomorrow but hope they never have to. This mixture of feelings seems to be another aspect of KGEs that makes them work. Often the assignment is a one-time-only proposition (a start-up, an overseas branch opening, a promotion that skips several organizational levels, and so on). The experience is generally unexpected and unrequested. Participants often say, “I never would have asked for it, but it needed to be done” or “I’ll never do that again; I learned something from the last time!” In fact, they learn so much from their experiences that they feel they cannot go back to their previous ways of working—their lives have changed too dramatically.

### ***The Social Aspect***

Many participants report changes in their social circles. Although participants report having barely enough time to eat and sleep during a KGE, social attachments seem central to the experience. Research shows that during KGEs participants spend more time in closer contact with coworkers than before and that they share more openly about their private lives. What is more interesting, however, is that participants report more openness *professionally* as well. In projects such as these, managers share ideas more openly and are more open to feedback and criticism. Also, they are more emotional and have more chances to witness the emotions of their coworkers. In other words, the people involved in these projects have a chance to be more fully human and open than they might be in a typical working environment; the open environment of KGEs produces better learning for everyone.

### ***Nonhierarchical, Flat Organizations***

Traditional employee-growth strategies would not advocate that a senior vice president work hand in hand with a recently hired junior manager on a major assignment, the results of which were central to the survival of the company. Yet these are the arrangements that foster talent and make leaps in growth happen. Not only do people of various levels work together during KGEs, but they work side by side with equal responsibility for producing results. One participant reported that he grew the most when “senior people asked for my advice and took it, and what I advocated worked!” Some

reported that they grew because “we worked together every day and the issue of seniority never came up.” Organizations that create flat, flexible, web-like work groups that emphasize open, lateral, cross-disciplinary communication work best in creating big leaps of growth. Often these are temporary groups that last no longer than the KGE but account for significant development during it.

### ***Efficient, Low-Cost Development***

Many companies have accepted as fact the concept that gradual development of employees works best. This is especially true today when many companies have limited resources that they are willing to devote to education and development. Whether due to flat structure, lean staff, or a need to respond flexibly to changes in the economy, many companies are placing increasing emphasis on employees’ taking charge of their own career development. This short-term solution may lead to long-term problems. Key growth experiences provide a valuable alternative to gradual growth and do not require significant increases in spending or reallocation of resources. In fact, KGEs thrive in a low-budget environment and often at no additional cost to the company. Key growth experiences can develop many employees at once or only a few hand-picked employees at a time. These experiences become most cost effective when used widely in companies because they provide the advantages of individualized development with the efficiency of training several people simultaneously.

## **EXAMPLES OF KEY GROWTH EXPERIENCES**

The characteristics of KGEs begin to take shape when viewed in light of actual examples. Here are some examples of KGEs that have been captured in companies:

- At a major West Coast bank, managers routinely rotate through the signature verification unit, noted for its fast pace and high volume of transactions. “If managers can survive in that area, they can survive anywhere,” said a senior manager in the division. “It’s sink or swim. We made a six-month rotation into this job part of every manager’s growth in our manager-development program.” The next step is into one of two equally challenging areas: Safe-Deposit Box Administration or the graveyard shift, Returned Items. These departments were chosen because they have the slowest pace in the division. The bank has identified both kinds of experiences as key for the growth of future managers.
- A temporary-help supplier has identified particular branches as growth branches because of their management and client base. Fast-track managers are moved into these branches for short assignments and then into other key branches that will provide them with similar experience. While at the growth branches, they are involved in a combination of fast-track seminar training and structured KGEs. “These managers could not survive without the growth branch,” said the area vice president. “They would fail without the kind of quick immersion the growth

branch experience gives them.” As part of a pilot program, Chicago was selected as a “KGE area” where all managers are being groomed using key growth experiences.

- At a major advertising agency, a ten-week workshop is well known as a KGE. Groups of participants come from all over the world for immersion in the study of sophisticated elements of creating advertising. One highly social group finished the session with a 72-hour, new-business-development project that involved working through the night to finish a presentation on the project that would be given to top managers. Although a majority of graduates from this particular group left the company within two years of completing the workshop, many of them are still in touch socially and professionally. Many believe that this KGE was a turning point in their careers.

## **HOW TO CAPTURE KEY GROWTH EXPERIENCES**

Capturing key growth experiences is really quite simple. The first, and possibly most daunting, step is to be open to an idea that is so different from what intuition says will work. Once past this obstacle, the following steps can be used to implement KGEs:

1. Collect information already available in the company about which experiences have provided the greatest leaps in growth for people in the past. Use this information to create a blueprint for identifying these experiences.
2. Identify ways in which managers contribute to employee growth and then target mentors (managers who are excellent developers).
3. Identify assignments that fit into the blueprint already made.
4. Match assignments to the employees to be developed. Incorporate the assignments into managers’ development plans.
5. Create career tracks that keep participants moving quickly in the company after their leaps.

### **Step 1: Collecting Information**

Conducting a meeting that includes eight to ten of the best-performing managers in a company is the first step in collecting information. The chosen managers should be from as high in the organizational hierarchy as possible in order to gather data about what promotes the best growth and development. Their experiences can help to determine KGEs for the entire company, division, or group.

This meeting has two goals: (1) to gather data and (2) to create acceptance of the idea of KGEs in the company. Capturing the ways in which the strongest managers grew strengthens the case for repeating the process throughout the company. Most senior employees grew through leaps in responsibility, but this fact usually goes unnoticed.

Once high-level managers see that their best growth occurred this way, they can help sell the idea in the organization.

## ***Step 2: Identifying Experiences and Choosing Mentors***

In the initial meeting, the following steps can be used to identify KGEs and to introduce the concept of mentoring. The meeting members should be informed that they will not be compelled to share responses and that they may think of work or nonwork-related experiences.

1. Ask each manager to think about three experiences that produced tremendous growth in his or her life and to write brief descriptions of these experiences.
2. Have each manager make a list of attributes common to all three experiences that made them ideal for growth.
3. Ask for volunteers to share items from their attribute lists with the group. Write the responses on a newsprint flip chart.
4. Next ask each manager to determine how many items on his or her own list were mentioned by others.
5. Then ask these questions and record volunteers' responses on a flip chart:
  - What job-related experiences seemed to produce big leaps in growth?
  - Given the attributes outlined, what experiences, important projects, or job assignments might exist now in the company that could provide this growth?
6. Share the guidelines for key growth experiences that have been agreed on and compare and contrast them to the attributes that the group offered.
7. Ask what projects are being planned in the next year that could be structured according to the determined guidelines. Record the data for use later.
8. Next ask each manager to think about three people who were instrumental in his or her growth and to record the names of these people.
9. Have each manager record what attributes these people exhibited that inspired his or her growth.
10. Ask for volunteers to share the attributes they listed and then record these attributes on a separate sheet of newsprint.
11. Then ask these questions and record the data to create a blueprint or model for identifying KGEs:
  - How many of the recorded items were on everyone's list?
  - Which attributes about managers seem to be universally associated with people who encourage growth?
  - Given these attributes, who might be good choices for mentors to help people make big leaps in growth?

Interestingly, some of the attributes mentioned may be negative. Tough mentors are often better than gentle mentors for promoting growth and learning. In fact, the authors' research seems to point heavily to experiences with tough, exacting mentors as key to managers' growth if those mentors also have faith that subordinates will do a good job.

The group should be provided with the following list of attributes exhibited by effective mentors involved in key growth experiences:

- They have little interest in asserting their power.
- They openly share their expertise.
- They ask for feedback and input from junior team members.
- They make their personal faith in the success of the projects a major motivator.
- They employ a hands-off approach until their help is needed.
- They socialize freely with other team members.
- They do not pull rank, but rather encourage team members to work without interest in organizational power or level.
- They consistently model shared, creative problem solving.

It is important to ensure the involvement of high-level managers before beginning a KGE program because these managers are the ones who will serve as mentors. Managers should be carefully selected based on the level of support and involvement that they can provide. It is important to select mentors who can nurture and develop both the program and the participants.

### ***Step 3: Identifying Appropriate Assignments***

As mentioned previously, the process of capturing KGEs is not about creating experiences but about identifying experiences that fit the KGE model and already exist in a company. Once enough information has been obtained about the experiences that have resulted in fast growth for organizational members, the HRD consultant can identify which of these experiences are recurring projects or assignments that can be captured and used regularly for employee development. The managers in a company can be trained to recognize potential KGEs by being familiar with what they are and how they work.

Recurring assignments are designated as KGEs by letting everyone involved in promotion decisions know that these assignments are for key growth use only. Key growth experiences may be tasks or positions. Examples of the kinds of *tasks* that might currently exist or be available soon include the following:

- Start-up assignments;
- Branch openings;
- Annual inventory management;

- Assignment in a foreign office;
- Implementation of new federal legislation;
- Installation of a new computer system;
- College recruiting;
- Organization development; and
- Strategic planning.

Types of *positions* providing key growth experiences may include these:

- Training facilitator;
- Large-volume outlet manager;
- Regional or area manager;
- Profit analyst working with senior managers;
- Public-relations director;
- Product manager for a product launch;
- Franchise-sales manager; or
- Task-force chairperson.

#### ***Step 4: Identifying Participants and Matching Assignments***

After appropriate key growth experiences have been selected, participants are chosen to be on a KGE career track. Often participants are high-potential managers who need (or would welcome the opportunity) to grow quickly in order for the company to reap maximum return on its investment in human resources. Once these participants are identified, they are matched with KGEs as they normally would be matched with their next assignments. Particular attention should be paid to the outcome of each KGE and how it will catalyze growth for the participant.

The trick to making these assignments work, whether they are created or captured assignments, is to make them challenging. Giving lip service to KGEs without supplying a truly once-in-a-lifetime experience will quickly reduce their effectiveness. Excitement, rarity, and a focus on bottom-line results are catalysts for KGEs and cannot be synthesized or grafted onto job assignments already held by participants.

However, the knowledge gained from implementing KGEs can be used to make sure that every growth experience that a person has in a company contains some of the elements identified with KGEs. Key growth experiences should be kept for the best, fast-track performers; but other experiences can be carefully constructed to contain some of the growth-giving elements of KGEs. Opportunities to become involved in a leap experience may arise for each employee as he or she advances to an accelerated career

track. Managers who are encouraged to make every growth experience incorporate elements of KGEs will be fostering the fastest and longest-lasting growth.

### ***Step 5: Creating a KGE Career Track-Keeping People After They Leap***

It is 1:30 a.m. and seven managers are sitting in a hotel room in suburban New Jersey. Their location is secret, and their job descriptions are privileged information. They constitute a varied group; each has been chosen for particular skills and experience, ranging from a newly hired junior executive to a senior vice president who heads the project. The president of the company, who is visiting the group to discuss its progress, asks each manager, regardless of rank, what he or she thinks will happen as a result of the work. The managers have been there every night for nine weeks, meeting into the early morning. By day, they work in cramped offices at a manufacturing site nearby. Their mission: to solve serious employee-relations, morale, and productivity issues.

Two years later the secret mission has been lauded as an astounding success; it has exceeded all expectations. The senior vice president who worked on the project and the company president meet for lunch to discuss a strange phenomenon. Of the seven managers, each hand picked for the assignment, none remain in the company. They all occupy significantly more responsible jobs at other companies. They socialize together regularly and share success stories. In fact, as a group they have gained a reputation as some of the best results-oriented managers in town. The companies they work for would agree. Yet even after making a major contribution to the success of their company, they left without looking back. What the president does not yet know is that in another year, the senior vice president with whom he is speaking will leave to start her own consulting firm.

This example illustrates what often occurs after employees have been involved in major career leaps. Thus, when employees are participating in KGEs, it is very important for the company to protect itself from losing its newly developed talent. Following are some guidelines for retaining KGE participants:

1. *Make all growth in the company a top priority.* Let employees know that their assignments are carefully designed to create the most and best growth for them.
2. *Involve senior management with participants in the KGE program.* Encourage high-level managers to mentor participants during, after, and between their leaps. Widely communicate senior management's involvement so participants understand that they are receiving special development.
3. *Three to six weeks before the end of leap assignments, map out long-term growth strategies for the participants.* It is the responsibility of the mentors to guide the participants at this time. The strategies need not outline specific future assignments but should include general goals; areas for further work or exposure; and measurable, bottom-line results. This discussion can also outline future salary growth or the potential for growth based on results.
4. *Keep KGE participants focused on the bottom line.* Once participants have seen the view from the mountaintop, it is hard for them to get used to being back in the valley. After their leap assignments, participants should encounter a continued expectation of results so that they will be encouraged to remain productive. Participants



need to know that they are expected to retain their closeness to and impact on the day-to-day running of business.

5. *Make sure participants' next assignments involve as much independence as their KGE assignments.* Participants often complain that after they have learned to work on their own in the rarefied company of senior managers, they are then returned to “boring, middle-level jobs in the ‘real world.’” Ideally, their next assignments should allow them the independence that they just experienced. One way to do this is to assign the participants to the same mentors with whom they worked during KGEs for a year or two after the leaps. Retention of KGE participants can be designated as a performance goal for each of the mentoring managers.

6. *Create opportunities for participants to meet or work together after a KGE.* Participants report that after KGEs they feel symptoms of depression associated with losing their KGE teams. The social, networking, team aspect of KGEs is vital to the experiences and needs to be nurtured and preserved after the conclusion of the experiences.

7. *Plan the transition to regular (or new) assignments.* As mentioned in the previous paragraph, participants in KGEs report strong emotions as they deal with the break-up of their KGE teams; they miss the close working relationships, the free sharing of ideas, the intensity of focus on a goal, and the aspect of being thrust into situations that are beyond their experience levels. One way to aid transitions is to provide work similar to that of the KGEs in participants' new assignments or to build special projects into their jobs. Another way is to assign tasks that will encourage them to mentor others or to help others make career leaps. It is important to remember that many KGE participants report feeling underused after their leaps. It is up to the company to nurture the new-found skills of participants; otherwise, the company risks losing these employees.

8. *Compensate participants based on their worth after KGEs.* The growth that KGE participants experience defies job grades and salary structures. During the times when they are being encouraged to grow, they become exceptions to many rules. To encourage them to stay, they need to be paid as exceptions as well.

9. *Begin a participant's role as mentor for others as soon as possible.* As developers of others, KGE participants cannot be underestimated. This is especially true immediately after they have completed leap assignments and have learned new skills, many by watching the effective senior managers with whom they have worked. It is vital to capture their enthusiasm and ability and use these qualities to the company's advantage.

## **RESULTS OF KEY GROWTH EXPERIENCES**

As mentioned previously, the results of KGEs are far from unpredictable. The authors' research shows that KGEs create some common results. Participants are known to attain the following:

- Geometric leaps in growth;
- Growth not readily associated with traditional management development;
- Excellent leadership skills;
- Outstanding business results;
- Catalyzed career development; and
- Trouble remaining in conventional career tracks.

### ***Geometric Leaps in Growth***

One amazing outcome of KGEs is the kind of growth they produce. Unlike the usual measured growth that is seen in organizations, the growth attained as a result of KGEs is described by participants as giant steps in their ability to perform their jobs. This growth is reported to occur not only in job-specific areas but in totally unrelated areas.

In one scenario a junior manager may be asked to handle her boss's in-basket while the boss is away on disability leave. Over a period of three weeks, the junior manager is required to handle a number of in-basket items in areas that she has never dealt with before. In addition, she seeks advice from senior managers in other departments that she has not worked with before. Eventually she is asked to attend the boss's staff meeting to discuss a number of her decisions. By the time the boss returns, the junior manager has taken a big leap in the kinds of activities that she can reasonably be expected to handle. She suddenly feels comfortable in planning the budget, counseling employees, and dealing with managers above her in the organization. In fact, in some ways her knowledge is more up-to-date than that of her boss. She can now see projects from a different vantage point; able to see both the forest and the trees, she is more confident and able.

### ***A Different Kind of Growth***

Day-to-day work provides steady growth in many companies that use performance reviews and lists of objectives to focus employees. Workshop experiences produce concentrated growth in a short period of time, but it takes some effort for most training experiences to be transferred to the job. Key growth experiences seem to provide broad-based growth in many directions at once. This growth is extremely fast, is very powerful for the participant, and seems to be immediately applicable on the job.

For example, a young manager in his second assignment with a well-known service company spent nine months as employment manager during the toughest new-facility

opening that his company had experienced. While doing so, he worked with the company's most talented employee-relations manager. When the young manager returned to a mid-level site-management position, he excelled at his usual job and, in addition, produced outstanding results in employee relations. That year he established and maintained the highest employee retention in the company.

### ***Extraordinary Leadership Skills***

American companies will need two resources in the future: better leadership and global strategies that work. Key growth experiences create better leaders by nurturing them in an environment that emphasizes both individual and group leadership. When participants emerge from KGEs, they have worked in stressful environments that forced them to work effectively with others with different points of view, ways of working, and levels of experience. These skills are transferred quickly and efficiently to create more flexible, more open leaders who enjoy and welcome diversity.

During leaps, participants not only see leadership modeled by other managers, but they also have a chance to lead. Because they are working in flat organizations, they often get a chance to lead or influence people who are hierarchically more senior and who would, in other situations, be outside their sphere of influence. This situation produces a number of valuable outcomes. Participants become both more disposed toward and more skilled in teamwork. They become open to the possibility that others may provide insights and solutions, and they become better at asking for and accepting input gracefully. Working in this way changes the likelihood that they will act as rugged individualists and increases their willingness to build and use a network composed of coworkers at many levels with various areas of expertise. Many participants become avid gatherers of information from varied sources, perfecting their data-gathering and decision-making skills. All in all, the leadership skills that so many companies are seeking to synthesize—including gathering information, making decisions, managing resources, building consensus, and staying in touch with employees—are acquired naturally in key growth experiences.

### ***Outstanding Business Results***

Most KGE participants report that their results during KGEs are the best they have ever produced. In fact, they report that they are more (or differently) focused on results. In each case the result or goal of an assignment seems to overtake limiting factors that a participant might otherwise apply to work or have experienced in the past. Participants work longer hours, concentrate intensively for longer periods of time, take fewer breaks, and want less sleep. While many report that intense social and professional relationships come out of these experiences, they spend less time socializing away from work during the assignment. As a result, KGE participants produce outstanding, measurable results directly tied to the goals of their assignments.

## ***Catalyzed Career Development***

The increased focus on results seems to create a heightened attention to participants' own career development. At the conclusion of their leap assignments, they seem to have a new instinct for how to wring development from any experience; and they seek to do that whenever they can. They are more likely to welcome risk, to make decisions based on intuition, to take on new experiences willingly (especially those that require fresh insight), to break through to new technology, and to expect and receive the most from others. They also drive harder toward goals than they previously did. When their energy is directed toward tasks, it translates into results. When it is directed toward the development of others, it translates into an ability to coach for improved effectiveness and creativity. When it is directed toward their own career development, it translates into impatience, high expectations, and an unwillingness to compromise their own growth.

## ***Trouble After a Leap***

Regardless of the success experienced in KGEs, many participants leave their companies not long after they finish their assignments. It is hypothesized that the company is responsible for this, not the participant. Sometimes companies make promises predicated on producing results and forget about or break those promises after the desired results are produced. At other times participants find that once they have completed their assignments the company does not subsequently provide equally challenging assignments for them. Some participants report that their companies keep them on a typical growth and promotion track after the leap assignment and that they feel they can find better opportunities by taking their newly wrought skills elsewhere. Part of the problem is the failure of the organization to update the profile of KGE participants to include new expertise. Companies may think of them the way they were before their leaps, thus failing to capitalize on their talent and forcing them to go elsewhere.

## ***SOFT TECHNOLOGY TO DEAL WITH HARD ISSUES***

As HRD professionals, many of us are looking for the latest technologies, theories, or statistics that will be useful to us in helping companies to solve the day-to-day business problems they face. Lately, companies have made it a priority to seek, hire, and keep better people and to put new talent to work faster. If companies can make leaps of their own, toward the possibility that a simple solution may solve a complicated problem, they can begin systematically hiring and growing the best people by matching them to one-of-a-kind key growth experiences. By capturing the experiences and applying them more intentionally, companies can develop talent in a more effective, planned way. By treating these employees as valued resources as they leap from experience to experience, companies can be assured of keeping these well-prepared people longer. If companies

are able to recognize the unique challenges that these employees face when they grow, participants will be helped to make transitions that will strengthen their networks, keep them in touch with more of their peers, and create cross-disciplinary skills. By retaining these super-charged employees instead of losing them to competitors, companies can realize the benefits of having more fully rounded, able managers. In many ways KGEs are a simple, low-cost answer to questions that many believe require complicated, expensive solutions.

## ■ MOTIVATION IN WORK SETTINGS TODAY: A REDUCTIONIST APPROACH

Thomas H. Patten, Jr.

*Abstract:* In this article, the author suggests that the traditional theories of motivation (Maslow, McGregor, and Herzberg) may not fit the present generation or the present world. People want more behavioral options and are reluctant to commit themselves to employers or organizations. This article offers a new reductionism that may better fit the motivation of workers in the United States today. This reductionism is more fitting for the contemporary era of greed (1980 to the present) and employment instability.

This article examines existing theories of motivation, relates them to monetary considerations, and suggests reductions that are more applicable in our times. In particular, the concept of fear-greed motivation is discussed.

For almost thirty years, group facilitators and academicians have used the works of Douglas McGregor (1960), Abraham Maslow (1970), and Frederick Herzberg (1966) as fundamental frames of reference. Although other theories have arisen since then, the popularity of the ideas of these three men has caused a dogmatism in the theoretical standpoints of both facilitators and academics.

However, the present generation in today's world may have different motivational values, which are reflected in employees' behavior. People want more behavioral options and are reluctant to commit themselves to employers or organizations. This article offers a new reductionism that may explain employees' work motivation today better than do Maslow's needs hierarchy, McGregor's Theory X and Theory Y, and Herzberg's intrinsic-extrinsic factors. This reductionism is more fitting for the contemporary era of *greed* (1980 to the present) and employment instability. The previous era, which began in 1950, was one of *need*.

### THE DEBATE OVER MOTIVATION

In the past few decades, OD professionals who worked with seasoned managers were often rebuked by those who were skeptical of the ways in which McGregor, Maslow, and Herzberg downplayed the role of money as a motivator. After all, many managers and OD practitioners were continually confronted with employees' demands for pay increases, rate readjustments, a share in business profits, new job evaluations (with the goal of increasing their immediate or potential compensation), and the like. Negative emotions often accompanied these demands by employees, and hard feelings at rejection of their economic aspirations did not die easily (if at all). Inherent job-interest variables

---

Originally published in *The 1995 Annual: Volume 1, Training* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

and self-actualization seem to be less on the tips of workers' tongues than expectations of annual pay increases and demands for more money. In fact, the desire for more money has created a debate over excessive compensation (Crystal, 1991; Bok, 1993).

In a training or OD setting, the facilitator can manage the climate (if he or she is inclined to) so that critics of McGregor, Maslow, and Herzberg can be appeased or silenced. The participants may superficially tolerate the theory input and dismiss the facilitator as out of touch or naive. Some participants may argue that what McGregor, Maslow, and Herzberg offer is credible. The result may be an intellectual stand-off without consensus on the influence of money on the motivation of managers and workers.

## ***A COMMON DENOMINATOR IN MASLOW'S THEORY***

Nevertheless, theory input based on McGregor, Herzberg, and Maslow can be useful if it is handled undogmatically. Maslow's ideas are particularly useful for explaining the interrelationships between different types of human needs. Also, it is very easy to point out that all the Maslovian needs can be translated into monetary motives (Patten, 1977).

### ***Physiological Needs***

Although the physiological needs are tied to the physical survival of the individual and family, most of these needs can be satisfied by money. If one has the income, one can buy food, clothing, housing, medical care, etc.

### ***Safety Needs***

Safety needs are met when protection is provided against danger or threats such as unemployment, discrimination, and favoritism. Economic-security programs and the wherewithal to live in a relatively safe place, travel in a relatively safe manner, hire lawyers to secure justice, and so on, are dependent on money.

### ***Social Needs***

Social needs include the individual's desire for friendship, group membership, teamwork, helping and being helped, and the like. They are related to one's reference group—the group with which the individual identifies based on his or her values or social needs—and to belonging and being trusted. Many of the suggested examples of social needs can be satisfied by money, because work for pay helps a person to participate in relatively permanent groups. Money thus brings with it social status and acceptance.

## ***Ego Needs***

Ego needs are the needs for self-respect, achievement of status, personal recognition, and the perceived esteem of others. Ego needs also can be met by the mastery of something such as a skill, hobby, job, or managerial role.

Ego needs probably never cease to motivate an individual. In many cultures, money is equated with achievement and is therefore related to an individual's perception of self-worth. Even people who have a great deal of money still seem to want more. These individuals certainly do not need the money for subsistence. For them, making more money than some other person in their reference group is an important achievement.

## ***Need for Self-Actualization***

The last Maslovian need is self-fulfillment or self-actualization. This is the need to attain one's potential and be fulfilled in some all-encompassing way. Money alone will not make a person self-actualized, but money will enable many individuals to do what they like with their time and, to some extent, to become what they would like to become. These people have come to the realization that time is probably the most meaningful resource in life; being in control of one's time is an important type of freedom.

## ***Overlapping Levels***

Maslow's various needs are interdependent and overlapping, despite the way he delineated them. At any point in time, most people are probably partially satisfied and partially dissatisfied in each class of needs.

Maslow's theory can be applied by managers to life in work organizations, because employees can be viewed individually regarding the level of needs they seem predominately to be on. For example, employees concerned mainly with physiological and safety needs want secure or steady jobs, treatment that gives them preference based on seniority, and a grievance procedure that provides a mechanism for just treatment. These are all they want (if a steady job also means a steady income). They do not want promotions; they do not desire to be challenged or to go higher in the organization.

Knowledge of Maslow's categories can assist managers in understanding much of employee motivation. Of course, if top management attempted to motivate an executive by appealing to him at the physiological or safety level when his prime need was self-actualization, the attempt would fail. On the other hand, any worker would probably be susceptible to such an offer if a reduction in the work force were imminent and that person perceived no equivalent employment alternative elsewhere.

## ***Refinement of Theory Is Needed***

Although Maslow's hierarchy of needs may be viewed as a handy managerial tool that makes intuitive sense, it is so general that it needs refinement. It is not necessarily cross-cultural and is more situational than it appears. Most important, as previously indicated,



the need levels can be reduced to monetary considerations with little or no stretch of the imagination.

The problem with putting Maslow's hierarchy in this monetary framework is that it would reinforce the widespread prejudice of some managers that money (one way or another) is the true source of motivation. This conclusion is contrary to Maslow's, McGregor's, and Herzberg's fundamental stance.

Yet many people in the United States today seem to emphasize money and consider other types of motivation at such a low level that what McGregor, Maslow, and Herzberg offered as fresh perspectives many years ago seem no longer to fit (if, indeed, they ever did). Money and materialism—sometimes overlaid with cynicism and blatant self-interest—appear to be the primary motivational dynamics in today's organizations. Perhaps they were always there but were downplayed for ideological reasons in the literature of the social sciences.

It is hard to argue today with young people and young managers about the primacy of money as a motivator. It is difficult to convince them that it is much more (or even equally) important to desire to work under Theory Y conditions, to derive satisfaction in life from intrinsic job satisfaction, and to perform work that has great inherent interest.

Nevertheless, they seem to prefer Theory Y to Theory X as the supervisory style under which they work. Also, the circumstances that Likert identified as top-to-bottom, team-built, participative management find wide acceptance (Likert, 1967). Young people seem to expect to have a strong voice in their destinies and work assignments, but money is not demeaned. Performance-based pay increases and on-the-job appraisals of work accomplished (on which pay adjustments and career movements are often based) seem to be getting more attention than ever before.

In trying to discover why pay-for-performance systems are being demanded, we need to turn to different times and places. McGregor formulated his Theory X and Theory Y largely as a consequence of his consulting practices, his World War II experiences as personnel manager at Dewey and Almy Chemical Company, and his unhappy times as president of Antioch College. He apparently learned that from both the individual-motivation and organizational-results points of view, Theory Y (the positive view of human nature) was "better" than Theory X (the negative view of human nature) (Parrington, 1927). Theory Y tied into what Maslow considered the higher order of needs, those that lead to peak experiences and performances and self-actualization. Theory X presumably would never facilitate a person's self-actualization.

Maslow's theory of the hierarchy of needs grew out of a lifetime of work as a clinical psychologist (Maslow, 1968, 1970). His thoughts were widely applied to industrial settings by others. He never considered himself an industrial/organizational psychologist.

When these early applications of behavioral science were made, there was a vacuum in motivational theory. Maslow offered order where there was mostly chaos. Regardless of the validity of the Maslovian theory and its lack of empirical support, many adopted it because it brought together many disparate streams of thought,

especially in the field of human-needs theory. Nevertheless, the validity of Maslow's theory has never been proven, if indeed it is even stated in such a way that testable propositions can be set forth to determine the validity of the overall theory.

However, many prefer not to criticize the theory with no equivalent theory to substitute for it, because the void would cause an insurmountable setback. Also, many facilitators and academics hesitate to acknowledge to learners the confusion in the motivational field if they can, instead, present a theory (even an unproven one) clearly and elegantly.

## **HERZBERG'S THEORY**

To his credit, Herzberg (1966) has been an active field researcher and has steadfastly defended his work in front of tough professional audiences. Nevertheless, one may wonder whether the results of studies made years ago in the Cleveland, Ohio, area on several hundred white-collar engineers and accountants should be accepted as true of all workers and, further, whether these results should be reassessed in terms of young people in today's substantially changed work environment.

To be sure, Herzberg's work does not rest solely on those studies, nor should his analyses be cavalierly dismissed as old hat. Nevertheless, his insights into work motivation citing intrinsic factors in the work itself and extrinsic factors in the environment surrounding work need to be reexamined in today's world.

For example, do college graduates in high-tech industries in Southern California have the same motivations as accountants and engineers in Cleveland thirty or thirty-five years ago? Do any of the recent migrants from Mexico, Haiti, or Southeast Asia have the same motivations as those whom Herzberg studied?

Answering these questions requires separating what Herzberg himself might answer (because he is a meticulous researcher) from the typical answers given by group facilitators and academics who offer watered-down theories alleged to be Herzbergian ideas.

### ***The Pay-Administration Variable***

There is another facet of Herzberg's work that needs to be addressed. In the last decade, reward systems have been extensively studied by many researchers who look somewhat askance at Herzberg's lack of attention to the manner in which salaries were administered in his study (Lawler, 1990). There is a difference in sound and unsound salary administration that varies importantly by organizational systems experimenting with new pay-plan designs (Schuster & Zingheim, 1992). Today there is more recognition of this important variable.

It is likely that Herzberg ignored the pay-administration variable (the manner in which pay systems work) more than researchers would today. Today the absolute amount of pay is not as important as the way in which pay reflects performance. An adequate system of performance-based pay has hypothetically higher motivational

salience than does the traditional pay system in which merit increases are handed out routinely with little or no attempt to differentiate among levels of performance. Interestingly, McGregor (1957) was aware of this and wrote a slightly convoluted piece about it in the *Harvard Business Review*.

## **THE PERILS OF REDUCTIONISM**

To reduce one paradigm to another is detested by some individuals, because in the reduction some richness is lost and the result may appear to be gross oversimplification. Others would argue that out of reductionism comes elegance! Kurt Lewin (1948) is reputed to have been the first to state, “There is nothing so practical as a good theory.” We could argue, “There is nothing so practical as an adequate reduction,” particularly today, when there is so much verbosity and obfuscation in the management and social science literature.

The crispness of conceptualization of the hierarchy of needs, Theory X and Theory Y, and intrinsic and extrinsic factors was a significant virtue of these theories in their heyday. In a way, these conceptualizations may be perceived as reductions of a hodgepodge of ideas that were floating around shortly after World War II.

### ***Alderfer’s Reductionism***

Perhaps the earliest and most notable reduction of the big three motivational theories was Alderfer’s (1972) reductionism of Maslow into a needs hierarchy of three tiers: existence, relatedness, and growth. This conceptualization did not receive the attention that Maslow received in describing his original hierarchy. However, the logical basis for reducing Maslow’s needs to three appears acceptable (Alderfer, 1969).

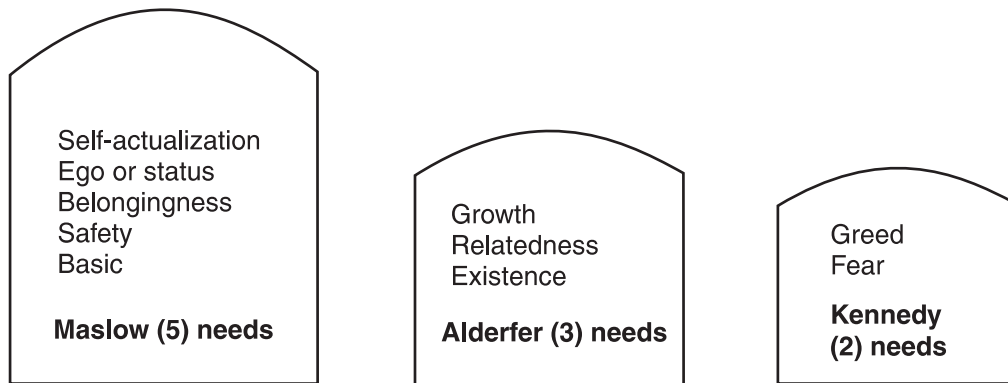
Existence may have several levels, but they all fulfill the same purpose: survival. Relatedness also can have levels, but the main intention is to tie the person to others. Relatedness would seem rationally to be a compelling need once existence seems assured. The level that enables the person to grow psychologically appears to be salient when the other two have been achieved.

### ***Fear-Greed Reductionism***

Another reduction is possible, although the alleged creator of it was not a psychologist but Joseph P. Kennedy, Sr. In discussing Wall Street and the New York Stock Exchange, his words—so the story goes—were something like this: “There are only two emotions that motivate people on Wall Street: fear and greed. All the rest is bull.”

Although that comment is amusing, it is worth analyzing seriously, because there is much insight in it. But first let us see where reductionism is taking us (see Figure 1).

Samuel Gompers, who was the founding president of the American Federation of Labor (the predecessor of today’s AFL-CIO) and other labor leaders of his era told Congress in testimony in the early part of the century that the goal of the U.S. labor movement was more and more and more (Taft, 1949). He is widely regarded as having



**Figure 1. Reduction of Maslow's Needs Hierarchy**

his hand accurately placed on the pulse of the American worker of his era. Somehow that realization seems to have been denied in the interpretation of early research in the social sciences. But *more* is still the goal of organized labor and, perhaps, of other workers as well.

From 1960 to 1970, one might have received the impression from some scholars that money was a minor matter in industrial employment. They seemed to suggest that employers would be assured of a constant work force on Monday even if they announced on the previous Friday that because the employees' work provided them with inherent interest, and because, on Monday, all employees could plan on having their jobs for the rest of their lives, paychecks would be discontinued on the same day.

The absurdity of this makes a potent point. People need paychecks to provide the wherewithal for living in a modern industrial society. A steady job provides some economic security. A well-paying, secure job can lead to a more secure and gratifying existence. A secure existence reduces fear. The more fear is reduced, the greater is one's feeling of security.

The tendency to want more and more apparently reflects the desire to amass enough money for perfect and total security. In our society, "Don't fool around with my rice bowl" has become "Don't prevent me from obtaining my \$350,000 house, Mercedes Benz, trip to Europe, and opportunity to send my son or daughter to an Ivy League college." Self-interest changes gradually to a type of self-centeredness that is raw selfishness.

## **FEAR-GREED MOTIVATION**

The notion of fear and greed can be seen in much that goes on in popular culture and in the literature of the social sciences. In psychology, modern expectancy theory is founded on effort-reward probabilities and mostly self-serving variables (Lawler, 1981). Self-interest is still at the core of economic motivation. Exchange theory in sociology, public-choice theory in political science, and the emerging sociobiology also focus on self-

interest. By extension of meaning, the pervasive focus on enlightened or unenlightened self-interest turns out to be supportive of greed.

In a few decades, U.S. workers spurred unions to bargain for more and more and more. Steelworkers were handsomely paid and even given sabbatical leaves if they had long industry service. Labor costs were a primary force that made the U.S. steel industry noncompetitive in the world market (Hoerr, 1988). The pay requirements of auto workers, garment workers, shoe workers, and appliance workers have also knocked down the competitiveness and driven jobs offshore that formerly existed in those industries.

Some companies survived through pay cuts and two-tier wage structures. They got away with these tactics because of increasing fear of unemployment. Yet, in many cases, workers would not accept austerity programs and elected for the company to go out of business rather than depart from the upward wage spiral.

Looking out for oneself has been elevated beyond attention to one's self-interest. One can never be too rich. Jobs in finance and investment banking, junk-bond placement, and corporate takeovers were (and in some instances still are) lucrative career paths that influenced a good share of the best and brightest graduates in the 1980s.

We were told by some politicians that we were entering a "kinder and gentler" era regarding the welfare of all our citizens. However, the aftermath of the 1980s—the recession of the 1990s, the painful and protracted restructuring of the American economy without the weapons and aerospace industry—continues to be an ethos of meism and materialism. The plight of homeless people is ignored by large sectors of the population. Tax increases proposed to aid the needy are reviled. Acquisitiveness is accepted as normal at all levels of our society.

### ***Implications for Management***

The reductionist theory—which has economic self-interest as its core—can be related to two other concepts that have become popular in recent years in management and OD literature: developing multiple options in managerial decision making and the need for commitment on the part of managers and employees in performing work conscientiously.

Top-of-the-head problem analysis and snap-judgment decision making are viewed as insufficient and inadequate. Instead proficient managers (so the ideology goes) should create options and analyze problems in depth in order to identify a range of relevant options.

Carried to extremes, identifying multiple options takes a protracted amount of time and may generate so many possibilities that the decision maker decides to delay deciding and "keep all the options open." It is clear that opportunity can become the enemy of commitment and of principled decision making.

Individuals who manage opportunistically form the habit of choosing options that advance their personal self-interests and are personally rewarding. As a result, they do

not become committed to the good of the organization. In an environment of downsizing/rightsizing, perhaps this is wise.

The organization and one's position in it are instrumental in determining one's personal rewards and ego satisfaction. If it appears that one's employment is jeopardized, the fear-greed motivation comes into play. One feigns organizational commitment when one needs to. In these uncertain times, work behavior for many people is driven by fear or greed and is essentially opportunistic all the time—devoid of organizational commitment.

## **CONCLUSION**

The need to understand human behavior in organizations causes OD professionals, facilitators, and academics to continue their search for appropriate paradigms. Times change, situations change, and methods of application of theory change. One wonders whether we are ready to adopt a theory to fit the times, situations, and ideologies of today. The fear-greed reduction is as unproven as other theories of the past, but it is as heuristically useful as other theories and it has at least a plausible basis in behavior observed in the United States today. We need to reexamine this reduction and offer it—as well as other theories—to people in group learning experiences, so that they can wrestle with an interpretation that makes sense, is uncomplicated, and fits much of what they perceive better than the Maslovian perspective does.

## **REFERENCES**

- Alderfer, C.P. (1969). An empirical test of a new theory of human needs. *Organizational Behavior and Human Performance*, 4, 142-175.
- Alderfer, C.P. (1972). *Existence, relatedness, and growth: Human needs in organizational settings*. New York: Free Press.
- Bok, D. (1993). *The cost of talent: How executives and professionals are paid and how it affects America*. New York: Free Press.
- Crystal, G.S. (1991). *In search of excess: The overcompensation of American executives*. New York: Norton.
- Herzberg, F. (1966). *Work and the nature of man*. Cleveland, OH: World.
- Hoerr, J.P. (1988). *And the wolf finally came: The decline of the American steel industry*. Pittsburgh, PA: University of Pittsburgh Press.
- Lawler, E.E. (1981). *Pay and organizational effectiveness: A psychological view*. New York: McGraw-Hill.
- Lawler, E.E. (1990). *Strategic pay*. San Francisco, CA: Jossey-Bass.
- Lewin, K. (1948). *Resolving social conflicts*. New York: Harper & Row.
- Likert, P. (1967). *New patterns of management*. New York: McGraw-Hill.
- Maslow, A. (1968). *Toward a psychology of being* (2nd ed.). New York: Van Nostrand Reinhold.
- Maslow, A. (1970). *Motivation and personality* (2nd ed.). New York: Harper & Row. [Orig. ed., 1954.]
- McGregor, D. (1957). An uneasy look at performance appraisals. *Harvard Business Review*, 35, 89-94.

- McGregor, D. (1960). *The human side of enterprise*. New York: McGraw-Hill.
- Parrington, V.L. (1927). *Main currents in American thought*. New York: Harcourt Brace.
- Patten, T.H. (1977). *Pay: Employee compensation and incentive plans*. New York: Free Press.
- Schuster, J.R., & Zingheim, P.K. (1992). *The new pay: Linking employee and organizational performance*.  
Lexington, MA: Lexington.
- Taft, P. (1949). *Economics and the problems of labor*. Harrisburg, PA: Stackpole & Heck.

## ■ DOING MORE WITH LESS: HOW TO INCREASE PRODUCTIVITY

**Stephen R. Grossman**

*Abstract:* When a company downsizes, much concern is directed toward those who are losing their jobs. However, those employees who remain also need concern; they may feel guilty or fearful, or they may lack confidence and motivation.

Companies who have downsized need to find ways to improve employee morale, increase employee focus, and create financial stability in order to maintain productivity and a competitive edge. In this article, the author outlines six steps to address these needs: visualizing the future, eliminating fear as a motivator, supporting employee input, sharing knowledge, rewarding performance, and encouraging employees to read by investing in a speed-reading course.

Employees refer to reductions in personnel as “firing” people, “canning” them, handing them their “walking papers,” giving them the “sack,” or “kicking” them out on the street. These are ugly terms; therefore, the first act of many companies faced with such a task is to search for a euphemism. Some companies call it “downsizing”; a few call it “rightsizing”; one even referred to it as “decruting.” To stay competitive—or just keep their heads above water—many major business organizations are letting people go. Public attention is focused on the plight of those who lose their jobs, many after long years of service.

However, the effect of massive layoffs can be equally devastating for those who survive the cuts. These are the employees who have just seen their colleagues—people they know are just as talented and hard-working as themselves—lose their jobs. After a moment of initial relief, their reaction to surviving mass layoffs is one of guilt and fear for the future. Their faith and trust in the company are destroyed. Their support group is gone. Their confidence in the future is shattered. Their motivation is wiped out—and yet these are the people whom the company expects to maintain and even increase productivity!

A big problem faced by these organizations is how to revive flagging employee spirits and set out on the road to financial health. Another concern is how management can entice employees to occupy their minds with the task at hand instead of updating their résumés. This paper presents six concrete steps that can speed this process.

---

Originally published in *The 1995 Annual: Volume 1, Training* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.



## 1. VISUALIZING THE FUTURE

Any problem can be pinpointed by describing two states: (1) where you are and (2) where you want to be. The problem is the gap between the present and future states that causes discontent or discomfort.

Many organizations solve problems by analyzing the present state, finding the causes of the problem, and attempting to correct them. This method “fixes only what is broken” and is widely considered a common-sense management tool. Unfortunately this algorithm for problem solving does nothing to change employee mind-set.

To change employees’ attitudes and restore their sense of empowerment, an organization must concentrate on the future. It must forget the present state—for the moment—and create a vision of the future. This vision is more than a slogan or mission statement. It is a succinct visual image of life without the problem—a picture of the results of solving the problem.

A *process vision* is a results picture that contains certain cues and clues for getting there. Many companies that talk about vision are referring to a *benefit vision*—a document that describes in minute detail the financial and marketing results that accrue from solving the problem. Benefit visions are generally regarded by employees as company hype and setups for placing blame.

A process vision gives the destination and points out the direction, usually by an easy-to-picture metaphor or analogy. One example of a process vision is an athlete’s mental rehearsal of a play. Picture a basketball player just prior to making a shot at the basket. The goal is to get the ball through the hoop, and the process vision is embedded in the mind of the athlete. He or she visualizes the shot, from setup to follow-through, in that split second before the shot is made.

Organizations must provide this type of vision for their employees if morale and productivity are expected to increase. Productive employees must know not only where they are going, but how to arrive at that destination.

## 2. ELIMINATING FEAR AS A MOTIVATOR

Motivation is the most important factor in creating and sustaining peak performance, and fear is a poor motivator. The *type* of motivation desired also distinguishes between the *willing* employee and the *willful* one. Willing employees are extrinsically motivated. They will perform tasks as long as they can see immediate benefits: perks, pay raises, the corner office, or simply hanging on to the job. When faced with serious obstacles, the willing employees wilt, because they do not possess a feeling of ownership of their jobs; they are in the business just for the money.

Willful employees are intrinsically motivated. They feel a personal responsibility for their work that enables them to turn an “impossible” task into a successful project. They are turned on by the jobs they do. This is precisely the type of individuals a company must keep, and this is the type that can be demotivated by fear or by mandated restructuring. A successful company must invite employees to reengineer their jobs—

find out what motivates them and what turns them off—then structure the work around these needs.

Studies on the ways highly creative people function show that intrinsic motivation is a common theme (Amabile, 1983; Grossman & King, 1990). Creative problem solving most frequently comes from people who are “turned on” by their work. As a start to reengineering jobs, management might ask employees the following questions:

- To what extent are you excited about the work you do? Why?
- What are the things you value most about work in general? To what extent are they satisfied or missing in your day-to-day activities?
- What are the things you dislike most about what you do? How might you change them and still get the work accomplished?
- When and under what conditions do your best ideas originate? How might we translate those conditions to the working environment?

### **3. PLAYING THE ANGEL’S ADVOCATE**

Once management has invited employees to suggest ways of improving their work, it should not shoot down every proposal as soon as it is offered. *All* new ideas have flaws and drawbacks, and a very human reaction to new ideas is to dismiss them as rapidly as possible. A successful company must make a deliberate management decision to play the “angel’s advocate.”

This role is played as follows:

- First institute a *search for utility* and visualize how things would look if the idea did work.
- Break the idea down into its component parts, and then test the underlying assumptions.
- Focus on the positive aspects of the new idea.
- Through reshaping and retooling, find ways to make the idea work.

It may be amazing how an easily dismissed idea could be found to contain innovative pathways and solutions if judgment were deferred for a period of serious consideration.

As a side benefit, the angel’s advocacy is a gold-plated morale builder. Rather than a faceless entity sitting in judgment, the company transforms its role into that of a co-creator with the employee. Following are some questions that can lead a utility search for new ideas:

- What does the new idea accomplish?
- Under what conditions might there be a maximum payoff?
- What is different about this idea compared to others?

- What specific mechanisms embedded in the idea can be used to accomplish the objective?
- What general principles are at work in this idea?
- What would it take to keep all the usefulness of this idea and modify it to take care of the parts that are problematic?

#### **4. SHARING KNOWLEDGE**

Employees cannot be empowered if they are kept in the dark. The more they know about what the company is doing and their place in that picture, the more productive and motivated they will be. Keeping information on a need-to-know basis is a sure recipe for employee suspicion, duplication of effort, and plummeting morale.

Keeping employees in the dark is also impossible. As Ben Franklin once said, three people can keep a secret only if two of them are dead. For example, when I was working on developing a major new product for a well-known corporation, we were constantly impressed with the need for secrecy. We were instructed never to talk about what we were doing, not even to our own families, lest word of the new product slip out to our competitors. Then one day I picked up the *Wall Street Journal* and read all about it. One of the executives, who were doing all the warning, simply could not keep from bragging a little at a party.

And finally, employees do not necessarily want to know all the business; they just become nervous when they suspect bad news is being kept from them. In order to stifle some rumors, one East Coast company put all the documentation relating to the company's business in one room. Any employee could go into that room and examine every phase of the business, from boardroom reports to financial statements. The only restriction was that they could not copy or remove any document. The room was mobbed for the first two weeks. After that, hardly anyone went into the room, but the rumor mill died out completely. Just knowing that the information was available was enough.

#### **5. REWARDING PERFORMANCE**

Different types of people need different types of rewards. For some, it is money; for others, peer recognition; for still others, the chance to let their imaginations roam. A good manager will learn which motivators apply to which employees and will make sure that they receive them. People work best when they feel they are appreciated and when they are shown appreciation in the way that will best motivate them. It could be money, but it could also be public recognition of their accomplishments.

## 6. INVESTING IN A SPEED-READING COURSE

Even a small investment like a speed-reading course for the employees can reap large rewards. Keeping up with the literature is time consuming but absolutely vital for keeping the competitive edge. Speed reading works. Providing this skill is a minimal investment that nets a state-of-the-art work force. It is also an investment that tells employees that they are included in the organization's future plans.

Moreover, speed reading frees up employees' time to read more *outside* of their fields. Studies of highly creative performance (Grossman, Rodgers, & Moore, 1988) show that the vast majority of creative breakthroughs come from those with both vertical (field-related) and lateral (general-interest) knowledge bases. For example, George DeMaestral conceived of the idea of Velcro after walking across a field and noticing the way cockleburs clung to clothing. Vertical knowledge made the translation from nature to fabric possible, but lateral knowledge from the outside world caused the creative spark to ignite.

In other words, if all that employees know are sports scores and the weather, they are not going to be very creative. Management should encourage outside reading; up to 70 percent of the employees' reading should be out of their fields. If they are given the proper tool—a speed-reading course—they can do it.

The biggest mistake that a business can make is to assume that its employees need to increase their creative performance in order to turn the business around. What is needed instead is a shift in attitude by the business's decision makers—a shift from evaluators to creators.

In my fifteen years of consulting to businesses, I am continually amazed at the wealth of new ideas and talent that are stifled by organizational arbitrariness and bureaucracy. In a downsizing environment, these ideas and people need to be nurtured and allowed to flourish. This can happen only if the environment and culture are modified according to the general principles of this article. To use the metaphor of innovation as an explosion of new ideas, technologies, and ways of doing business, an employee can provide an initial spark but the formal culture must provide the fuse and fuel before the final detonation can take place.

## REFERENCES

- Amabile, T.M. (1983). *The social psychology of creativity*. New York: Springer-Verlag.
- Grossman, S., & King, M.J. (1990). Eagles, otters, and unicorns: An anatomy of innovation. *Journal of Creative Behavior*, 24(2), 75-98.
- Grossman, S., Rodgers, B., & Moore, B. (1988). *Innovation Inc.: Unlocking creativity in the workplace*. Plano, TX: Wordware.

## ■ RENEWING ORGANIZATIONS IN A TIME OF CHANGE

**Judith A. Vogel and David R. Glaser**

*Abstract:* Organizations today face changes that occur at an increasingly rapid pace. The effects of these changes alter the implicit contracts that organizations have with their members. When signs of stress and grief appear, leaders typically minimize them or impose management sanctions and discipline. However, creating a new contract with organizational renewal initiatives can lead directly to high performance.

In this article, the authors propose an Organization Renewal Model. They outline a process for redefining the organization after change that includes the following steps: expectations, change in organization, loss of the contract, signs of stress and grief, management sanctions and discipline, organization renewal initiatives, and commitment to new contract. By recognizing these steps and acknowledging the loss, an organization has the potential to move beyond the loss to renewed optimism and high performance.

Change happens: downsizing, mergers, reassignments, reorganizations, new priorities. More than ever, organization leaders and members are aware that the old assumptions about lifetime employment, workplace stability, and predictable career advancement are no more. The only constant is change, and the rate continues to accelerate as organizations attempt to learn new ways to respond to changing markets, new technologies, new customer expectations, and fierce competition. People are struggling to adapt effectively. Although they are becoming more resigned about the inevitability of change, they do not exhibit optimism about their ability to weather the process; nor do they show much faith in organization leaders' ability to plan and manage these changes with appropriate attention to the needs of people. Everyone knows of or has first-hand experience with the pain of poorly managed change.

Too often leaders try to minimize the pain for their employees and themselves by implementing the change plan as quickly as possible. This is often an unconscious (or conscious!) attempt to circumvent the natural, unavoidable, and painful human reaction to loss—the grief process. More than one leader has been heard to say to upset people, “What’s the problem? You still have your jobs, don’t you?” These leaders are ignoring the impact of the trauma and the associated need of people to grieve their losses and to recover, if over time they are to renew their commitments to their organization and its goals. Organization leaders have a great need to understand the natural process of healing after trauma that underlies many models of Western and Eastern medicine and psychology; guided by these insights, they can manage the feelings of unpredictability and loss and effectively assist their organizations to renew themselves.

---

Originally published in *The 1995 Annual: Volume 2, Consulting* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

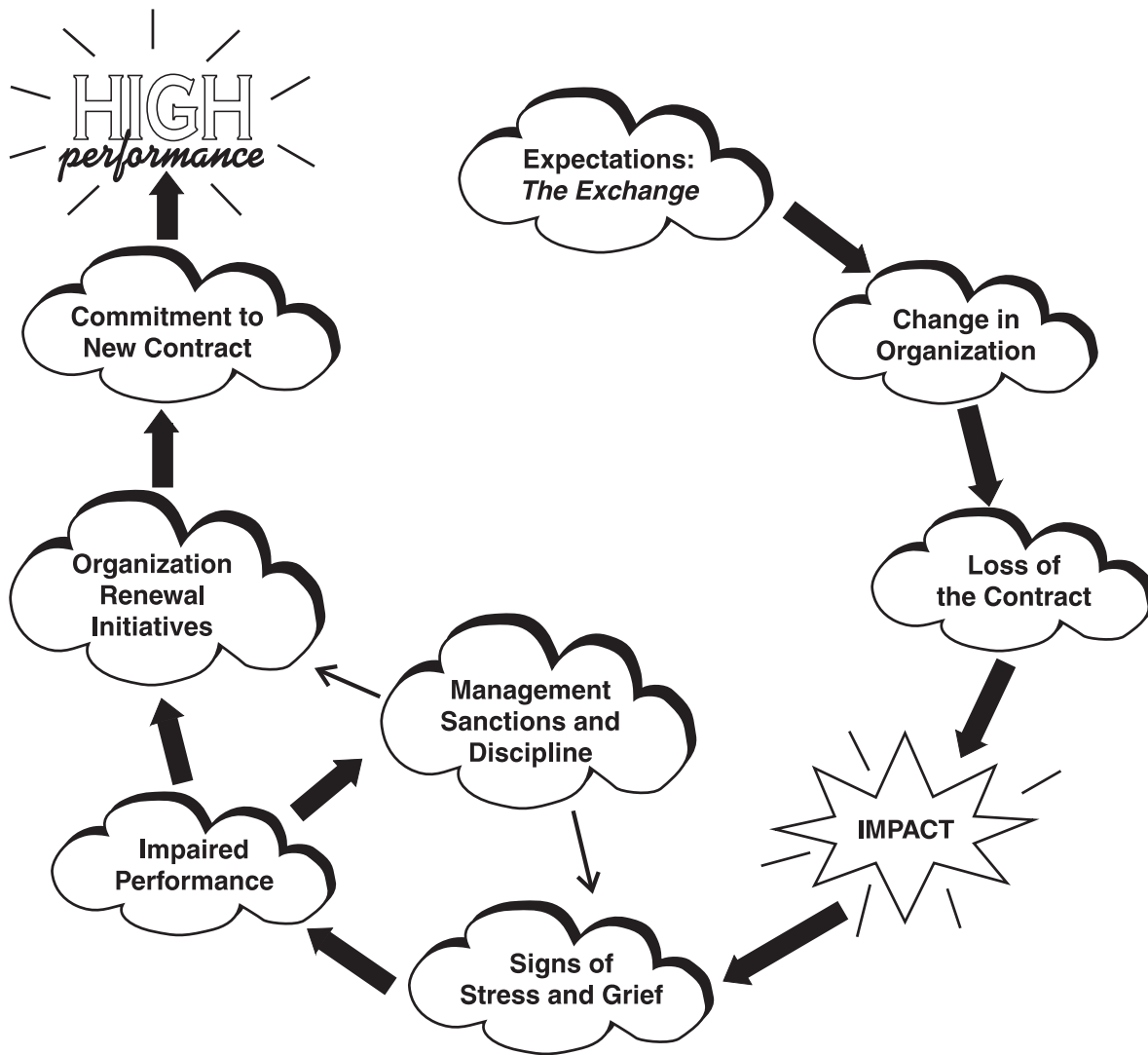


Figure 1. Organization Renewal Model

## THE ORGANIZATION RENEWAL MODEL

### *Expectations: The Exchange*

The Organization Renewal Model<sup>1</sup> (Figure 1) begins with the starting place for all human relationships—expectations about appropriate exchanges. Whether between a parent and a child, a customer and a clerk, or an employee and an employer, all people bring expectations for what each will give and get in return. These expectations guide the relationship, whether brief or lifelong. To the extent that both parties share comparable expectations and abide by them, the relationship will thrive; if they hold

<sup>1</sup> The Organization Renewal Model and all of its component parts are copyright © 1994 by Vogel/Glaser & Associates. All rights reserved.

differing expectations or fail to fulfill them, the relationship will become strained and conflicted. The model presents the typical assumptions that organization members and leaders bring to their workplace at this time in history. Most people feel strongly that these exchanges are only reasonable and fair; thus these expectations constitute the “Assumed Employment Contract” (Figure 2). Members expect leaders to actively work to ensure that the exchanges are fulfilled; in fact, this leadership accountability is the very basis for trust in the organization itself.

Experiencing two decades of major change, such as reorganization and downsizing, has greatly weakened people’s faith in “the contract”; in fact, they display unprecedented mistrust and cynicism. However, the yearning for the stability of earlier days seems to persist. People want to believe that they work in a fair place in which the exchanges of “Gives” and “Gets” are preserved. In other words, “If I do my part for the job (as listed in the model), then the organization will do its part for me.” A particularly compelling “Get” in the exchange is the opportunity to prove oneself; having achieved a track record through long years of hard work and loyal effort, people are especially stunned if their expected rewards (promotion, continued employment, and so on) are withdrawn.

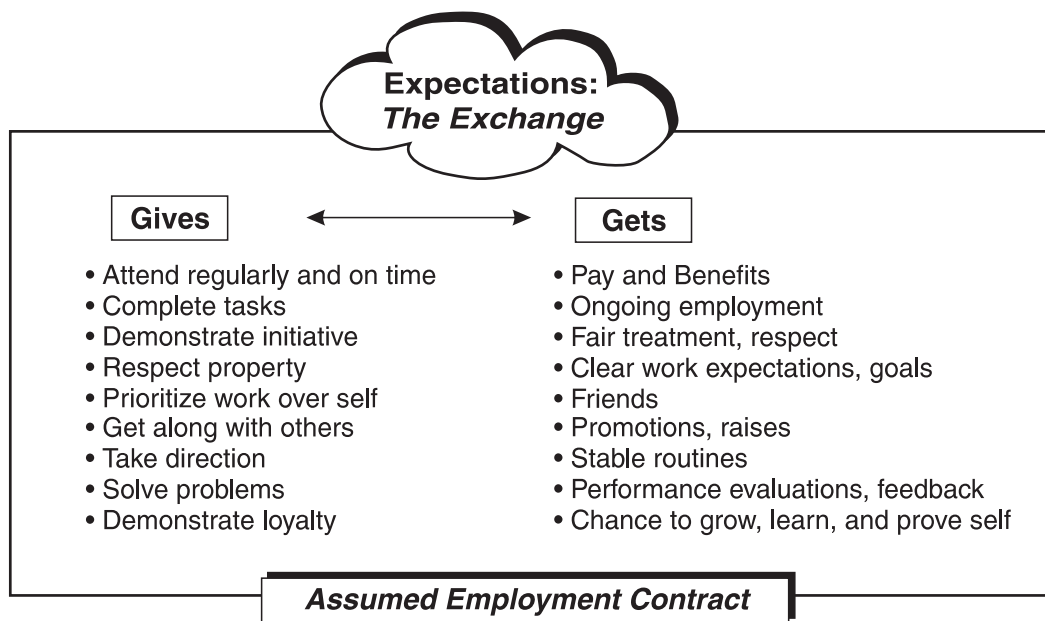
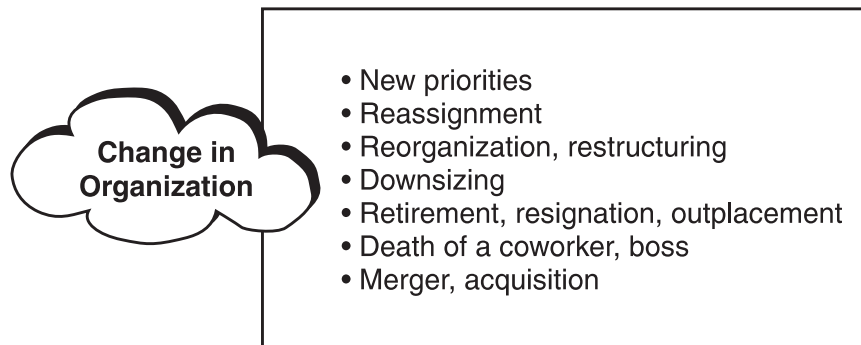


Figure 2. Assumed Employment Contract

### ***Change in Organization***

Suddenly, there is a change caused by reassignment, reorganization, or other shift in the pattern of work. Sometimes it is the departure or death of a valued leader or peer. Many different changes (see Figure 3) can trigger the loss cycle described; depending on the perspective of the individuals, the change will be interpreted as an opportunity or a loss. In either case, there is stress caused by the demand to adapt to new conditions.

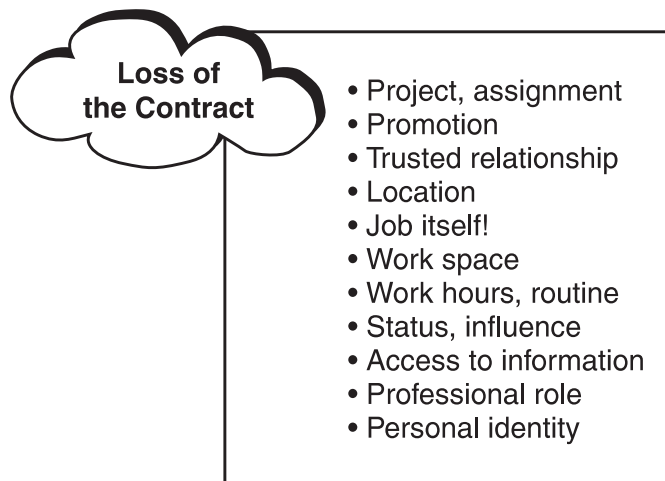




**Figure 3. Change in Organization**

***Loss of the Contract***

These change events can cause a variety of specific losses for the employee, including a valued assignment, an expected promotion, a trusted relationship, or even the job itself. A particularly profound loss is that of one’s role and identity, which may have been earned with effort and sacrifice for many years. Being laid off can damage the self-esteem derived from such a role. In effect, these losses are experienced as a breach of “contract” (see Figure 4), which challenges people’s sense of order in the work world. In fact, such expectations then prove to be an illusion, and this discovery takes people by surprise and is deeply disturbing.



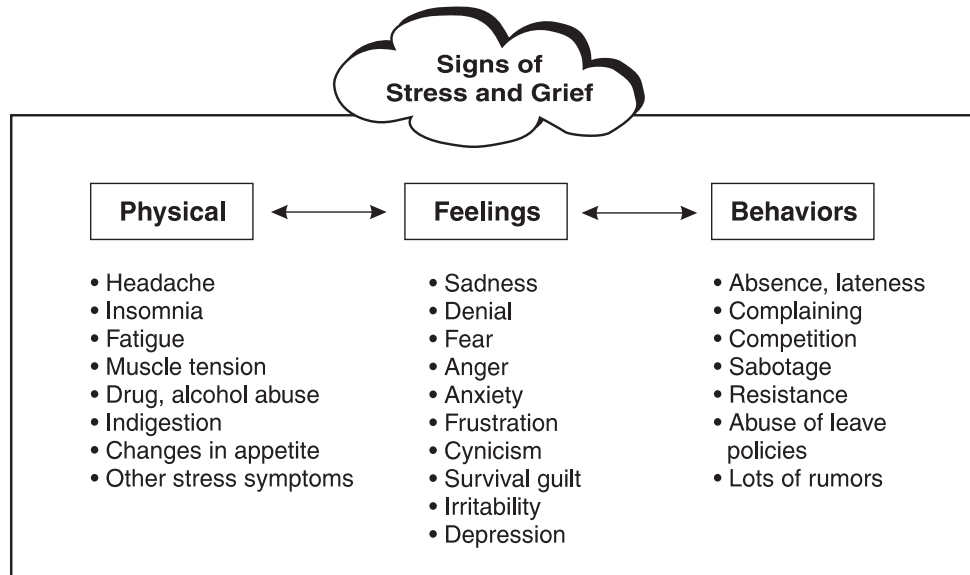
**Figure 4. Loss of the Contract**

***Signs of Stress and Grief***

The impact of the loss can be mild or severe; symptoms of stress typically include a variety of physical, emotional, and behavioral problems, as described in Figure 5. Their onset provides clear feedback that the individual is experiencing a loss. The symptoms often appear in combinations—for example, changes in sleep patterns along with



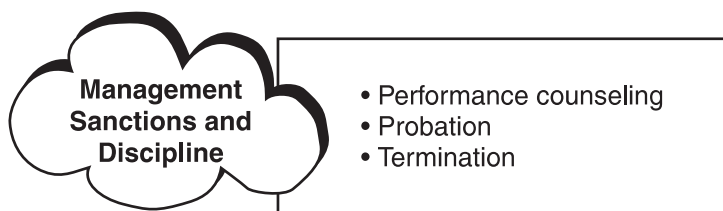
feelings of frustration and increased absenteeism. Sometimes people are so affected that their work performance suffers. They may be unable to accept the change, and this denial then prevents them from working in the new way. They may be so angry that they resist the change or even sabotage the organization's efforts. Rumors may be rampant, which tends to increase the stress as people feel more and more out of control; the result is further impaired performance.



**Figure 5. Signs of Stress and Grief**

### ***Management Sanctions and Discipline***

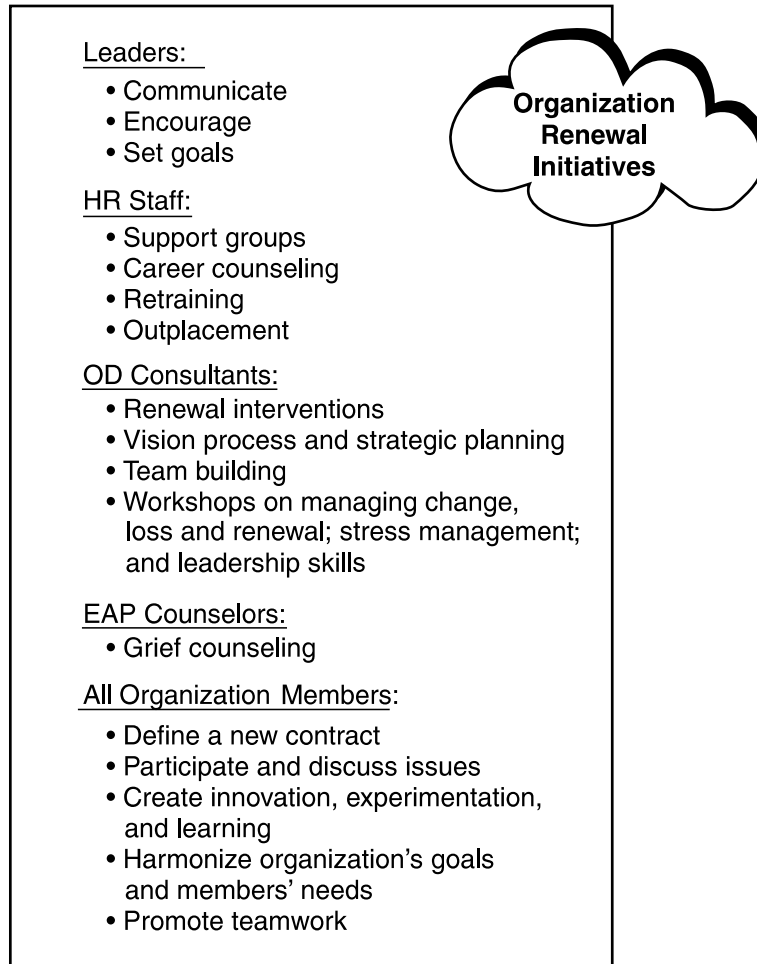
The resolution of these symptoms and associated performance problems will be thwarted or eased by the way in which organization leaders respond. Typically, when managers become alarmed by inadequate performance, they invoke sanctions and discipline (Figure 6). Although this strategy of performance management and corrective action has its legitimate place, in a time of organization crisis its use may intensify rather than alleviate the performance problems. People may experience it as unfair punishment and shame, not assistance; these responses may further undermine the change effort.



**Figure 6. Management Sanctions and Discipline**

## **Organization Renewal Initiatives**

Figure 7 describes a series of powerful initiatives that, in the hands of leaders who understand the practical payoff and human decency of supporting traumatized people, enable renewal to occur more quickly and thoroughly.



**Figure 7. Organization Renewal Initiatives**

1. Leaders need to communicate as early and as openly as possible so that people can prepare themselves for the approaching change. They need to remind employees about difficult times in the past that the organization has weathered and the positive results that the change is intended to create. They need to sincerely ask employees for their help and support. As the change proceeds, leaders need to provide constant updates and repeated encouragement; they need to make themselves available for dialogue to clarify goals, time frames, and opportunities for all.
2. Human Resources (HR) staff can provide ongoing support groups to help people to help themselves and one another; the power of group support is well-

documented in many fields, such as smoking cessation, weight loss, substance abuse, and grief recovery. During these groups or in individual support sessions with employees, HR staff can listen respectfully without trying to quickly fix the negative feelings. Nonjudgmental listening is a very powerful intervention, which is in short supply even in good times and especially rare in hard times. Also, HR staff can provide career counseling to enable individuals to weigh their options and perhaps to prepare for a job search. If jobs are being lost, HR staff need to secure and manage outplacement services. For people in new jobs, HR staff need to provide timely and appropriate retraining to ensure that people are prepared to fulfill their new roles successfully.

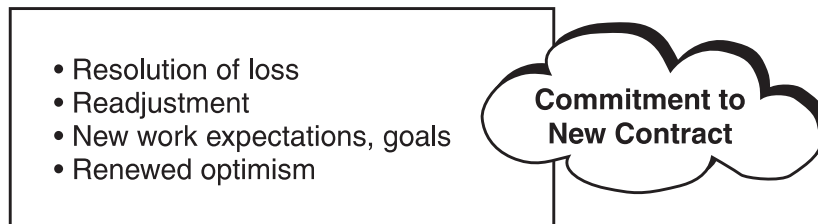
3. Organization Development (OD) consultants can provide a variety of renewal interventions to help move beyond the confusion and pain. A very powerful process is to hold funerals and other ending rituals; these events can mobilize a spirit of community support and help people to heal. OD consultants can help organization leaders to articulate an exciting and energizing vision of the future, which can assist the organization to revitalize and be ready for movement. Team-building activities are particularly helpful when there are membership changes because of reorganizations or when new teams are being launched. Finally, this is a time for training in the skills of coping with and leading change.
4. Employee Assistance Program (EAP) Counselors can provide expertise in the area of grief counseling, an important specialized service that is often necessary for people facing a significant loss.
5. All organization members need to get involved if major changes are to be achieved, and the HR staff and OD consultants can assist leaders to successfully undertake the process of dialogue, influencing, and innovating that the model identifies. The goal here is to define a new “Assumed Employment Contract” that clarifies the new “Gives” and “Gets” of the changed organization and that maximizes the interests of both the organization and its members. Further, a new emphasis on team work may be needed to achieve new goals.

### ***Commitment to a New Contract***

If the renewal process is undertaken with sincerity and energy, the outcome can be highly successful. The hallmarks are diminished signs of stress and grief, which demonstrate the resolution of the loss and the adjustment to new conditions. The impact on the organization of renewed optimism and willingness to reinvest in the future is profound; it confirms that leaders and members have committed themselves to new exchanges and restored a feeling of trust in their workplace (Figure 8).

Under these circumstances, the organization can look forward to a time of high functioning. Such a successful outcome of the cycle of loss and renewal suggests that a resilience has been built that can further help to sustain the organization through

subsequent change events. This resilience is a critical survival skill, given the increasing pace of change.



**Figure 8. Commitment to New Contract**

## **USING THE MODEL IN HR/OD**

The Organization Renewal Model can serve as a lens to clarify the data that staff may have collected about the client group. It can reduce confusion and turmoil by providing a template of normal, predictable reactions of people experiencing loss, as well as a checklist of initiatives to support the resolution of the loss. The comprehensive overview can assist in both educating leaders about change and influencing them to provide resources such as those listed in the Organization Renewal Initiatives box. Further, the model can be used as a training tool in change-management workshops to assist leaders and members to understand the process and to fulfill their roles effectively.

### ***Pitfalls***

Leaders and HR/OD staff need to guard against two common pitfalls. One is the “Band-Aid™” or quick-fix approach, which attempts to use superficial, off-the-shelf, or manipulative processes to address complex problems. People recognize these efforts for what they are—demeaning, perhaps naive, attempts to get through the hard times quickly. Major change requires thoughtful, tailored, comprehensive actions.

The second pitfall is a failure to realize that even if the organization is providing appropriate and well-managed support, the process of renewal may not be speedy.

Depending on the scope and nature of the change, the recovery may take months or years to be fully achieved. A residue of pain and anxiety may, in fact, remain for many years, even after people appear genuinely to have moved on. Thus, patience and sensitivity for the range of human responses is necessary; it is essential that leaders persist in guiding, reassuring, and challenging people for what may seem like a long time.

## **CONCLUSION**

It is common and completely understandable that significant organization change will be experienced as a loss and may trigger anger, cynicism, and fear; work performance

inevitably is compromised. If the proper organization supports are provided, however, resolution and renewal are achievable. The Organization Renewal Model describes a successful cycle in which people learn that the old world, including its expectations for what the work experience will be, has changed. In place of these expectations, new ones are defined, and the community of organization leaders and members resolve the loss experience together and begin to face their work with renewed optimism and a sense of commitment to the new expectations for the future.

## **BIBLIOGRAPHY**

Kubler-Ross, E. (1969). *On death and dying*. New York: Macmillan.

Boszormenyi-Nagy, I. (1986). *Between give and take: A clinical guide to contextual therapy*. New York: Brunner/Mazel.

# ■ GETTING YOUR MESSAGE THROUGH: A GUIDE FOR CEOS

**Robert Hargrove**

*Abstract:* It is important that every CEO know how to get a message through a complex organization so that it produces not only dramatic results but also a fundamental shift in corporate culture. This article tells how a CEO can structure communication and use top executives to create a force field for realizing the CEO's vision and goals for the organization.

Seven factors that restrain the communication of desired organizational change are described, and the solutions to them are discussed. Seven factors that amplify the CEO's message and enable action are then presented, with guidelines for creating them in an organization.

Imagine that you are the newly hired CEO of a bank that was transformed to a global custodian of pension funds under your predecessor. The bank has made record profits over the past ten years. You are trying to convince your ten fiercely autonomous, highly successful business-unit heads that the bank's future lies in eliminating boundaries between divisions and doing more cross-selling. You have held meetings, solicited nods, and have sent memos, yet you are not sure whether anyone has heard you or not. What should you do now?

## **COMMITTED SPEAKING AND LISTENING**

In most organizations, there is a great deal of speaking and listening; yet, 99.9 percent of it fails to make any difference. Because a chief executive's message often heralds significant change and must bring about a new order in the organization, it must "get through" to its audience. An executive message should fall into the 00.1 percent of communications that make a difference, that have an impact, that break the spell of the past, alter the present, and create a new future.

Most senior executives are good at the administrative parts of their jobs; some are good at formulating strategic visions; but few know what it takes to get a message through a large organization so that it becomes the vision, climate, and spirit of the company. Many CEOs are good communicators in the conventional sense—speaking clearly and listening with understanding and empathy. Yet communication in most organizations is so commonplace that CEOs often do not realize that it is a powerful tool that can impact the organization's vision, culture, and bottom line.

---

Originally published in *The 1996 Annual: Volume 1, Training* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.

This involves interweaving the message into every aspect of the organization—its strategy, operating policies, employee relationships, customer interfaces—until everything that happens in the organization occurs within its boundaries. Brilliant CEO's like Jack Welch of General Electric, Paul Allaire of Xerox, and Bill Gates of Microsoft have an intuitive understanding of how to do this. They spend huge amounts of their time putting out basic messages that not only become forces in people's minds and hearts but also shape, limit, and define everything that happens in their organizations.

## **CREATING A FORCE FIELD**

Although most managers dedicate themselves to thinking about strategy and operations, exceptional CEOs realize that they have the power to create a force field when they speak and listen, by speaking and listening from a stand, a real commitment. This can exert a powerful and even transforming influence on employees, customers, and suppliers. It has been said that in designing a building, architects create a context that shapes, limits, and defines the way we live. Effective CEOs are social architects who create a context through their speaking, listening, and actions. The context is usually based on preaching and practicing governing values like innovation, quality, service, or learning. Their messages eventually become self-sustaining and exist independently of them.

“Getting a message through” is defined by the following criteria:

- The message is clear and has been communicated to all who need to hear it.
- People are able to see something in a new way as a result of the message. When people see things in new ways, they generally act in new ways.
- People change their underlying ways of thinking and behaving as a result of the message. This is evident in the ways planning is done, decisions are made, and actions are taken.
- Organizational results are different and can be measured through performance criteria.

To explain the force field, we can focus on two categories: “amplifying factors” and “restraining factors.” Amplifying factors are factors that help get the message through; restraining factors are those that cause it to fall on deaf ears. We will start by looking at the restraining factors, which are numerous, powerful, and subtle. By understanding the restraining factors, it will be easier to understand the amplifying factors and their implications.

## **RESTRAINING FACTORS**

### ***Restraining Factor 1: Most Leaders Come from Backgrounds in Finance, Marketing, Operations, or Technical Disciplines and Are Not Experts in Human Nature***

#### **RESTRAINING FACTORS**

1. Most leaders come from backgrounds in finance, marketing, operations, or technical disciplines and are not experts in human nature.
2. The message does not represent a true personal calling and is stated in a way that does not capture people's imaginations.
3. A credibility gap is created when the CEO backs the message but the senior managers are viewed with suspicion because they don't walk their talk.
4. The goals, objectives, and reward systems are not aligned with the message that the CEO is trying to send.
5. There is often a massive amount of resignation or "giving up" in the organization, which makes it difficult or impossible to communicate a new message.
6. Managers may talk about change but stay in the comfort zone.
7. Leaders underestimate the degree of difficulty involved in communicating a new message and tend to give up too soon when confronted with the reality of what it takes.

When people talk in general terms about changing the culture of an organization, everybody agrees; but when changes are cast in terms of changing individuals, it becomes much more difficult. Yet, if individuals do not change, nothing changes.

The ability to impact human beings does not come from having an MBA but from an understanding of human nature. Company leaders are generally most comfortable in changing organizational structures. One of the reasons for this is that they have no background in human relations. However, in attempting to change the culture and behavior in an organization, executives often find that "people" issues are the real issues.

As Thurow (1992) points out, most CEOs in the United States come from backgrounds in marketing, finance, and operations. Human resource management is considered "soft," and rarely does a human resource manager become a chief executive. In Japan, by contrast, the opposite occurs: no one becomes a CEO without serving as human resource manager. The human resource function is not just administrative (salary and benefits), it is geared to creating and maintaining a high level of alignment between



the organization and the people in it. In order to do this, one has to become—to some degree—a master of human nature.

Although thinking about improving their functions or their departments might come naturally for many executives, the idea of communicating a message so that it becomes a force in people's minds and hearts is a challenge. The tendency is for executives to apply solutions to people issues that reflect their functional prejudices. Thus, when confronted with the issue of getting a new message through, the finance manager tends to translate the vision into numbers. The marketing manager tends to broadcast his message verbally and in writing, as a kind of advertisement, without taking responsibility for whether people get the message or not. The engineering manager tends to communicate the message with an emphasis on cold facts and with the idea of "fixing" people who do not comply. Although these may sound like stereotypes, they often hold true.

Many executives need to learn that you cannot treat people in the same way that you treat a finance, marketing, or engineering problem. For one thing, people are full of idiosyncrasies, not the least of which is that they are not rational. In order to communicate effectively to people, one has to understand not only "what to communicate" but also "to whom to communicate."

The first question to ask is "What are people's concerns?" People may listen to whatever a CEO says, but they are listening primarily in terms of whether the message speaks to their concerns (fears, hopes, etc.). The mistake that most executives make is that they speak from their own concerns, not the people's concerns, and often address these in the most superficial way, e.g., "If we don't make a profit here, we will be out of business, and you will all lose your jobs." People may be influenced by such negative communications but they are more powerfully influenced by positive communications that represent a chance to realize their aspirations, and when they can sense the speaker's commitment. The effective CEO is one who finds out what is in people's minds and hearts, speaks to their concerns, and, at the same time, addresses the concerns of the organization.

One of the reasons for the success of the total quality movement is that most people want to work in a way that represents a commitment to excellence and quality. When a company leader provides people an opportunity to do something that represents a personal calling and gives them passion and pride, he or she creates a powerful alignment between the purposes and goals of the individual and the purposes and goals of the organizations.

Messages that are consistent with human nature are:

- Messages that represent an opportunity to be part of a team or to build something (e.g., a great organization).
- Messages that reflect an opportunity to realize one's personal visions and goals. People always listen for the opportunity in it for them (to be who they want to be, to do what they want to do).

- Messages that speak to people's values (e.g., justice, fairness, integrity, achievement).
- Messages that communicate positive recognition and rewards. The desire for recognition is one of the most powerful forces in human nature and human history.

### ***Restraining Factor 2: The Message Does Not Represent a True Personal Calling and Is Stated in a Way That Does Not Capture People's Imaginations***

Several years ago, the executives of a company in the Midwest were told that the employees were unclear about what the company's vision was and that maybe the executives should address that issue. The response of all ten top managers was, "We would have a vision if we only followed those ten goals that we decided on at the last planning meeting." When we asked the general manager what those goals were, he looked embarrassed and said, "I can't remember." In fact, none of the other managers could remember any of the ten goals.

This type of situation is more common than might be expected. It exemplifies the inability of many managers to distinguish between a vision that is a personal calling (one that is a force in people's minds and hearts) and a typical vision statement. Many management teams have gone off for a two- or three-day retreat to develop a company vision, mission statement, etc. What often is produced at such meetings is a statement full of apple pie and motherhood, but not something that anyone really believes or can be held accountable to.

For example, the number of CEOs who supposedly had a quasireligious conversion to total quality management (TQM) must be astronomical, but the number of organizations that really practice TQM are few and far between. Sometimes this is a way of saying, "We don't want any real change around here." At other times, it shows that the company is merely being pushed along by the momentum of the marketplace and does not know what it stands for.

Another frequent problem is that an organization tries to focus on too many things. "Our mission statement," one manager said, "was like the omelets that we used to make in college where we dumped every spice from the pantry into the frying pan. It didn't highlight the one or two issues that we were serious about."

The CEO needs to focus on one or two key messages (sales, profits, or whatever) if he or she is going to communicate them effectively. These issues must be urgent and compelling, and there must be an existing readiness to do something about them. The CEO also has to construct his or her message in a way that captures people's imaginations and tells them what actually needs to be done.

An excellent example of this is when President Kennedy said in 1960, "We will put a man on the moon by the end of the decade." This is a lot different from saying, "We will be the leader in space exploration." Yet, this is what many organizational mission statements sound like, i.e., "We will be the leader in customer responsiveness in our

industry.” Such generic statements need to be accompanied by something that tells employees what to work on or customers what to expect. One company had a vision that was expressed as “55555,” but most of its 10,000 employees did not know what the numbers stood for. A large insurance company had an operations plan that said, “We plan to shrink and maintain profits.” Although this made sense in economic terms, in human terms it went over like a lead balloon.

Thus, one of the most important keys to getting a message through is not only to have it be a true calling but also to recognize that language is fundamental. The words chosen need to be precise and effective, both in setting direction and in saying something that people can relate to and find uplifting.

It is also important to surround the message with drama and symbols in a way that gets attention and leaves an indelible impression on people’s minds. A few years back, Sam Walton told his employees that if Wal-Mart’s stock reached a certain number, he would dance the hula on Wall Street. The stock exceeded that number, and Sam kept his promise.

A final key element is the use of stories. These can be an excellent way to communicate the underlying purpose of the organization or to enhance the specific message you are trying to get across. There are incidents of breakthrough, innovation, commitment to quality, or heroic service in every organization that are just waiting to be enshrined in history.

### ***Restraining Factor 3: A Credibility Gap Is Created When the CEO Backs the Message but the Senior Managers Are Viewed with Suspicion Because They Don’t Walk Their Talk***

In many cases, the CEO is authentically committed to a vision and to the substantive changes that will be necessary to realize it, but the executive team that reports to the CEO is not really behind it. Executives may agree in principle to the changes and may say that they are committed to them, but they seem to lack conviction when they deliver the message and they don’t “walk their talk.”

This is a very difficult issue for a CEO to deal with as it is difficult to measure commitment, conviction, and behavior on an absolute scale. The executives in question would probably say that they are committed to the change and they may even be taking some action. Yet the CEO may feel that he or she cannot really count on their support. As time goes by, and projects are delayed, it becomes clear that there is passive resistance to the change.

The situation requires that the CEO really look at himself or herself and the executive team and ask, “What is my driving principle, what is my vision, and what kind of organization do I need to create to realize it?” In many cases, some members of the top management team may just not fit. This does not mean that people do not perform their functional roles well, or that they are not “nice” people, or that they could not make a powerful contribution to another company; it means that they may not be a good match for the particular CEO, his or her vision for the organization, and what he or she wants

to accomplish. Such people will tend to pay lip service to the CEO's message and become nonplayers who clutter up the field.

The solution to this restraining factor is to *get the nonplayers off the field*, to acknowledge what is occurring and ask them to leave. Then replace them with people who fit the CEO's personality, who share his or her vision, and who will actively contribute to building the kind of organization the CEO desires.

Most people do not like to deal with the degree of discomfort involved in firing someone, especially if the person is performing the functional aspects of his or her job. However, in many cases this is exactly what needs to be done—the sooner the better.

There are several other approaches a CEO can take to deal with this situation. The first is to bring up the issues that everyone else is avoiding. For example, although everyone in an organization may agree intellectually that going from a functionally driven to a process-driven organization may be a good idea, when it comes time to actually implementing the change, it means that people have to give up some of their control. It is obvious that a voluntary, emotional commitment to move to this new kind of organization just might not exist. It is the CEO's job to dig below the superficial agreement and explore the issues that are of concern to people, even though it may mean discussing how the change affects people's self-interests. It is important to acknowledge and honor what people may have to give up in order to make the transition to the future.

The goal is to engage in a dialogue, not just to argue for one's point of view, but for the individuals and the group to learn something. For this to happen, everyone needs to stop perceiving opposition as something to crush and begin to embrace it as a necessary part of transformation. Engaging in dialogue, with the assistance of a good facilitator, is an opportunity to reduce friction and gain valuable information that allows people to correct their courses and transform their beliefs.

At some point in the dialogue, it is important that the CEO simply ask for support. A personal appeal that cuts below the intellectual level can be astonishingly powerful. The request for support should be followed by other explicit requests that involve implementing the CEO's strategy.

One way to get the ball rolling is to create a near-term objective based on the issues, making it clear who will do what, by when. By monitoring this tightly, a CEO can do a lot to move people through their personal considerations and push the project along. As actions often speak louder than words, this can go a long way toward closing the credibility gap.

#### ***Restraining Factor 4: The Goals, Objectives, and Reward Systems Are Not Aligned with the Message That the CEO Is Trying to Send***

It has been said that an organization is as powerful as it is in alignment. Alignment is the degree to which an organization functions as a whole. Strategy, structure, systems, goals, plans, and—most importantly—people have to be aligned. A crucial factor is the performance-measurement and reward system. It is the organizational leader's chief

responsibility to create alignment between these critical factors, and this must happen by design rather than by accident.

A recent experience with a Fortune 500 firm illustrates what happens when critical factors are out of alignment. The CEO, at the start of his term, took a stand for two things: total quality and a 30 percent reduction in fixed costs. The CEO went all around the world spreading the message of finding opportunities in change and total quality. Everyone agreed to these goals, but people were expected to achieve them at the same time that they achieved the cost reduction, within one year. Although the total quality initiative would be difficult to implement on its own, the reward system actually worked against it. The performance of the division general managers was measured on sales, profits, and cost reduction. There was no measurement of total quality implementation, and engineers who normally would have been responsible for quality were fired as part of the restructuring process. Thus, when defective products showed up, the order to the distribution center was “ship it.” The CEO had communicated a positive message successfully, yet because the organization was not aligned in terms of goals, performance measures, and rewards, the message produced a great deal of cynicism.

As Paul Allaire, chairman of Xerox has said, “One of the things I learned a long time ago is that if you talk about change and you leave the reward and recognition system exactly the same, nothing changes” (Howard, 1992). People quite rationally say, “I hear what he is saying, but it’s not what I get paid to do or what I get promoted for. So what’s in it for me?” A similar case could be built for any of the other key factors that a CEO must align.

### ***Restraining Factor 5: There Often Is a Massive Amount of Resignation or “Giving Up” in the Organization, Which Makes It Difficult or Impossible to Communicate a New Message***

In the past ten years, organizations have instituted change programs of every conceivable description, including quality circles, restructuring, participative management, reengineering, encouraging team work, interdepartmental cooperation, and highly autonomous profit centers. Yet, in many cases, the more things change, the more they stay the same. Management does not change its ways, the results often are not improvements, and people become cynical and demoralized as a result. This is compounded by the fact that many organizations have a corporate culture and management system that is autocratic, bureaucratic, and deadening to the human spirit, despite what it is called. As one middle manager said, “People feel betrayed by leaders who do not help them realize their goals and by an organization that does not help them realize their potential.”

In most organizations there is a massive amount of resignation that the organization’s leaders are unaware of when they talk about the latest change effort. Ask people about the change and they are likely to respond with, “This place is like a 747 without a pilot”; “This company is focused on turf wars, not on the competition”; “Nothing will change until management changes”; “The last time I tried to make a

constructive suggestion, I was hit in the knees with a lead pipe”; or “TQM is just the ‘flavor of the month’—this, too, shall pass.” When a CEO goes to deliver a message to employees, he or she is walking into a “minefield” that is likely to blow up.

Employees have their own views of the organization, based on their experiences in it. They listen to what the boss has to say through their own filters, which often distort the message. People who are disillusioned tend to collect evidence for their points of view and treat anything else with hostility.

What is needed are not more inspirational appeals, persuasive arguments, facts, or information but for the CEO and other executives to interact with people in a way that alters their underlying assumptions and leaves them open to receiving new messages. Engaging employees in dialogue is an excellent way to do this; the CEO has a chance to deliver his or her message and the employees have an opportunity to express themselves.

The key to the success of such communication is not how well the CEO and executives present their message but how well they listen to the managers and employees. This is often difficult for CEOs who think that their thoughts are more important than anyone else’s, who have built-in prejudices about “marketing” or “manufacturing,” or who feel that other people “just don’t understand.” They need to understand that they are there not only to help people express their concerns and opinions but also to help them shift their underlying points of view. Behind what people are saying are get-out strategies, give-up strategies, or get-up strategies (i.e., promotions). Practice in listening reveals not only what people are saying but the emotions behind it.

If the CEO takes responsibility for how the organization has been in the past (good, bad, or indifferent) and also takes the position that a difference can be made, he or she can break the grip of resignation and stir the human spirit toward action. In this process there is a dance between engaging people in new ideas and listening to what they have to say. Being a committed speaker and listener requires staying at it until there is a shift in attitudes and behavior.

Success breeds resignation, too. Although resignation frequently is a symptom of poor organizational performance, cutbacks, thwarted attempts at positive change, or treating people without respect, there is another variety that is seen in organizations that are fat, dumb, and happy. It often is difficult to get a message through an organization that has been highly successful, as managers point to their outstanding results and say, “We don’t need to change anything.” In reality, these people are resting on their laurels and have “given up” because they do not have any idea how to take the organization to the next level.

### ***Restraining Factor 6: Managers May Talk About Change But Stay in the Comfort Zone***

Many executives paralyze their organizations by being more committed to staying in the comfort zone than they are to implementing change. They often fail to generate

sufficient actions and decisions to create momentum, to make anything happen. The typical scenario is to go through an endless process of consensus testing. This is followed by an interminable phase of planning, analysis, and preparation. Then, when everyone is frustrated and says, “We need to take some action,” the demand for action made is very low (this includes what the executives demand of themselves as well as what they demand of others).

For example, when we asked a general manager of a large European company about the fact that his implementation of manufacturing resource planning (MRPII) was almost a year late, he responded that all of his unit managers were “for the implementation or at least not against it.” When we asked him further what he was doing to create a sense of urgency for the project, he said, “we are taking small steps” and that many of these would lead to the objective.

The small-step approach, which usually follows a path of convoluted, political detours, often results in the manager losing his credibility or the employees losing interest. Instead of the conversation being about what can be done to move the change process forward, it is about whether management really supports it or not.

If an executive wants to get a message through, he or she has to find appropriate ways to bypass office politics, shorten the gearing-up phase by focusing on producing some near-term results, and increase the level of demand made on people. Although people like to stay with what is safe, comfortable, and familiar, they often jump eagerly at the opportunity for a challenge. A breakthrough in organizational excellence is not possible without risk, and people respond to risk with inspiration, commitment, and enthusiasm.

The following ideas may be useful in creating motivation:

*Challenge.* Motivate people by showing that you believe in who they are and what they are capable of: “You are capable of achieving much higher results. I am confident that you can do it. I expect much more from you.”

*Confront with support.* Be clear and specific about what results will be required. Let people know that you are available to support them: “This is exactly what I want you to do. You have two days in which to do it. I’ll be here if you need me.”

*Hold people accountable.* Assess progress in terms of measurable results: “This is what you and your group agreed to be accountable for. The results so far are not meeting that goal. You either have the results or you have the reasons.”

### ***Restraining Factor 7: Leaders Underestimate the Degree of Difficulty Involved in Communicating a New Message and Tend to Give Up Too Soon When Confronted with the Reality of What It Takes***

“But I told them three times!” These were the words of a former CEO who was exasperated that employees had not implemented zero-based budgeting. They had not done it because they did not know what he expected. Several weeks later there was a quotation in *The Wall Street Journal* by Ren MacPherson, former chairman of the Dana Corporation, who said, “By the time I tell them thirty-four times, they start to listen a

little.” These two statements exemplify the discrepancy between the common perception of what it takes to get a message through a large, complex organization and the reality.

Communicating a message that heralds organizational change and demands that people break out of old patterns is not a part-time job but a full-time job. Unfortunately, this does not fit the concept of CEOs and executives who think of themselves as administrators who read reports and hold meetings. There is a slot in most executives’ minds that says, “I am a strategist,” another that says, “I am the guardian of operations,” and another that says, “My job is to keep shareholders happy.” There often is no slot that says, “I am chief communicator.” It is time for CEOs to think of communication as a vehicle of creation and generation. The CEO’s communication is a tool by which he or she creates the future of the organization. Obviously, large-scale change cannot be achieved merely by sending a memo or holding a kickoff meeting. It takes discipline, consistency, and perseverance in communicating the message to all parts of the organization.

A CEO’s job is to speak and listen and then speak and listen again and again, adjusting both until people begin to see things in new ways and act in new ways. This requires drawing out individuals who are intimidated by the CEO’s position and listening to things that help to create a picture of what the organization is really like for the people in it. This type of communication is not a one-time event but a process. The objective is to make the communication exist independently of the CEO—to have it assimilated into the organization, rather than merely implemented when someone is watching because it is mandated.

## **AMPLIFYING FACTORS**

### ***Amplifying Factor 1: All Executive Communication Is Created in Terms of a Context—One That Becomes the Vision, Culture, and Spirit of the Organization***

Max DePree (1989), former Chairman of Herman Miller, says that a leader’s primary responsibility is to define reality. This involves accurately interpreting the business environment, developing the right strategy, and setting limits, but it also involves communicating the governing ideas—the purpose, vision, and values by which people live. It involves using language to create a structure of interpretation for people in the organization that helps them to determine what to consider important, what to work on, and how to interact.

Although they may have had different words for it, the business geniuses of the Twentieth Century, such as Thomas J. Watson, General Johnson, and Walt Disney, realized that the purpose of executive communication is not only being understood, making decisions, and causing action but also creating a context. At IBM the message was “think”; at Johnson and Johnson it was “unfailing responsibility to doctors, nurses, and patients”; at Disney it was “every person is called a guest with a capital G.” The



## **Amplifying Factors**

1. All executive communication is created in terms of a context—one that becomes the vision, culture, and spirit of the organization.
2. The generation of “new” conversations moves people beyond fear and the comfort zone, eliciting their commitment to make a difference, to bring forth a breakthrough.
3. New conversations are based on a big idea that shapes products, services, and organizational processes.
4. When top executives dare to take a stand, their speaking and listening can make a difference.
5. Spearheading a breakthrough creates a structure for fulfillment for the message.
6. An idea picks up force and speed to the extent that it is translated into action.
7. A rigorous, active inquiry into the organization’s issues makes the message sustainable once it is delivered, understood, and acted on.

institutions became great not because their governing ideas were inscribed on bronze plaques or office posters but because their leaders used them to shape, limit, and define every aspect of their organizations.

Although the context of an organization is largely unseen, it is felt and it has a direct impact on innovative ideas, productivity, morale, and profits. When Air Force General Bill Creech arrived at Tactical Air Command (TAC), he found that pilots were complaining about the state of repair of the airplanes and that sorties (the flying of an airplane on a combat mission) were at an all-time low. Instead of indulging in finger pointing and fear tactics, he motivated, celebrated, and virtually canonized the support people in all of his communications. “The airplane is our customer,” he said. He made heroes out of people whose mundane chores contributed to getting the airplanes in the air.

If we liken “context” to a bowl and “content” to what is inside the bowl, many managers tend to concern themselves with rearranging the content—fiddling with the strategy, structure, and systems, as if that were an end in itself. Real leaders recognize that the greatest opportunity to impact their organization is to create a context that becomes the vision, climate, and spirit of the company. As a president of a high-tech company once said, “I’ll tell you how to create a great marketing organization. It has to do with creating an atmosphere in the company where the man or woman on the loading dock decides not to drop the damned box into the back of the truck.”

Although generating a context may seem soft when compared to the yearly plan, budget, and performance reviews, more often than not, it determines whether there will

be hard results. Many managers are not aware of the context they are unconsciously creating through their speaking, listening, and actions. However, an organization always fulfills the context that is created for it, whether it is good, bad, or indifferent. The issue often is how to create a shift in context, given what was created in the past or inherited from a predecessor.

When Jack Welch became CEO of General Electric, he sold off businesses, cut costs to the bone, and fired a lot of people, earning himself the nickname of “Neutron Jack.” In so doing, he created a context in which people headed for shelter and waited for the next bomb to drop. Since that time, he has been trying to create a shift in context to a context of leadership, risk taking, and worker empowerment.

As has been noted previously, creating a shift in context involves speaking and listening with the intention of inspiring and enabling people to see things in a new way. This involves using even routine occasions (frequent, informal, face-to-face communication) to interact with people on issues such as being innovative, creating more cross-functional teamwork, or reducing costs. When a critical mass of people begins to see things in a new way and act in a new way, a shift in context will occur and people, actions, and circumstances will begin to move into alignment with the desired context.

The following can help to create a shift in context that becomes a force field in an organization:

1. Label the existing context (e.g., business as usual).
2. Understand the consequences of the existing context in terms of what it creates.
3. Create a new context consistent with the new vision and desired change.
4. Look for opportunities to get the message through while weaving it into organizational strategies and operating procedures.
5. Take bold and unreasonable action when called for to let people know that the message is serious.

### ***Amplifying Factor 2: The Generation of “New” Conversations Moves People Beyond Fear and the Comfort Zone, Eliciting Their Commitment to Make a Difference, to Bring Forth a Breakthrough***

Executives are often engaged in the work of organizational transformation, setting the strategic vision, establishing the core organizational values, and giving substance to a network of primary beliefs. The single most powerful vehicle through which an executive accomplishes this is language. One of the most powerful factors in being able to shape, limit, and define the future of an organization is through speaking and listening. These two functions are so commonplace, we often fail to recognize how vital they are and how important it is to use them purposefully. As Hegel (1951) once said, “While our speaking and listening are often thought to merely represent things, they are actually like the chisel of the carver, they have the power to free an idea from the general formlessness of the outside and call it forth in reality.”

An organization can be viewed as a network of conversations that shape, limit, and define its strategies, structures, and systems, as well as its assumptions, attitudes, and behaviors. Generating a new conversation involves using the forward force of an idea to introduce a new order, to alter ideas and habits. Before the U.S. Declaration of Independence, human rights as a concept of government did not really exist. Yet the words “all men are created equal and they are endowed by their creator with certain unalienable rights, amongst these life, liberty, and the pursuit of happiness” generated a network of conversations that became a force in people’s minds and hearts, a force that changed half the world. We can see from this example that generating a new conversation is a potent form of action. It may be of much greater significance as a management technology than a staff, plan, or budget, which is what executives usually are focused on.

An executive shapes the organization not just through the formal strategy statement, but through the numerous informal conversations that he or she has with people every day. The idea is to recognize each of these occasions as an opportunity to make a difference, keeping in mind that “as a man speaks, not only is his language in a state of birth, but also the very thing about which he is talking” (Hegel, 1951).

If we look at the organizations that have been most successful in the past decade, their success may be more a function of the ability of their leaders to generate a new conversation than of the traditional things leaders do. Steve Jobs of Apple Computer redefined the marketplace when he made the distinction of “the world’s first intuitive computer.” John Watts of AT&T came up with the idea of the fax machine and transformed business communications. Fred Smith of Federal Express declared that his company would deliver packages within twenty-four hours and brought to mind visions of the Pony Express.

A typical example of an “old” conversation is as follows: Americans are more interested in cars with big fins and pointed taillights than they are in quality or gas mileage. John Pederson, former CEO of the Ford Motor Company, showed that a new conversation can play a vital role in breaking the grip of old paradigms and habits. He spent almost every day for two years preaching that “Quality is Job 1.” This was not just a slogan; it resulted in a whole new mindset—Team Taurus—and dramatically different ways of working at Ford.

Generating a new conversation is difficult and complex, because it is hard for organizations to overcome their histories. Yet, there are some relatively simple things to keep in mind that can help:

*Clarity is power.* The clearer, simpler, and more thought-provoking a message is, the more likely it is that it will get through.

*Dialogue is more effective than monologue.* Asking people what they think involves them. The idea is to interact with people in a way that allows everyone to see something they did not see before.

*Do not indulge in old conversations* about how discouragingly complex the situation is or about how other people and departments have failed.

*Speak and listen from a commitment to enrolling people in new ideas, to empowering and enabling others to forward the action.*

*Use generative language, not “I hope,” “I’ll try,” or “Maybe.” As J.L. Austin (1962) says, leaders must speak in the language of performatives—language that defines what is possible, achievable, and makes something happen.*

### **Old Conversations**

- Obsolete answers to the question “What business are we in?”
- Conversations that reinforce the old paradigm, management system, attitudes, and behaviors.
- Conversations that reinforce old products, product cycles, and marketing strategies.
- Conversations of mere opinion that do not forward the action.
- Conversations that express cynicism based on the past.

### **New Conversations**

- Conversations that set a new direction for the organization and become its vision, climate, and spirit.
- Conversations that provide the answers to what is missing in the organization or marketplace that could make a difference.
- Conversations that introduce new possibilities or create new market niches and powerful new product cycles.
- Conversations that generate a new paradigm, attitudes, and behaviors that forward the action.
- Conversations that leave people feeling inspired and empowered.

A new conversation is generated by certain kinds of language that can be placed in five categories:

*Declarations* declare new possibilities as open. “We declare these truths to be self-evident, that all men are created equal.”

*Commissives* commit the speaker to a future course of action. “We will put a man on the moon by the end of the decade.”

*Expressives* add meaning and emotion to the message and connect with the human part of those to whom you are speaking. “I am very proud of all of you customer-service people and I want to tell you what your success means to me.”

*Assertives* state a belief, without immediate proof or evidence. “We will be number one in our field within five years.”

*Directives* attempt to get the listener to do something. “Please do whatever is necessary to increase the quality of service in your group’s relationship to the customer.”

### ***Amplifying Factor 3: New Conversations Are Based on a Big Idea That Shapes Products, Services, and Organizational Processes***

Dr. Jonas Salk (1981) says, “Ideas are themselves substantive entities which like food, vaccines, and DNA have the power to influence and transform human life.” The ability to get one’s message through is less a function of being a brilliant speaker than of having a bold, inventive, and effective idea that shakes people out of their complacency. A big idea expressed in plain language has communicative power, not only because it catches people by surprise but also because it has the power to change an existing point of view or habit. The appeal of any big idea is that it offers people an exciting new possibility. The personal computer, fax machine, and total quality movement are all examples of this.

The genuinely talented executive is armed with the belief that the bothersome issues and problems of organization can be solved with a big idea—a surprising solution, an idea that can be communicated with simple, stunning imagery and richness of meaning. Yet, all too often, instead of getting to the heart of the problem and searching for an exciting, breakthrough solution, organizational leaders use patent solutions: “hire and fire,” “cut costs to the bone,” or “break the company into autonomous divisions.” Although these may be useful and ultimately necessary, what is required in many cases is a new way of thinking.

The companies that have rocketed to success in recent years were not based on linear, logical, formula thinking but on inquiry into problems, blending together emerging concepts in people’s minds, and coming up with a brilliant flashes of insight. This is how Scott McNeally, CEO of Sun Microsystems, came up with the idea of open systems and created one of the fastest-growing success stories in U.S. industry. This is how Les Wexner came up with the idea of The Gap and The Limited, based on a new kind of marketing and on bringing products from concept to market in one month rather than the traditional six. This is how Nucor Steel got the idea of rolling process mills rather than traditional foundries.

The above breakthroughs were the result of leadership commitment and communication that produced commitment, passion, and zeal from followers. One generates new ideas and new insights by cultivating new ways of thinking and acting. Company leaders have to start to see themselves outside their administrative roles and as sources of creativity and imagination. They can do this in several ways:

1. *By reflection and inquiry.* CEOs are often so busy thinking in terms of organizational politics, the planning process, and budget reviews that they do not nurture the skill of reflection and inquiry. The organization’s greatest problem should be regarded as something to be reflected on and inquired into until a

moment of true insight emerges, not as grist for the mill of standard operating procedures.

2. *By listening to new ideas throughout the organization.* Ideas can come from engaging people in dialogue. The objective of such communication is to stimulate ideas and to learn rather than to win points.
3. *By reading a variety of magazines and books that facilitate a cross-fertilization of ideas.* As advertising genius George Lois (1991), who came up with the idea of “Lean Cuisine,” comments, “I read because I have an insatiable hunger to see, hear, taste, and experience as much stimuli as my mind and body can absorb.” The greatest error that many CEOs make is that they do not read enough. Reading often results in putting one idea together with another over time until a synthesis is created that has breakthrough capacity.

Another thing to keep in mind when thinking in terms of generating a new conversation based on a big, powerful, new idea is the impact of a big idea on how other people speak and listen. People generally have a structure of listening that filters in certain communications and filters out others. Those that are filtered out include politically derived promises and executive communications that talk about change but are really hot air. Those that are accepted include personal communications, opportunities for personal growth or advancement, and big new ideas that solve practical and immediate problems. Communicating effectively includes intentionally designing, packaging, and delivering a message so that it is accepted.

#### ***Amplifying Factor 4: When Top Executives Dare to Take a Stand, Their Speaking and Listening Can Make a Difference***

I am of the impression that nine out of ten cases that I deal with are windbags, who do not speak in a way where they take anything upon themselves. From a human point of view, their ideas and opinions do not move me very profoundly. However, it is immensely moving when a mature man . . . acts by following the ethic of reasonability and somewhere reaches the point where he says here is where I stand; I can do no other.

—Max Weber

No one listens for very long to someone who never takes a stand and who never really takes any actions. It has been said that nothing is as powerful as a good idea whose time has come. Yet what makes an idea’s time come may be the individual who is standing behind it. In many organizations there are lots of ideas, opinions, and experts but few people who are willing to take a risk. Too frequently, organizational life breeds politicians, negotiators, and compromisers. In order to succeed, people accommodate themselves to the need to look good, play it safe, and do whatever the situation demands.

Taking a stand does not mean being a dictator, issuing ultimatums, or banging a shoe on the table. It means speaking, listening, and taking action with the belief that a difference can be made from embracing a possibility. It means living by one’s word

rather than one's desires, moods, and the dictates of circumstance. Once a CEO takes a stand, that stand must be nonnegotiable; the flexibility is not in "what" or "by when," but in "how." Commitments made in this way have a much greater chance of being achieved than do mere hopes, wishes, and dreams.

People who take a stand make a commitment that indicates their vision, goals, and intended course of action; their identity shifts to what they stand for. When we think of Lee Iacocca, Jack Welch, and W. Edwards Deming, we realize that who these men are and what they stand for are inseparable. Leaders who authentically take a stand are believable. Others can say of them, "This person commands my respect." This is a lot different from adopting the latest trend, saying one thing and doing another, or sending conflicting messages.

Taking a stand does not mean becoming rigid and dogmatic. One must be willing to "embrace the enemy"—learning how to speak and listen to people in a way that elicits their voluntary commitment rather than trying to convince them through force of argument or pressure. When this is done, commonplace meetings and routine events take on unexpected potency. One discovers a shift in the way one converses with others and even in the way one "is" in the communication process. Others tend to respond with the same commitment-based, action-oriented, no-nonsense communication. Greater access opens to relationships, accomplishments, and satisfaction.

### ***Amplifying Factor 5: Spearheading a Breakthrough Creates a Structure for Fulfillment for the Message***

For many executives the ability to generate a new conversation is brought forward by emerging issues and opportunities. Thus, the greater the speed with which we create visions, goals, and ideas, the more there is a need to manage our commitments and conversations. The more there is a need to make our dreams come true, the more urgent the need for a structure by which we can accomplish this. A structure for fulfillment gives substance to the possibilities that we have called forth. A leader can use communication to create such a structure for fulfillment. Although people may express genuine understanding of the new message, as well as commitment and a desire for involvement, they may lack a reliable path to accomplish the goals. The structure works like a road map—a route to generating appropriate and effective action.

For example, John Akers got the idea that IBM had become too big and bloated and that it was time to do things in a more entrepreneurial fashion. He asked each of his senior executives to be accountable for a breakthrough goal for IBM and for his or her own area. At the same time, he broke the company into autonomous divisions. He also introduced a market-driven quality program. This became the structure for fulfillment.

Often executives abdicate responsibility for creating a transformative idea and a structure of fulfillment and attempt to use a packaged change program. Executives who adopt management trends such as total quality, participative management, and worker empowerment often come up with general goals such as "excellence through innovation," "continuous improvement in everything we do," or "talk back to the boss."

Employees are expected to translate ideas into concrete actions. Although the intention may be positive, without a common goal, management direction, and real accountability, effort tends to become dispersed. For example, “Everyone in the company was expected to have his or her own total-quality project. The problem was that we had so many projects, the whole effort lost focus, and it was difficult to demonstrate any bottom-line results.”

One approach for getting a message through while creating a structure for fulfillment is to spearhead a breakthrough in an area of the company where accomplishing something significant could provide the opening or opportunity for the whole company to move a huge step forward. A spearhead is pointed and powerful; it is aimed at a leverage point where a small change can radiate throughout the system and make a big difference. The starting point is to look the message that one is trying to communicate and to ask what would be different if it were successful. Is there an area in which spearheading a breakthrough would not only help to get the message across but also act as a catalyst for people to begin to think, plan, and act in a new way?

These additional guidelines may be useful:

1. Enroll the management group in the big idea. If some of them oppose it, embrace their objections as an opportunity to open conversation.
2. Set a breakthrough goal that is based on current resources and authority.
3. Create a set of “mandates” that represent the key issues involved—whatever really needs to be accomplished for the breakthrough goal to be realized.
4. Ask each department or unit manager to sign a contract regarding what he or she will accomplish, with specific, measurable criteria and performance consequences.
5. Immediately start focusing on what can be done right now.

### ***Amplifying Factor 6: An Idea Picks Up Force and Speed to the Extent That It Is Translated into Action***

One of the problems in most organizations is that situations often appear so discouragingly complex that people do not take action. Thus, when the CEO delivers his or her message, people tend to hear it through a number of filters such as, “I’ll do this after it’s clear who is going to be our next CEO,” or “It’s a good idea, but it can’t happen under this organizational structure and without a single sales force,” or “Fine, just give me more people and a bigger budget.” Against this background, it is up to the CEO and the executives to get the message across and to forward the action.

The problem is that people do not act until there is a suitable climate. Creating a climate that calls for action does not start with soul searching or taking an attitude survey. It starts with distinguishing three different kinds of conversations. First are conversations of mere facts and opinion. For the most part, people spend the majority of their time indulging in these conversations. Second, there are conversations of



possibility—those that fuel visions of a new future. Finally, there are conversations of action.

Once the idea and breakthrough goal are set, it is up to the leaders to generate a conversation for action that actually makes something happen. This is not as difficult as it might appear. A key point to deal with is that one has to work with what one has. Generating a conversation for action involves asking people questions such as “What can you do now to get this message across and accomplish something around it, within your present resources and authority?”; “Where can we produce a success in the next three weeks to generate some momentum?”; “What can you do right now to get the ball rolling?”

A structure of fulfillment in line with these questions is the “planned breakthrough project.” This involves working from a breakthrough goal (or major objective). The idea is to create a widening circle of quick successes and a rallying momentum that results in new management confidence and new management skills.

Some criteria for a planned breakthrough project are as follows:

1. Focus on bottom-line results. What is urgent and compelling?
2. Exploit existing readiness. (Don’t try to create new readiness.) What really needs to be done that everybody wants to get on with?
3. Success must be near and clear. The objective of the small breakthrough project is to be accomplished in weeks, not months.
4. Stay within current resources and authority.
5. Build on a widening circle of successes. Initial results create new openings for action.

### ***Amplifying Factor 7: A Rigorous, Active Inquiry into the Organization’s Issues Makes the Message Sustainable Once It Is Delivered, Understood, and Acted On***

There is an old Japanese saying that what has a front has a back, and the bigger the front the bigger the back. This applies to most management nostrums as well as to much of what has been said here. No matter how well something works in the front, there is a back side to it. The difference between a highly effective CEO and a not-so-effective one is that the effective one takes time to think about both the front and the back.

For example, a high-tech company started a reengineering program. The program was so successful that it eliminated many defects, improved work processes, and set higher improvement goals. The back side was that it worked so well that it resulted in over 150 people being let go. The following year, the employees became so frightened of the program that they virtually abandoned everything that had anything to do with it. As a result, the traditional problems between departments appeared again, processes deteriorated, and defects dramatically increased. Before long, the company was in trouble, and its employees were so cynical about what had happened that when management asked for help, the employees basically thumbed their noses.

What this example demonstrates is that for any new message to be introduced to an organization, management needs to consider not just the front but the back that it is likely to create. For a message to have a sustainable impact, it is important that the executives consider what is missing before making promises, implementing changes, or taking actions that may backfire. This is not to suggest that one should shrink from the challenge of creating a better organization; rather, it is to suggest that one of the most overlooked factors in getting a message through so that it is sustainable has to do with rigorous inquiry. A well-designed inquiry allows executives not only to step back and see the big picture but also to see what is missing and to take more powerful action.

Rigorous inquiry has to do not only with getting a message through in the short to midterm future, but also with creating the organization by design, so that strategy is consistent with it, structures are congruent, and systems are aligned. This is not something that can be accomplished tomorrow or next week, but in the next four-to-six months or a year or more. Thinking things through and gathering the necessary insights is a creative process that takes diligence.

One tactic is to assign a team of managers who have strong opinions and are not afraid to express them to look at the organization's current strategies over a period of months and to begin the process of designing the organization around them. This approach gives people the time to come into alignment intellectually about the best way to implement these strategies, as well as to break through the barriers to expressing emotional commitment.

Inquiry must not be casual but must be rigorous, active, and targeted to a specific result. There is a way of inquiring, of asking questions, that is actually empowering with respect to the question—not the power of understanding, but the power of transformation.

## **REFERENCES**

- Austin, J.L. (1962). *How to do things with words*. Boston, MA: Harvard University Press.
- DePree, M. (1989). *Leadership is an art*. New York: Doubleday.
- Hegel, G.W.F. (1969). *Science of logic*. (A.V. Miller, Trans.). Atlantic Highlands, NJ: Humanities.
- Howard, R. (1992, September-October). The CEO as organizational architect: An interview with Xerox's Paul Allaire, *Harvard Business Review*.
- Lois, G. (1991). *What's the big idea?* New York: Doubleday.
- Salk, J. (1981). *World population and human values: A new reality*. New York: Harper & Row.
- Thurow, L. (1992). *Head to head*. New York: Morrow.
- Weber, M. (1967). *Ancient Judaism*. New York: Free Press.

# ■ PUTTING THE MANAGEMENT IN TOTAL QUALITY MANAGEMENT: CREATING A STRATEGIC FRAMEWORK

**Donald T. Simpson**

*Abstract:* The leadership of top management is one of the most important elements in identifying and implementing improvement projects in organizations.

The strategic-framework process begins with identification of the organization's mission and vision, based on customer requirements. Key results areas (KRAs) are identified. Quantitative, data-based key results measures (KRMs) are used to assess how the organization is performing in each KRA, against industry standards and benchmarked goals. Gaps become major improvement opportunities (MIOs). Management assesses MIOs and sets priorities; it then develops improvement strategies. These lead to improvement projects at all levels of the organization. Within each projects at all levels of the organization. Within each project are action plans with improvement activities, all of which are linked back to the KRAs and the organization's mission and vision. The management team must monitor the strategic framework over time, continually evaluating the results of improvement activities against goals and shifting priorities. The process is cyclical.

Total quality management (TQM) is a long-term trend in all types of American organizations. The concepts of total quality have caught on, in spite of cynics, inappropriate applications, and unrealistic expectations.

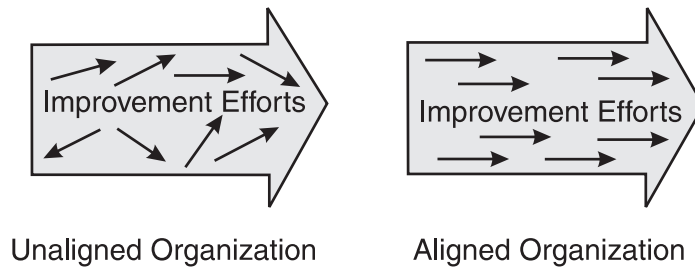
There is one thing total quality is not. It is not an excuse for poor management. In TQM, management is more important than ever. Without management's bold and visible leadership, an organization-wide TQM effort is headed for trouble. Worse, it can be frustrating for employees and dysfunctional for future improvement efforts.

Management leadership is important because activities throughout the organization must be aligned (Figure 1). That is, what anyone and everyone in the organization does must be done toward common goals. If parts of the organization are oriented in different directions, the result will be inefficiency of the system as a whole. The organization itself will become dysfunctional.

It is the responsibility of executive management to set direction, to envision and plan the future of the organization. Of course, managers are no better at predicting the future than anyone else, but through sound planning and forecasting, and with a clear mission and shared vision, what people in the organization do today influences the future.

---

Originally published in *The 1996 Annual: Volume 2, Consulting* by J. William Pfeiffer (Ed.), San Diego, CA: Pfeiffer & Company.



**Figure 1. Alignment**

## **THE STRATEGIC-FRAMEWORK PROCESS**

Creating a strategic framework begins with developing or reviewing the mission and the vision of the organization. Within the scope of the mission and the vision, the management team identifies specific areas in which success is critical to the success of the overall organization (Figure 2). Measurement in each of these key areas tells the team how the organization is doing in each area, compared to a goal, standard, or expectation. From this analysis, the team can identify major improvement opportunities and, then, specific improvement strategies. The strategies, in turn, lead to improvement projects.

Finally, activities of people throughout the organization bring the projects to fruition. Thus, improvement activities are linked to key results areas.

### ***Mission and Vision***

The process starts with the organization's customers—the end users of the organization's products or services. Before developing the strategic framework, the management team must consider its customers' requirements. The team determines the key outputs of the organization.

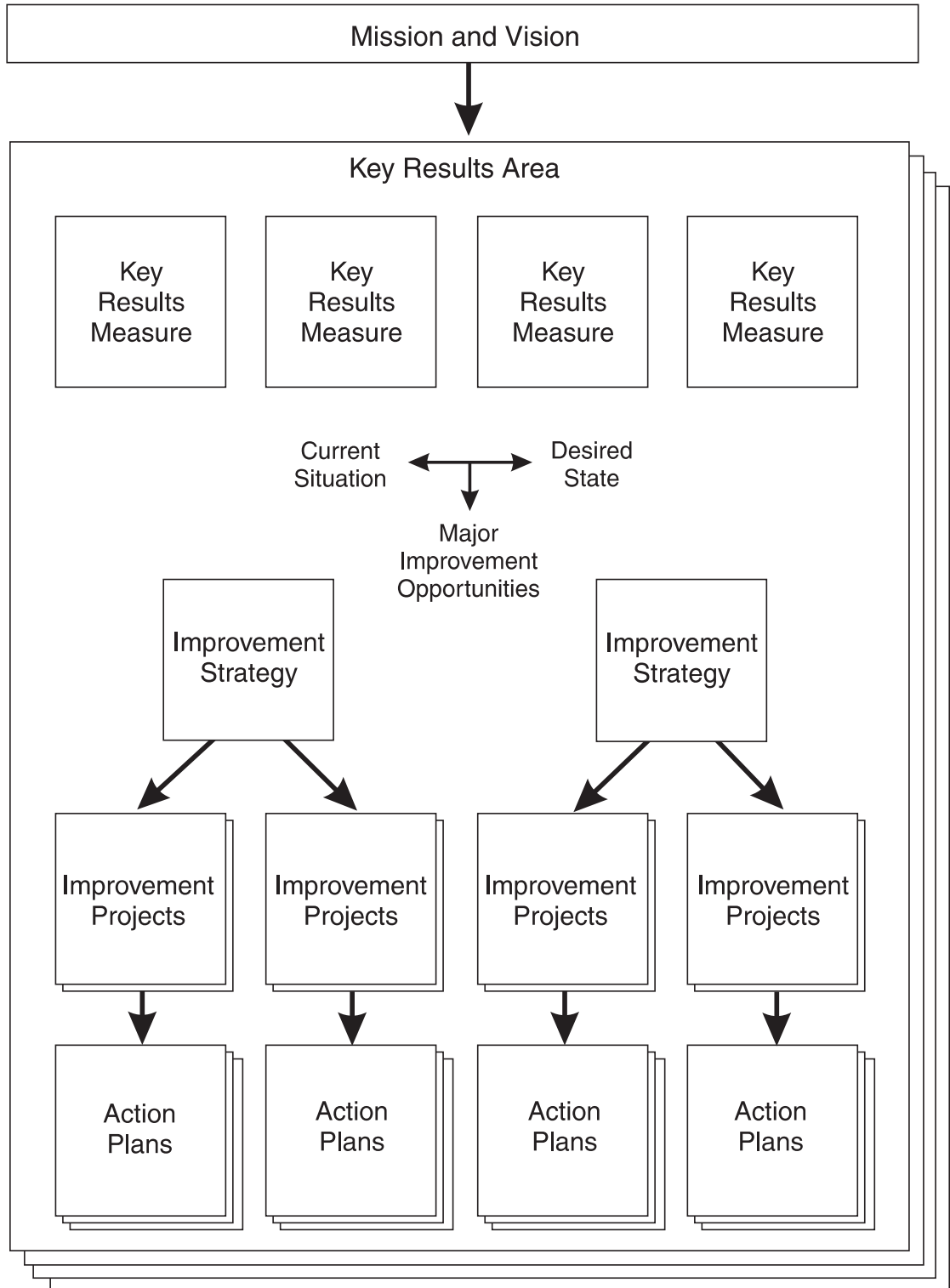
Most managers and consultants are familiar with mission and vision statements.

*Mission.* The mission statement defines the nature of the organization—what business the organization is in—and articulates the organization's purpose—its reason for being. It identifies, in a sentence or two, who, what, why, and for whom the organization exists.

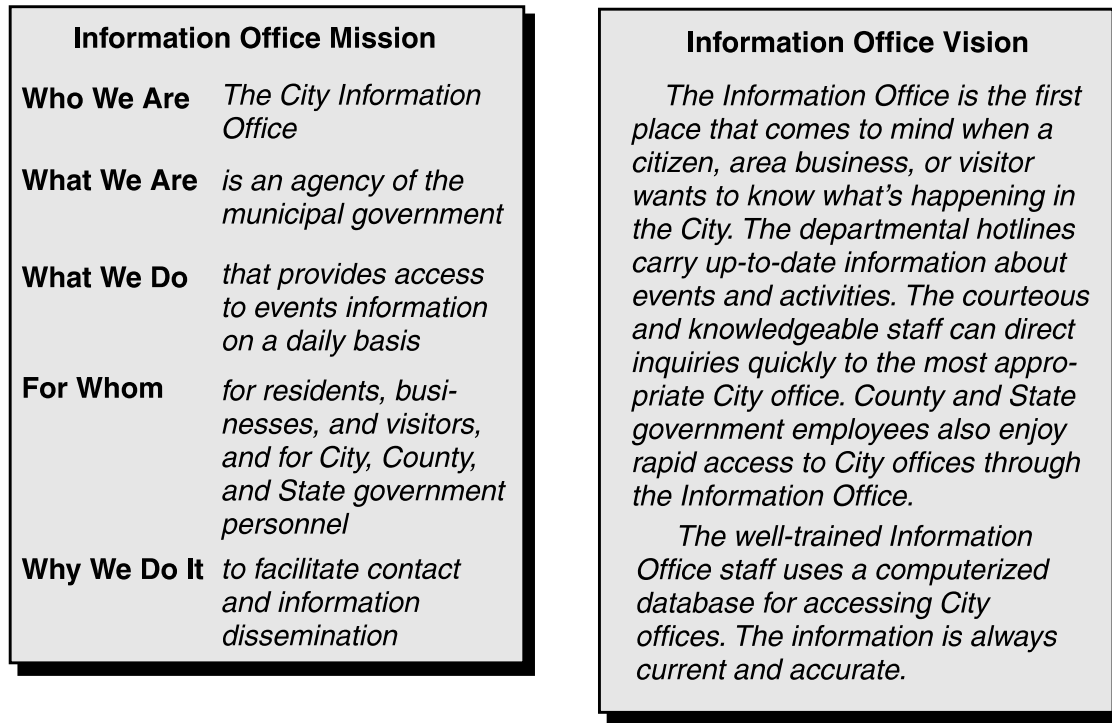
*Vision.* The vision statement, in a few short paragraphs, describes the organization's direction—its desired future state. The vision statement becomes a star to steer by, a force pulling the organization as it undertakes its developmental journey.

The mission and vision must come from the organization's executive leadership. Although input from the ranks is desirable and, in most cases, necessary, top management bears the responsibility for developing the mission and vision (Figure 3).

It is important to note that the mission statement is not the same as a clear sense of mission, nor is the vision statement the same as a commonly held vision. Mission and vision are intangibles; the statements are outward reflections of them.



**Figure 2. Creating the Strategic Framework**



**Figure 3. Example of Mission and Vision Statements**

### **Key Results Areas**

Key results areas (KRAs) are the parts of the organization's work in which success is critical to the organization's overall success. The management team must ask, "In order to perform the mission and move toward the vision, in what areas must we be a success?" It is important that the management team identify results areas, not measures of activities. When the results areas are measured and the results are compared to earlier measurements and a goal, the organization can evaluate its progress and improvement efforts.

Key results areas are logical extensions of the organization's mission and vision. These KRAs originate from considering the outputs of the organization, its customers' requirements, and regulatory concerns. Some typical areas for identifying KRAs include:

- customer satisfaction
- output quality (products and/or services)
- financial viability
- employee development and satisfaction
- safety and environmental concerns

- regulatory compliance
- cycle time
- delivery of products and/or services
- technological development and/or application
- technical expertise
- administration
- community service
- sales and marketing
- productivity
- human resources utilization

The management team lists areas of endeavor, then sets priorities to ensure that it has identified the key areas. In each case, the team makes sure that the area actually is key—that it is linked directly to the mission and vision. Usually the team identifies four to six KRAs (Figure 4).

### ***Key Results Measures***

Key results measures (KRM) permit the management team to measure the organization's performance in each KRA. Within each KRA there are a number of measures (often in terms of ratios, such as sales revenues to cost of production or patient morbidity to total patients). The team selects measures within each KRA that are indicators of performance in that area. The number of KRMs for any KRA varies. Progress in one KRA may be adequately described by a single measure. Another KRA may require two or three KRMs. Normally, six KRMs is a practical limit for any one KRA.

The team employs KRMs in order to determine a base line—how the organization is performing—in each KRA. The team may use subsequent measures to assess improvement efforts or it may compare current performance to a goal or standard.

In identifying or developing KRMs, the management team might consider the following:

*What to measure:* Time, cost, quantity, number of people served, productivity, etc.

*How to measure:* Availability of data, cost of measuring, suitability for dissemination or display, etc.

*When to measure:* Timeliness of data, timeliness of summarized data, etc.

In identifying or developing key results measures, the management team might consider criteria such as the following:

- Is it an accurate measure of performance in the KRA?
- Is it important to the organization?

<b>Key Results Areas</b>	<b>Description</b>	<b>Why Important to the Organization</b>
<i>Information Accuracy</i>	<i>Information disseminated by the hotline or Information Office staff is timely and accurate. Events are described accurately and completely. Names, offices, telephone numbers, and other data are correct and current.</i>	<i>One key reason that the Information Office exists is to disseminate information to the public and to government offices.</i>
<i>Proper Routing</i>	<i>Calls are routed to appropriate office to deal with caller's needs. For multiple referrals, the most urgent (in caller's mind) is routed first.</i>	<i>Callers want to be connected with the appropriate person/office to handle their needs. Properly directed calls avoid frustration of the caller, receiver, and this office.</i>
<i>Timely Routing</i>	<i>Calls are referred and routed while the caller waits. If the intended receiver is unavailable, the next person in line in that office is called.</i>	<i>Avoid caller frustration while forwarding a call. Also avoid tying up Information Office lines.</i>
<i>Data-Based Management</i>	<i>Names, telephones, addresses, etc., of appropriate people in City offices are current and correct. The database is updated regularly.</i>	<i>The database is the source for all our information, hotlines, and referrals.</i>

**Figure 4. Example of Key Results Areas**

- What is the availability of data?
- Is data collection under the control of the team?
- Is the measurement repeatable?
- Is it timely?
- Are the benefits of the measurement worth the cost of making it?
- Is there a balanced set of measures in each KRA?
- Is there a combination of leading, current, and lagging measures?
- Is it meaningful to the people in the organization?

Ideally, measures should be quantitative and data based. Quantitative measures allow ease in collecting and displaying data and aid in interpreting the data. They are



less subject to varied interpretation and disagreement. The measures should be timely, too. A customer satisfaction survey taken annually may be too infrequent for a good KRM. Measures usually include leading measures that predict performance in the KRA, current measures, and lagging measures that summarize performance over a given period of time (Figure 5).

Key Results Areas	Key Results Measures	Unit of Measure	Frequency	Goal/Standard vs. Actual
<i>Information Accuracy</i>	<i>Misdirected calls</i>	<i>Number of calls</i>	<i>Qtr*</i>	<i>0 calls misdirected vs. 14 calls per quarter now</i>
	<i>Inaccurate hotline information</i>	<i>Number of messages</i>	<i>Qtr*</i>	<i>0 inaccurate messages vs. 4 or 5 per quarter now</i>
	<i>Outdated hotline information</i>	<i>Number of messages</i>	<i>Wk</i>	<i>0 outdated messages vs. 2 or 3 per week now</i>
<i>Proper Routing</i>	<i>Misdirected calls or referrals</i>	<i>Number of calls</i>	<i>Qtr*</i>	<i>Fewer than 5 calls misdirected per quarter vs. 14 per quarter now</i>
<i>Timely Routing</i>	<i>Callbacks</i>	<i>Number of calls</i>	<i>Qtr*</i>	<i>Minimize number of callbacks (data not yet available)</i>
		<i>Number of callbacks</i>	<i>Qtr*</i>	<i>Average referral within 2 minutes vs. 4 minutes now</i>
<i>Data-Based Management</i>	<i>Update rate</i>	<i>Period for update</i>	<i>6 Mo.</i>	<i>Database updated weekly vs. semiannually now</i>
<i>*Data collected daily, summarized quarterly</i>				

**Figure 5. Example of Key Results Measures**

### ***Improvement Strategies, Projects, and Action Plans***

Key results measures, when applied in the corresponding key results area, tell the management team how the organization is doing. The question is, “Compared to what?” KRM can indicate progress or lack thereof, but only by having a particular goal will the team be able to effectively assess organizational improvement. The comparison can be made against a recognized industry standard, a team-developed target, or some

benchmarked goal. Well-understood KRAs and KRM are ideal tools for determining what should be benchmarked.

The comparison identifies a gap between the present state and the desired state. That gap is the major improvement opportunity (MIO). The management team compares MIOs and sets priorities. It then develops overall strategies for closing the gaps (Figure 6).

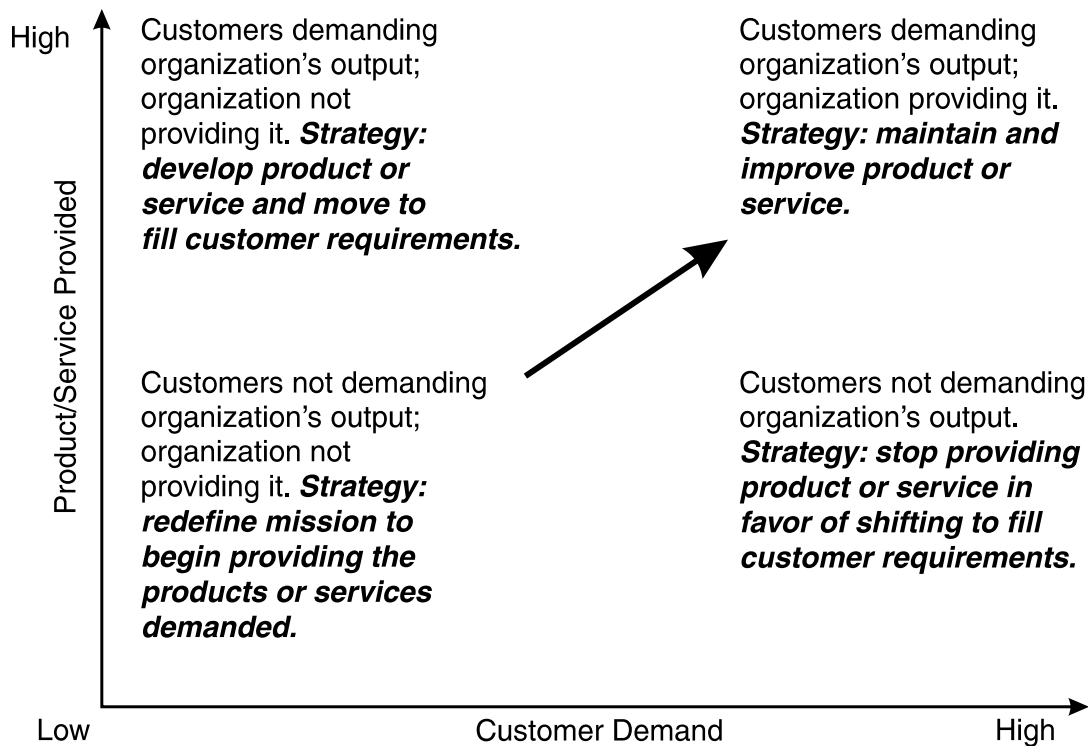


Figure 6. MIO/Strategy Guidelines

The improvement strategies naturally result in improvement projects. Within each improvement project are action plans with improvement activities, all linked back to the key results areas and, in turn, to the mission and vision (Figure 7).

After developing improvement strategies, the management team begins to cascade the strategic-framework process into the organization. Department managers and their staffs become involved in identifying improvement projects in their areas of responsibility. Often this process extends to the lowest levels of the organization. Those closest to the work are important sources of ideas for improvement projects.

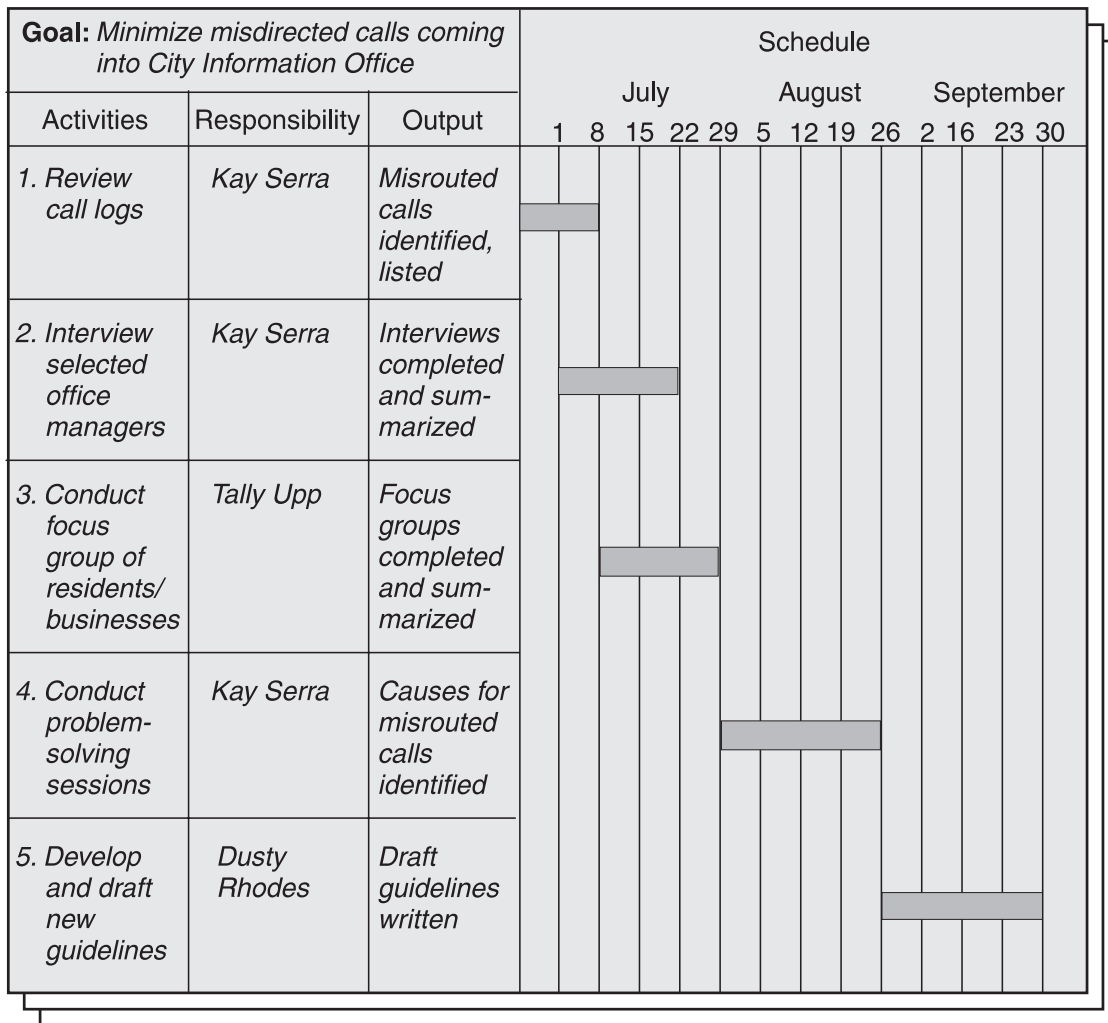
Improvement projects consist of various activities. These activities are arranged in sequence, and responsibilities are assigned, resources are identified, and schedules are developed. The sum of these is an action plan. Within the action plan, the actual improvement work is accomplished (Figure 8).

<b>Key Results Area</b>  <i>Proper Routing</i>	<b>Key Results Measures</b>  <i>Number of misdirected calls or referrals</i>	<b>Empowerment</b>  <i>Sponsor: Manager, City Information Office. Improvement team has complete authority to alter procedures for determining caller's needs and identifying appropriate City office to handle the call. Estimate 2-4 hr/wk for 8 wks. Must coordinate with improvement teams in other areas through Manager, City Information Office. Status reports weekly.</i>
<b>Strategy</b>  <i>Analyze reasons for misdirected calls. Review procedures. Develop checklist/guidelines for determining caller's needs and identifying appropriate office.</i>		
<b>Project Description</b>  <i>Team Outputs:</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> <i>Guidelines for assessing caller's need</i></li> <li><input type="checkbox"/> <i>Descriptions of City offices' functions</i></li> <li><input type="checkbox"/> <i>Solution strategy creative, innovative, breakthrough</i></li> <li><input type="checkbox"/> <i>Implementation plan with cost/benefit analysis</i></li> <li><input type="checkbox"/> <i>Appropriate contingency plans and risk analysis</i></li> </ul> <i>Solution Requirements:</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> <i>No significant increase in office space or equipment</i></li> <li><input type="checkbox"/> <i>No increase in staff</i></li> <li><input type="checkbox"/> <i>Target: Less than 5 inappropriate routings/quarter</i></li> <li><input type="checkbox"/> <i>Implement by third quarter this year</i></li> <li><input type="checkbox"/> <i>Stay within budget</i></li> </ul>		<b>Initial Team Composition</b>  <i>Info Office—</i> <i>Kay Serra (Team Leader)</i> <i>Mayor's Office—</i> <i>Dusty Rhodes</i> <i>MIS—</i> <i>Tally M. Upp</i> <i>City Engineer's Office—</i> <i>Carrie A. Slipstick</i> <i>Special Projects—</i> <i>Maggie May (Facilitator)</i>

**Figure 7. Example of Project Description**

## **MONITORING THE FRAMEWORK**

The intent of a strategic framework is to ensure that quality-improvement efforts are linked to the organizational mission and vision. It is not enough to develop a good strategic framework; the management team must monitor it, continually reviewing and evaluating the results of improvement projects against the goals in each KRA. In time, priorities shift as improvements take hold and are institutionalized. The process is cyclic. Goals are revised, the mission and vision change, the environment changes, and organizational priorities change. Only a systemic, real-time process can provide the tracking and linkages necessary for effective management of improvement.



**Figure 8. Example of Action Plan**

Top management holds review meetings periodically (e.g., quarterly), during which the strategic framework and status of projects are reviewed. Reviews of action plans take place at lower levels at critical points in the plan.

### **STRATEGIC-FRAMEWORK DOCUMENT**

The strategic-framework document summarizes the work of the management team and enables the team to monitor the activities of the various project teams. The document is made available to the project teams in order to ensure that they can link their activities with the strategic intent. Typically, the strategic-framework document includes:

- The organization’s mission and vision statements,
- A list of key customers and their requirements,
- Key results areas (often with a statement of their importance to the organization),

- The key results measures for each KRA,
- An assessment against identified targets (often benchmarked) or expectations,
- A description of major improvement opportunities resulting from the assessment,
- Improvement projects, identified with department managers,
- Action-team assignments and charters.

And, as the projects are undertaken:

- Status reports and updates on action teams' work, and
- Provisions for reassessing the organization and updating the strategic framework.

## **CONCLUSION**

The strategic-framework process ensures that activities in the organization are linked to strategic intent. The direction and vision must come from the organizational leadership—the management team. Management, as it models the process and its commitment to continuous improvement, disperses its influence throughout the organization.

## ■ STRATEGIC CONVICTION

**David Nicoll**

*Abstract:* Conviction is an essential quality of key executives, organizational decision makers, and organizational teams. It provides the basis for direction and alignment in implementing organizational strategy. Most people agree that conviction is a feeling, but there are two distinct ways of describing it. There also appear to be five basic routines that people use to gain conviction. This article describes these very different routines and presents a means by which executive teams can identify their members' routines and take steps to generate the conviction necessary for alignment of strategic goals.

### **INTRODUCTION**

Conviction is an essential quality in executives who are responsible for implementing their organizations' business strategies. Conviction is a bit like the wings of an eagle; the bird needs them to be operative when it launches itself into the air for a kill. Midair is a bad place to be if one does not have the necessary attributes. Key executives must believe that what they are driving their organizations to do is on target. They are betting their own careers and the success of their organizations on their convictions.

How do people determine what is "true?" What kinds of experience convince us that we are right? What does being absolutely convinced of something feel like? These are important questions for the strategist (Eisner, 1985).

Most people use a combination of available information and "gut feelings" when they are making decisions. Unfortunately, chief executive officers of organizations also often do this but, in their case, there may be a lot more at stake. Most corporate executives have not studied the issue of conviction. They rely on a very common assumption—which is always wrong—that when a member of the executive team verbally supports a strategy, he or she is convinced that the strategy is the best approach. This assumption is a major factor in the failure of most corporations to implement their strategies.

Despite this pattern, conviction is a very important part of the strategy process. It is part of what allows good leaders to become and stay focused. It is the foundation of the courage they display in making difficult competitive decisions. It is the base on which they form the organizational alignments necessary to make their decisions work. Conviction is the glue that holds executive teams together under difficult circumstances. It implicitly guides their day-to-day actions. Have conviction and you have a compass. Lose it, and you lose your way. It is that simple.

---

Originally published in *The 1997 Annual: Volume 1, Training*, San Francisco, CA: Jossey-Bass/Pfeiffer.

## **HOW PEOPLE EXPERIENCE CONVICTION**

Most people experience conviction in a similar way: they feel it. Individuals may use different routines to convince themselves of something, but the feeling they get from their efforts is the same. Some people report feeling “good.” Others say they feel “solid.” Still others say they are “comfortable.” However it is described, conviction is grounded in a positive feeling. When you are convinced of something, your “gut” knows that you are right.

It also is relevant to point out that people describe at least two forms of conviction (Belenky, Clinchy, Goldberger, & Tarule, 1986). One group describes conviction as “understanding”; the other group calls it “knowledge.”

### ***Understanding***

Those people who equate conviction with understanding are saying that in order to become convinced of something, they have to develop a familiarity with it. They have to get close to it and intimate with it. In some instances, they suggest that they have to become part of it or have it become part of them. For these people, conviction is synonymous with closeness and familiarity.

### ***Knowledge***

Other people equate conviction with knowledge. They say that they have to generate a sense of mastery over the subject at hand in order to become convinced. They have to separate themselves from the issue—get some distance from it—in order to know that they are right. For them, conviction is a matter of knowing, and knowledge involves the ability to distance themselves in order to gain perspective.

## **FIVE ROUTINES THAT CREATE CONVICTION**

Little is known about how people become convinced of something. Some published research and a little anecdotal wisdom describe the steps and procedures used. What is available suggests that people use at least five different “routines” to produce the internal experience of conviction for themselves (Lazear, 1991). These are as follows (Belenky et al., 1986):

- Authoritative validation
- Experiential immersion
- Adversarial debate
- Collegial dialogue
- Trail blazing

## ***Authoritative Validation***

People who use this routine become convinced when someone whom they respect as an authority agrees with them that something is necessary or correct. These people, to become convinced, need to listen to the voice of a respected other. In a sense, they are “received knowers.”

People who use this routine typically believe that truth and reality are external and objective to them. They see truth and reality as concrete and fixed. Knowledge of “what is” exists and is to be discovered. It is not constructed or enacted. People who become convinced of something through authoritative validation do not believe in “situational” ethics; they need to “know” before they act.

Consequently, they must gain knowledge from the “right source” in order to become convinced. They look outward for the truth. The validating process typically happens at the end of some extensive preparatory work. At this point, conviction comes as a punctuation mark—a period provided by an external expert who reinforces what the person already has come to believe.

## ***Experiential Immersion***

People who use this routine become convinced through direct experience. They need to get their hands dirty, to become deeply and personally involved in the issue. They learn by doing; they become convinced by immersion. For them, conviction comes only from personal experience.

This routine, in contrast to the previous one, is an internal, intrapsychic experience. No one else is allowed into the experience. External sources are discounted and invalidated. To become convinced of something, these people have to prove it to themselves. They must have inner knowing. If you ask such people how they know something, they say, “I don’t know how, I just know.”

Experiential knowers typically believe that truth and reality are neither absolute nor external. For them, truth is a matter of personal opinion; it is subjective. Their opinions are related to nothing in particular; they are personal issues. Truth is absolute only for the individual. Such people do not believe that they have to accept what others—even “experts”—say. Because they see their convictions as only their opinions, they usually are silent about a particular issue. The more convinced they are that they are right, the more silent they become.

## ***Adversarial Debate***

This routine is simultaneously an internal and an external process. Although the adversarial debate often looks real and serious, the fact is that the person who becomes convinced through adversarial debate is just using the external debate as a mechanism to become convinced that he or she is right in adopting the position that he or she is debating. The literature calls this routine the “doubting game” (Elbow, 1973). As a routine, it is grounded in rational rules and procedures. Regardless of the emotion



displayed, distance is key and objectivity is called for. For the individual who uses this routine, the point is to subtract the emotion from the issue at hand and to step back and rigorously criticize the position that is about to be adopted. The assumption is that if the position about to be adopted can stand up to vigorous criticism, it will suffice in practice.

Adversarial debate requires that one have the ability to use oneself as an instrument of knowledge. For some, winning the debate is the punctuation mark that people who use this process need in order to become convinced. It is as if they are saying to themselves, "If I can persuade others of my point of view, then I must be right."

Other people who use this procedure are doing something quite different. They are using the energy that is created while debating to ignite their internal passions. Quite literally, they are "psyching themselves up."

Still others are using the debate to compare their points of view with other perspectives. It is as if one of the stops that they have to make along their route to personal conviction is to look at the issue from multiple perspectives. Such people often have several debates with different people, or the same debate repeatedly with the same person but using different arguments.

### ***Collegial Dialogue***

This routine of collegial dialogue has the same generic dynamics as the "doubting game." As a conviction routine, it is interactive; the participants are fully engaged in the conversation. Like the adversarial types, the people who use this routine are using the dialogue as a means of convincing themselves. The difference is that they are playing the "believing game" to generate conviction.

This routine, in its deep, procedural structure, is vastly different from the "doubting game." The "doubting game" is conflictual, adversarial, and distant. The "believing game" is just the opposite; it is intimate, empathic, and cooperative (Belenky et al., 1986).

In the believing game, discovering the logic behind the others' ideas is the issue. This requires the ability to use oneself as an instrument of understanding. The people in this dialogue function as helpers, not as opponents. The job of the other persons is to help the talkers to uncover their experiences and then to examine them. In this process, one learns through empathy.

People who use this approach believe that authority and conviction rest in and grow from shared experience. "If we are wrong, we are wrong together. If we are right, we will be right together." Thus, the conversations that form the heart of this routine grow from personal connection. Private conversations cement personal connection, and this connection provides the conviction necessary for action.

### ***Trail Blazing***

People who use this routine as a mechanism for conviction have one central belief as the centerpiece of their philosophy. Truth and reality are social concepts. Both concepts are

constructed and enacted by people in the process of living. Truth and reality are not static, objective, or external. They are created in the doing of something. Truth and reality are things that you and the others with whom you interact look back on. Therefore, conviction does not have as much to do with what they are about to do as it does with what they have just done. In this routine, conviction—although still a “gut feeling”—is more a sense of satisfaction than of rightness.

Although collegial dialogue generates feelings of comfort, trail blazing creates feelings of accomplishment. As a result, trail blazers spend little time looking for or relying on answers of any sort. Experts are of use to them and are used. But, as one trail blazer said, “A good expert is somebody whose answers reflect the complexity I know the situation holds.” Trail blazers use experts to stretch their own perspectives regarding possibilities. They do not look to experts for answers.

Trail blazers see actions as steps based on large elements of faith. They take leaps of faith. Implementation steps, large or small, are taken by them in order to see what will happen. They look back, and their conviction results from a survey of the results.

These people continually nurture their conviction by a survey of the work they have in progress. They need conviction, not in regard to what they are about to do, but in regard to the results they have already achieved and the process in which they are already engaged.

## **PRACTICAL STEPS**

People use the five routines to convince themselves of something. The available research says nothing about what teams that need to conduct a common enterprise can do together to generate the common conviction they need.

Regardless, the issue of strategic conviction is important. Conviction is what allows good leaders to become and stay focused and to display courage. Given this, there are several things senior executives—and the teams of which they are a part—can do to be sure that the conviction on which their success rests is present. These things produce conviction in a remarkably clear and reliable way.

1. The senior executives involved in forming and managing a corporation’s business strategy can benefit from familiarizing themselves with the five routines and identifying their own. It is relatively easy for an individual to identify the style that he or she uses to gain conviction. This does not take long; it merely involves remembering the last time the individual knew that he or she was right when there was a crucial decision to be made. Such memories almost always reflect one of the routines described in this article.
2. The second step is for the individual to spend thirty minutes discussing the conclusions reached as a result of Step 1 with someone who knows the individual well. This should generate support for or disconfirming evidence in relation to the individual’s apparent routine. Honest dialogue about one’s past

behaviors is an invaluable tool for gaining clarity about one's preferred means of gaining conviction.

3. After each individual has completed Steps 1 and 2, the executive team can discuss the subject. Two hours spent reviewing the five routines and the ones the members have identified as their own should provide significant insights.

Some of the questions to be answered during these two hours are as follows:

- How do the individual team members convince themselves of something?
- What support, if any, is necessary for each team member?
- If anyone uses trail blazing, does he or she have enough experience to judge the organization's strategic track record?

Answering these questions helps considerably: at a minimum, it creates tolerance of one another's strategic ambivalence. More importantly, it legitimizes the most cogent of all strategic questions: "Is anyone not absolutely convinced that the strategy we are about to pursue is the right one?"

4. Together, executive team members should work hard to generate understanding and empathy among themselves about the possible differences that exist among them. Serious conflicts break out in relation to the differences in routines. Everyone must be convinced if there is to be alignment of goals. So, if everyone involved needs to get ready in a different way, everyone should be given—in a formal way—the necessary time to prepare. This kind of tolerance is very important.
5. Finally, the executive team should recognize and emphasize the need for joint conviction. In practical terms, it should provide the necessary time and energy within its strategy-formation process to ascertain whether or not everyone on the team is convinced that the strategy in hand is the one on which to bet the business and the members' careers.

## **CONCLUSION**

Strategic conviction is like a radium atom. It has a "half-life"—a time span during which it is at full strength and a specific point in time when its power deteriorates. Strategic conviction evaporates over time. Circumstances change, the executive loses touch with his or her original feelings, or a competitor does something to change the competitive environment (Light & Butterworth, 1992).

One client, after being told about strategic conviction's half-life, yelled at the author, "You've got to be kidding; you mean I've got to go through this exercise more than once?!" This outburst came just after his company's chief competitor had introduced a remarkable new product line and usurped his company's competitive advantage. The response to him was, "Of course; how could you or your staff remain certain in the face of changes like these? You have no choice but to look at your strategy again, to see if you are still convinced that it is strong enough to carry the company."

Strategic conviction does not stay firm or solid; it ebbs and flows, changing with one's perception of the world. It is remarkably responsive to changes in external conditions.

Because strategic conviction is a "gut" feeling, most people are not aware of changes or shifts in their outlooks. They are aware of their intuitive sense on the day that a strategy is finalized. But months, weeks, or even days later, under the press of day-to-day events, the feeling of confidence and well-being will disappear, leaving only traces of the original confidence.

This is why executive strategy has to be reviewed again and again. Each time it is reviewed, the conviction routines of those responsible for creating the strategy need to be reviewed. Experience shows that this is the only way an executive team can keep its intuitive feelings of conviction abreast of the environmental realities in which the organization's strategy is being implemented.

## **REFERENCES**

- Belenky, M.F., Clinchy, B.M., Goldberger, N.R., & Tarule, J.M. (1986). *Women's way of knowing: The development of self, voice and mind*. New York: Basic Books.
- Eisner, E. (Ed.). (1985). *Learning and teaching the ways of knowing*. Chicago: NSSE.
- Elbow, P. (1973). *Writing without teachers*. London: Oxford University Press.
- Lazear, D. (1991). *Seven ways of knowing: Teaching for multiple intelligences*. Palatine, IL: Skylight Publishing.
- Light, P., & Butterworth, G. (1992). *Context and cognition: Ways of learning and knowing*. Hillsdale, NJ: Erlbaum.