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## MAJOR FUNCTIONS AND TOOLS OF MANAGEMENT

Mr. James L. Hayes

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INDUSTRIAL COLLEGE OF THE ARMED FORCES

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# MAJOR FUNCTIONS AND TOOLS OF MANAGEMENT

23 September 1960

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Reporter: Grace R. O'Toole

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Washington 25, D. C.

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**COLONEL HARVEY: Admiral Patrick, Gentlemen:**

Today we begin the Executive Development Section, which is the final portion of the Foundations Unit. Over the next week we will have six lectures on such topics as the major functions of management, individual and group motivations, human relations, communications, decision-making, and the role of the modern executive.

To round out the course there will be several films and the case discussion by a faculty group this afternoon, and four case discussions by you people in your various groups.

Since all students at the Industrial College are executives of one sort or another, and since there are no precise answers to human actions and reactions, in the past these case discussions have proved to be very animated and thought-provoking. I am sure this class will be no exception and that your various seminar rooms will reverberate with stimulating and scintillating dialogue.

To start off the course it is very appropriate that we take an over-general all/look at management--what are the functions, methods, and techniques of modern business managements, what are some of the problems, and what makes for success or failure in this field.

Our speaker this morning is a recognized expert in the management field. He has written lectures and has talked on this subject for a good number of years. In addition to his academic pursuits, he has been a bank director, a director of corporations, and has been active in various civic capacities. I might add that his present position of educational nature probably involves a good deal of practical management. As a further note, our speaker some years ago graduated from the Correspondence Course of this school.

The subject of the lecture this morning is Major Functions and Tools of Management.

It is my pleasure to present for his first lecture at the College Mr. James L. Hayes, the Dean of the School of Business Administration at Duquesne University. Dean Hayes.

DEAN HAYES: Thank you very much, Colonel. Gentlemen: Management has been defined as getting things done through other people. It is a very interesting observation that you certainly can make at this mature point in your life. When you think about the young man who first comes into management and hears a definition that sounds like this—"management is getting things done through other people"—a kingdom--you find that at this particular point in life the device known as delegation comes to its highest point in many careers, because when he gets this kingdom he can quickly sweep down to them all the things he never wanted to do and delegates them quite levelly so that he may

spend the rest of his life as a manager riding his hobby horse. He reaches the height of maturity, however, as a manager when from his efforts the definition changes, and it comes out this way: management is getting things done through other people. It is precisely this point of the realization of responsibility that makes for the mature manager.

I take this as an introduction because I have some rather deep convictions in this area that I would like to leave with you. Some of them are highly controversial, but they give us our three meals a day. So that you don't talk about the Pirates and other such popular subjects. Thinking that in this field we have a very interesting area, I have come to the conclusion that more people know about management than practice it.

It is quite akin to an old story. You remember the bromide that runs around about the young fellow who was enthused about selling encyclopedias on farming. He went up to his first farmer and gave him a spiel. The farmer looked at him and with a wry look said, "Son, I'm already doing that farming half as well as I know how."

I think the world is full of this kind of managers. So, when I talk about tools and techniques, I would like to leave with you a distinct thought this morning that to me the tools and the techniques are not of themselves management, but it is rather the mode of thinking that a mature individual has in realizing his responsibilities that brings about the real manager as against a great host of people who know the techniques.

The manager traditionally has always done five things. They have been variously classified, but they are: Plan, organize, coordinate, motivate, and control. This is almost classical, like land, labor, and capital. So here we have them: Plan, organize, coordinate, motivate, and control. I have a feeling that if we talk about each of these areas very quickly I would set up as my goal to leave you at the end of my assigned period some thoughts that might stimulate the thinking process of management versus techniques carried through.

There is nothing in the training of an engineer, an accountant, an economist, an Army officer, or any of these things that per se makes a good manager. It is unfortunate in our society that the economic reward that comes to many people comes with management. To pick one that I think is far afield, we have the salesman. Say he is a good salesman, what do you do? Raise his quota. All, right, you raise his quota. Now you say he is a fine salesman, so what do you do? Give him a territory.

Suddenly we find that two things have happened. We just lost a good salesman and gained a poor manager. You see, the culmination of good salesmanship is not management, necessarily.

However, to abbreviate this thought, management may inhere in the same person who is a good salesman, a good doctor, a good Army officer. But I do think that in management development we have to come to the point of the supreme sacrifice of management, if we may refer to it that

way, where the individual says to himself, "At this point I am going to be a manager, and I am no longer going to be an engineer, an accountant, an Army officer or these other things." This is a tremendous decision, because it is at this point that the whole course of development changes. The man who wants to hold on to his earlier profession, usually with a thought that he may have to revert to it (this is quite true) invariably will go on in his specialty to the sacrifice of good management.

So I throw this out as a challenge to you: Have you made the decision that you are going to be a manager? This is a tough one, after you have spent your early years boning up on the security of accomplishment in a chosen profession.

So, looking at the five areas, let's see some of the decisions you are faced with. First of all, there's planning. It seems to me that the elements of planning are rather simple, as you think about them. There are three. The first is setting an objective. This I presume most of you understand. I think that an organization ought to know where it wants to be five years from now and ten years from now, not just next week. The importance of setting the objective from the management point of view is not only the accomplishment that you hope for but the psychological direction it gives to the team.

In our home we start out on a Sunday sometimes and get up to a main highway, and then I say to my wife and my two children: "Where

would you like to go?" They don't care. So I turn to the right, and they say, "Ah, what are you going this way for?" Does that ever happen in your family? Notice what has happened. Because we did not set up an objective before we left the garage we created some problems. To me there is a whole host of managers coming out today who are learning problem-solving. But I think it's high time we began to train managers who do not create problems in the first instance.

I am sure you have the experience that I do. A young man comes in to me and says, "Dean, will you let me solve that problem?" I'm not sure he can, but I say, "Give it a try." I say, "Go ahead." And he solves it. He should have been able to solve it. I find he created it.

There is a whole school today of this, where, if you create the problem, you can look better in the solution than you can in normal operation where nothing happens. A manager sometimes develops this climate.

So setting the objective, I think, is a distinctly important element in preventing certain problems from happening. You see our family now stays in the garage until by democratic process my wife determines where we are going. There is a good lesson here. If we delay the decision from the time we leave the garage until we get to the main highway, each person in that car in his or her own mind has set an objective. My daughter says, "I hope he turns to the left and goes through

town so I can see the shops." My son says, "I hope he turns to the right so we will go by the zoo." My wife says, "I hope he just gets us out of town so we can get away from people for a while." Now, when I make the decision there is going to be a morale problem created immediately. There may be one, two, or three who are immediately disappointed. Oh, they are heroic about it. You say, "But not quite as cooperative as if we made the decision in the garage and let them decide whether they were going to be with us or not."

I think this is important. I think it is important in any management team that we make the decision as early as we can as to where we are going, so that people can pretty much decide whether they want to be on the team or not.

This to me is something we don't do well—set up objectives. I have a set of theses here. I think all people hate work. Any time you hear someone say, "Oh, I just love work," I say, "Back up the wagon. You have a real screwball on your hands." Not only that. I think I have struck this point just a little out of focus, but I want you to see it. I also think that we use all the powers that God has given us intelligently to avoid work. We make it sound sensible. For instance, there's the coffee break. Do you really think people need coffee to get through to noon with some level of productivity? I don't. I do think that we reach into psychology to show that productivity will be higher with the coffee break than it will be without it. The man analysis of most of these studies

shows that you start with a choice. Whenever you have a choice you pick the easier one, so then it will come out quite right.

Now, at our level, of course, we don't worry about coffee breaks. We have conferences. It's the same principle. You notice how you have a conference and the little things you do sometimes to stretch it another 15 minutes. You don't know you are doing this, really. I don't either. We say, "Now let's recap to find out where we are before we leave this room." He knows where we are, but it's better than working.

I throw out this point because there are always people who rather seriously agree with this. They are so-called dedicated people--dedicated to disagree, that is. But, frankly, let's look at the other side. The point I am trying to make is that I think people love accomplishment. I think they will go beyond the call of health and duty to accomplish a known task.

What is the difference between accomplishment and work? It's an objective. Any time a subordinate is working for a man and doesn't know what his task will be when he is finished so that he can claim it as his, he is working for you, and the question of productivity immediately enters the picture. But I have never yet seen an occasion when anybody has asked me to take a look at the productivity of an office or a factory or an engineering operation or anything else that I haven't found that you start with management or the setting of objectives. We don't have

enough of this today. It is the mental impact, you see, of what do I have when I am finished. This we are not doing well as managers. We are directing people, but we are not giving them a sense of accomplishment. Therefore we get into all sorts of things.

Accomplishment does another wonderful thing. It makes a distinction between those who can and those who can't. You can't argue with it. If I say I would like to have a task finished so that this will do that by 10:00 o'clock, we can measure. This doesn't mean that I am not willing to accept your excuses as to why you didn't make it. It doesn't mean that I am not willing to give you another man to see if he can't do it in twice the time. This we can do.

This is all human relations, you say. This is all the human relations element and all the charitable relationships which we still may have. The point we have to determine, however, for you and for me is that you didn't make the original goal. This is very essential to this vast area known as management development. There are a lot of managers who take management development courses and they don't develop. Why? Because when they came to the course they didn't think there was anything that they weren't doing, so there was no need for development.

You see when I set an objective and you reach it you rightfully conclude you don't need development for this objective. But, if you fail, you come to the conclusion yourself that you need development. Then management development suddenly becomes meaningful, when you know

where you have failed. It's a short word. You can put ten words around it and sounds more acceptable. But it's the same principle. We have to watch words. We have a way of walking them around today, you know. Someone comes home and says, "Jimmie is careless with the truth." In the old days we used to say, "He lies." You adjust my words as I go along.

That objective measures. Another thing is, when you don't have an objective you instantly get into what I call the well-known rhubarb. What is a rhubarb? It's talking about things which are not pertinent to the fact at hand. For instance: "Joe, you didn't get that job done." Joe says, "Do you realize I am a graduate from Oshkosh, with an M. A.?" This is completely beside the point. It doesn't change the fact that it didn't get accomplished. Maybe the best thing he needs is a course in Latin so that he can go home and read the degree at this point. You do this when you get talking about education: "There's my prior record. Have you looked in the file? Have you seen the experience I have had?" This doesn't change the fact that you didn't accomplish.

You will find that there are a lot of organizations today that are doing a great deal of moving and promoting and rewarding on the basis of a record rather than on the basis of accomplishment. They don't have much choice, because there was no objective to begin with. So they are into the so-called rhubarb.

The other one is activity. We get activity and accomplishment all

mixed up. I remember a man who came to work with me about the same time I started teaching, and a question arose about him. They said they thought he was a fine man and they didn't mind giving him more money. They said, "When the rest of you are quitting at 3 o'clock he stays until 5 o'clock. Holidays he is in there working extra time. Saturdays and Sundays you are liable to see him on his floor at any time." Those of us who knew him knew that he had come without organization. He didn't like to have the supply room down this end so he moved the supply room from this end of the hall to the other end of the hall. Three months later he didn't like it there so he moved it to the middle of the hall. Three months later he moved it from there to where it was first. For 11 years he had been moving the supply room. He was busy as all get out, but not accomplishing very much.

Yet there are people who are rewarded on business rather than on accomplishment. You don't have much choice if you don't have an objective, because you have lost your measuring point. A lot of managers miss this. This is true, you see, right down to the level of the person as well as of the function, the department, the mission of the whole institution.

The second point, I think, in planning, is to set a time-table, again, as a measuring point as well as a coordinating point. Of those who can, there are some who can on time and some who can't on time. The manager who is responsible must know, in order to have a sense of

timing, what these people can accomplish. Another very important aspect of this, in my mind, is that time is money. I used to walk out and look at the campus clock, and on one side of it it said, "Time is money." This is very important in my thinking. But some people today, since we've gone off the hourly or piece plan, have come into the fact that when they are on a salary they have all the time in the world at their disposal. I have never yet seen a task that couldn't be reduced to a cost per hour. Many of us in the professional field I feel are extremely costly. ~~But we try to argue our way out of it.~~ But we try to argue our way out of it.

Let me pick out some people if I may--the engineers. The engineer says you can't rush creativity. You'd be surprised, if you have another engineer over in the wings who can take his job, what you can do to rush creativity. Sure you can rush creativity, if you have an objective, to get creativity out by a certain time. I don't mean that you can come up with fantastic ideas by a given point, but you certainly can help in the coordination of the enterprise by having a time when they must go together, and if you are measuring those who succeed and those who fail in meeting this point you'll be surprised at how efficient people can be in implementing themselves and their thinking to get a result. But very often the manager does not ask for a time element.

When I moved into the home that we first had, there was a beautiful maple tree out in the side yard. My wife said, "I'd like to have a dry wall around that." I said, "It's an excellent idea. I'll find someone

to do it." She said, "I have." I was it. Now, I put in that dry wall. It's a good dry wall. I think it will be there for quite a few years to come. It's a good job of masonry. But that dry wall cost about \$2,000. It took me all one summer and into the fall, and all the following summer to get it done. A skilled craftsman could have done it in a week. You see, the difference between the two of us was that I built in time-wise a cost which I couldn't sell when I moved out of that house.

Now this happens in industry. The managers we have build cost into products. It's absolutely phenomenal. Time is money in the eyes of a good manager.

The third factor in planning that we have to think about is the factor of building in controls at the point of planning. It is unfortunate in the discussion of many management subjects that we are inclined to think of the management cycle as a series of isolated operations. Controls come at the very first point of planning. It's a very important factor, I feel, in morale, and we could spend a day just on this element of control.

For instance, I call you in and I say, "Joe, I would like to have a report by Friday noon on such and such a situation." You say, "O. K. boss." Comes Friday morning, and just to be sure I'll get the report I call up and I say, "Joe, will I get that report by noon?" You say, "Of course you will." I say, "All right. I was just wondering." I hang

up the telephone. Joe says, "What's wrong with him? Doesn't he trust me? Are we getting a spy system around here?" Even if he says nothing there's a little bit of a let-down. He thinks I doubt him because I call ahead of time.

Many people will call this control, and it truly is. Let's change the situation. Suppose that at the point that I ask for the report when I call Joe in I say, "Joe, may I have a report on such and such a situation by Friday noon?" He says, "Of course." I say, "Would you mind if I call you Friday morning to see if you are going to have it, so that I can sort of plan my day?" He says, "No. Go right ahead." Now when I call him Friday morning I wonder if you see the difference in his morale and his reaction. He expects the call.

Many managers miss this little fine point of giving the man expectations as well as inspections. It is an important point in planning to think ahead of time: "How am I going to control this operation? May I alert the man to it ahead of time?"

A second great area in which we must develop skill as managers is that of organization. Here I believe that today we have as much confusion between techniques on organization as we do in any area I know. I go into many companies and I say, "Are you organized?" They say, "Are we organized? Look at our chart." Now, no one is speaking to anyone else, but they have a chart. Or you go into another one, and this is a very large organization. They say, "Boy, are we organized!

Look at our manual. Boy, are we organized!" I wonder if you see the separation between the technique and organization. I like to parallel this with a cigarette ad: "If you don't have it up here you don't have it." Organization is a mental concept. It's a mental concept.

Let me move over here (to the blackboard) and try to diagram my notion of organization. Let's put you up here. We will say that in your organization you have three people that you have hired or inherited. There's a difference. Management is getting things done through other people. Obviously, the job of the manager is largely management and often some doing. The proportions will change as you move in the organization from the top to the bottom.

If we are organized, it would seem to me that the logic of the situation must be that the effort of A plus the effort of B plus the effort of C equals the doing part of your job. Obviously, if A does not know his job, or if B does not know his job, or if C's job is not clarified, it won't add up.

Yet today we have any number of managers who have other people working for them but they still don't know what they are supposed to get done. I wonder if you see that we are back to the planning phase of what is the objective of this job or task. There are many techniques being used today that help this. There is a chart which tells you what your name is. The lines are the important part of the chart, as you all know. They show the responsibility, the accountability, and the

authority. There is a position description which tells you what your responsibility is. There is a very fine thing which delineates the titles just a bit and it shows what the top manager has in mind as to whose ball park each of the areas goes.

The feature that we are not doing well enough today is that of standards of performance. Standards of performance are statements of the results which will prevail when a job is well done. Since this is difficult, and since it is the risk of the manager--not of the subordinate--we fail to do it.

Now, the strange thing is that at some point or other we always know what we want. If we don't we are not organized. You see, I know that you know what your subordinate is to you. Otherwise the subordinate cannot be right or wrong, because the correctness or the incorrectness of management is in reference to some fixed point. When you bring me your result it must match up in my mind with what I think you've done, and I say it's a good job. If it doesn't match I say it's a bad job. Why don't I tell you what I am matching?

This is not well done at all today--setting standards of performance, which we always know--eventually, not suddenly, but eventually. Otherwise, if we hold the thought in our mind, the risk of the action is in the subordinate's hands. So he goes ahead and does something as he sees it. He brings it to us and then we judge. Does it coincide or doesn't it coincide? In a lot of this he becomes a good subordinate or a bad

subordinate. This I think cheats talent. It is very important in the management process again. This is an area well worth your exploration--standards of performance.

To illustrate it, let's put it down this way. These things that I am putting on the board are simply differentials. They are not quantitative. Here is job A. Here is Job B. Here is job C. Each man has a little different job, but the sum total of these three quantitative concepts must be what you are responsible for in the eyes of your superior. If we then delegate it, quite precisely the risk is it won't add up. I am not saying that you will know every detail. You won't. But, the extent to which you do not know every detail is the risk you are running that you will not be able to give your superior an accomplished task in his mind.

We are not talking too objectively here. We can't. You can be just as fired for not doing the impossible as for not doing the possible. You think about that for a minute. If I have an impossible demand and you don't produce the impossible, I say, "Go. You're fired." Don't get too objective in your thinking about this. There are all the things that we like to be objective about, but what the job is is the organizational mind of the manager.

Looking at these three people, let's say that A is a good man who does his work regularly and turns it out the way we want it. He is one of our choice subordinates. B is a new man. He's just learning

the job. He's not fully accomplished yet. He's asking questions and sometimes getting answers. I say that because I want to follow up on that statement. There is part of the job that is not being done right now. Let's call that X. C is an oldtimer. He never has done his work. The reason he hasn't done it has been very much in the management's hands. For instance, he's the man who plods home every night and he says to his wife, Martha, "I think probably I am doing pretty well over at that installation." She says, "Why?" He says, "Well, I do my work and no one ever says a word." The manager goes home and says to his wife, "Mary, that new fellow I hired is terrible but I just don't know how to approach him." This may go on for weeks. This fellow is building up confidence that he is doing the job and the other fellow is wondering how he can talk to him. After a while this fellow gets a built-in idea that he is doing the job, and suddenly this man says, "You're not doing it." Crisis. And this man is an oldtimer, very often. Sometimes it isn't a matter of weeks but a matter of years. Someone is afraid to talk to him. He says, "Oh, I feel awkward when I evaluate people." Feeling awkward is a normal part of management.

So I feel we have to do these things to let a man know is he doing  
or  
the job/isn't he. We can do this in a kindly sense. So the part he is not getting done is Y. I'd like to tell you one more thing about him. Sometimes we cement him in through rewards. We call him in. We finally have the courage now to evaluate him. We say, "Joe, you are

really not turning out the kind of work we would like to see turned out here. We think you are conscientious. We think you're loyal." We have a few choice other words that are usually on the evaluation sheet. We say, "Now, look. I'm going to give you more money. I'm going to give you a satisfactory rating and more money, but let's see if you can't rev it up a little bit this year." As he drives home, he says, "No sensible man gives you more money if you are not doing the job. I'm afraid to change because maybe I won't get the money next year if I change." He's a believer in the sign, you know--money isn't the most important thing in life, but it's away ahead of whatever is in second place. So he says, "I'm going to keep on until a real crisis develops here because I don't want to endanger my income."

This doesn't always happen, but it frequently happens. We reward a man for nonperformance, and he logically concludes--better than our logic--that he is doing the job because he is being rewarded. Industry is full of these people.

The question I have for you is: Who is doing X and Y? You are, and you love it. You love to go home and say, "I don't know what kind of people they are turning out these days. I don't know how that fellow got that rating." And so on it goes. But secretly you are enjoying it.

Now we are back to the first point I made. It gives you one of the real occasions you have to revert to your original profession. We do it in so many quiet little ways and fail to be managers.

B comes up to you and says, "Boss, I'm facing this situation. I'm wondering what we should do." You say, "Well, I've been at this for about 32 years now, and in the light of my experience (and you remember I had a good job) I think what you ought to do is this." He says, "Thank you very much." He comes back in tomorrow and says, "You know that situation I talked to you about yesterday." You say, "Oh, yes, yes. How did that come out?" He says, "Terrible. It didn't work." Do you notice that B hasn't made a mistake yet?

This is very important, because B will come in to you at the end of the year and say, "Look, boss. Am I in line for more money?" You say, "Well, now, there are some things about your performance that I would like to talk about. There are some things that are not very satisfactory." He says, "For instance?" You say, "Well, I'll give you your money this year." In other words, you are not going to let that subordinate tell you that you made the wrong decisions.

Now keep your eye on B. He's a future manager, because he is truly getting things done through other people. It's pretty surprising how often this happens. There are managers who are very effectively working for the subordinates. In other words we do not use the simple technique of forcing subordinates to bring us in at least recommendations--never a question from a subordinate without a recommendation. It's a fundamental rule. Otherwise you've lost your opportunity to judge their judgment. How can you tell whether a man has good judgment

or bad judgment unless he makes judgments? So the recommendation gives you the opportunity to read judgments, correct the situation if it seems to demand it, or let them execute it with their objective if the situation warrants.

You get a lot of managers who like to solve their problems and as a reversionary feature they want to keep in touch with their former job or profession. There is a surprising number of managers who say, "I don't quite understand this job I am doing, but if it doesn't work out I can always go back to my other job."

These are faults of organization. Another aspect of organization is delegation. We know that the No. 1 reason why many managers fail is lack of ability to delegate. This raises the question: Why don't people delegate well? Now we go back to my original statement that one of the reasons we don't delegate well is because when we are first in the management position we begin to ride hobby horses. The reason we don't delegate well is because we don't know how to control.

The story is told of the woman who didn't want to fly because she was afraid the plane would crash. They said, "Well, Martha, when your time has come your time has come." She said, "Yes, but supposing the pilot's time has come and mine hasn't?" You see, when she was walking she was under her own control. When she was flying she was under a man's control.

This is quite similar to a management job. If I do it myself-- "the way to get a job done is do it yourself"--I'll take full responsibility for everything I do, even failure, because at least I get lead time on an excuse. You recognize this, you see. But how do I get these five men down here to do the doing while I do the managing and somehow be responsible for what they are doing? You see I have lost my lead time at this point. It isn't until they have failed that I suddenly have to wonder how I am going to explain this to the person above me. I have lost control.

One reason we lose control, as far as I can see, is that we are delegating things which we dislike too frequently. If you delegate that which you like and take unto yourself some of the things you dislike of which you are capable you improve your power to control immeasurably.

I have just been made Vice President in charge of sales. They tell me I am going to have a budget. I say, "Sales and budgets. Salesmen have to be free to spend. They have to use their intelligence in spending. You have to spend what you have to spend to make a sale." They say, "You are going to have a budget." So I get under a budget. I say, "All right, now, I'll tell you what I am going to do. 'Joe, you run that budget. You keep your eye on it. I am going out to visit the sales offices.'" I come back in three months and word comes down, "Your sales budget is out of line." I say, "Joe, don't you like it here?" Do you notice the desert island he's on? There are two effects here that have to be noted.

I cannot help him grow because I have no use for budgets. Probably I don't know much about them. I am having a lot of fun, though, doing the thing I have always done--visiting the sales offices, living out of a bag. This is my life.

On the other hand, I am utterly dependent on him, and when he brings his advice up to me, there are days when I wonder if he is taking me for a ride. I am responsible for this man's actions, but I don't understand what he is doing. You see the loss of control in the whole situation. Therefore I fail to delegate a lot of things to him. I create morale problems by going around him, by asking questions which raise other questions in his mind.

Let's change the situation. Presuming now that Joe is a different person, I say, "Well, I'm in charge of sales and they tell me I am going to run on a budget. I think people can learn budgets, so I am going to take this on, and I'll get some staff help and learn something about budgetary operations." "Joe, I want you to get out and visit those sales offices and check in with me each Friday afternoon when you come in." When Joe checks in, do you think I can control Joe? He's in my back yard. I can smell when the thing is going wrong. Joe comes in and I say, "How are things out in Dallas?" He says, "Pretty good." I say, "How are things in the Town and Country Club?" He says, "Good." I say, "Now, look. Keep out of there. Once you get in there you're in for too long. I want you out selling, not eating." You see, he's doing

the things I used to do.

You notice the facility with which I can control him. I don't care about the reports he turns in and the graphs and charts he shows me. I ask questions which dig right through to the facts and find out what I want to know to keep things under control. Suddenly, I've learned budgets and I've learned budgets. It's real blood, but I've learned.

Notice after a few years my value to the enterprise. There are now two things about which I know something. I know something about sales and I know something about budgets. I am ready to grow, to move up. Yet we are losing managers at a fantastic rate in middle management, because they insist on riding hobby horses and not taking on the distasteful tasks of which they are capable in order to prove their power to delegate.

We do this so slyly, you wonder at times. For instance, I find that in regard to the salesman there is my friend in charge of sales, who says, "How are we doing out on the West Coast?" He gets the answer, "Pretty good." He says, "Get the young man on the telephone." He asks the young man, "How's that XYZ order?" The young man says, "Oh, we think we'll close it any day." He says, "Hold it. I'll be out tonight." So he calls down to the Traffic Department to get the plane ticket for the West Coast. He says, "Get me in the Statler out there tonight. Tell me when we are ready to go." The Traffic Department goes into a real flurry getting things going and telling about getting him out to the West Coast. The reason they cooperate so well is that they want to be sure that he

does go. Off he goes. He talks to the young man for a little while when he gets out there and he says, "Let me go out in the morning and tackle this contract." He comes back about noon and throws the contract on the desk, and he says, "There you are." The young man says, "This is marvelous. How did you do it?" He says, "There was nothing to it. I went out and reviewed your proposal, which was practically excellent. I gave them an extra 5 percent and they signed."

Oh, that little extra concession. Why is it that we didn't delegate that? The analysis is rather simple. The Vice President likes to travel. He knows what he is doing. If he really delegated he would have to stay at home and manage. Most of us know the things we like to do and the things we don't like to do. Often this is the reason. Our failure to delegate is in order to retain the position we have had in most of life. Delegation is a great thing. It is a sign of good management.

Then comes the area known as coordination. How do we get departments to work together? Here we are in communications. This is a topic all by itself. I think we have to think a little about communications. The most dangerous years of a man's life are from 18 on. Up until 18 years old we are fairly flexible and overdetailed sometimes in our communications--or it's unimportant. But once we get into a management position we are not acquainted with or don't become aware of the repetitive actions involved. Day after day we are answering the same kinds of situations and solving somewhat the same kinds of problems. And after

a number of years a beginning in our minds concerning the situation is clear. We know that one plus one plus one will equal three. The subordinate doesn't see this so readily. But because the image is so clear we have a deep inclination to just throw out a few words which are supposed to convey the idea that this is it.

I have this illustration. Many of you have seen in. But I still think it brings out my point. I am a man from Mars. I've just arrived on earth. As I stand here amongst you I notice a lot of men reach in their pockets and pull out these little white things. I say, "What's that?" Someone says, "A cigarette." I say, "A cigarette?" You say, "Yes. We smoke them." I say, "Oh?" You say, "Yes, we smoke cigarettes on earth." I say, "Let me have one." So you give me one. I say, "Well, what's the first thing I do? Give me my instructions." You say, "Put it in your mouth." (Puts cigarette in his mouth.) I wonder if you see the point. Here is a clear-cut image in every man's mind in the room. He has seen it thousands of times through repetition. You threw out words by which you honestly meant to convey a clear-cut idea. I did exactly what you told me to do. It was wrong. You have seen it. Now I say, "What do I do?" What do you say? "Put the end in your mouth."

I hope I have proved to you that communicating ideas is not simple. Now, it is complicated endlessly when we cross functions, because there is a functional patois that develops, and we forget that other people aren't

born into this. Therefore we have to explain. We have to allow them to ask questions. The open-door policy in my mind is not a question of whether the door is open or not; it's a question of whether a man can ask a question. The open-door policy is when people ask you questions and get answers, even to the point where you sometimes think they are absolutely without any comprehension. And yet this is part of the coordination feature.

I think that communication is built on a rather interesting bore. I think the keystone, as a matter of fact, to all communication is personal integrity. Today we think that some questions of morality are a little aside from business. I don't think they are, but let's leave it that way. So we revert to a word called ethics. All right. Good. I think that when we begin to double-talk, become casuistic, try to hide in legalisms, but somehow do not get the idea to other people, we have complicated the entire process of communication. If you do not believe me you don't hear what I say. You hear what you think I say, what I usually mean when I use these words, or you even hear things I don't say at all, because historically I will develop a framework of thinking within your mind. It is not the technique, basically. It's a question of whether you are truthful or not. It's a plain-bore, common, down-to-earth truthfulness that is the keystone of communication.

Today we are spending hundreds of thousands of dollars on human relations, employee relations, industrial relations, stockholder

and relations, /all these other kinds of things, and very often it's an attempt to frost over a pretty bad case. We have not told the truth. We have not allowed people to ask questions to clarify the truth. Therefore they don't believe us.

Christmas a year ago came on Thursday. I go in on Thursday and say to my boss, "I understand that because Christmas comes on Thursday we'll have Friday off, so we'll have Thursday, Friday, Saturday, and Sunday--a nice long weekend." He says, "That is true. Put it on the bulletin board. Let's get it on the public-address system. And put a note in the local newspapers so they'll know we're big-time." Can you see some of your employees reading the bulletin board and saying, "I wonder what the angle is. I'll bet they are going to chop it off the Easter vacation." You see, you follow the technique pretty nobly, but there's history back of that. Someone didn't tell the truth.

Then comes the area of motivation. I don't think there is any greater motivator than the element that is known as setting the objective, away back there. To me a man who gets personal satisfaction out of what he does is tremendously motivated to do other things. If you deprive him of the objective you may get into the tinkling symbol class of motivation.

There is a story told in the New Jersey Bell about the man who was accused of using rather foul language. So they sent the personnel manager out. He arrived on the scene just in time to hear the foreman saying,

"Come on, you fellows. Get off your fannies and climb up that pole and string that wire." The manager said, "Boy, this man needs a course in human relations." So they sent him out to school for ten weeks, one hour a week, to take a course in human relations. At the end of this the manager came back out to see how it had affected him. He arrived on the scene just in time to hear the foreman say, "Come on, you fellows. Get off your fannies and climb up that pole and string that wire. By the way, how is your mother?"

I honestly feel that motivation is not this tinkling symbol type of thing. It's a sincere interest in subordinates. You want them to develop. You want them to get things done and you give them something of which they may be proud on accomplishment. There are other things. But it's a broad area of management that I think we have to look at.

Finally comes control. I am shorting these out just a little bit. This is the area of controls. Controls to me are the charts and the graphs and the reports. The fundamental management rule involved, as far as I am concerned, is this: A man will not intentionally fashion the club with which he is to be beaten to death. Too often charts and graphs and this sort of thing are the elements of punishment for subordinates and departments. If you use them in this fashion I have never yet seen a group that could not fashion a better report.

What's wrong with control? When you have a report you have to come to the point where you realize that whatever it says is what you are willing

to face up to. A good report may show you a bad situation. It certainly will show you a bad situation. Yet how many times do we have someone say, "Look, now, these are the facts. If you would like to have me change that around a little bit I can make the report look better." The objective at this point is a good report--not a reflection of the facts. Managers have to be brutal in facing facts even when they are doing well.

Mr. Wilson of General Motors is a man whom I admire a great deal for one saying he had: "If it works it's obsolete." I like that in management. When you are in management you think it's working. Take a look. You need controls at this point, because it could be exactly the point at which you are being lulled into the situation where you are really out of control.

Gentlemen, we have run through these very quickly. We could take a great deal more time, I'm sure, and you are going to, probing each one of these areas. But I have a deep conviction that if we learn to think sensibly and logically in the management situation, learn to plan, to organize, to coordinate, to motivate, and to control, if we can find the real logic in working with people, and love people while we are doing it--this is of the essence in good management--it can be a lot of fun.

women

Just one last story. This is a story of a group of ~~men~~ who used to meet together to play bridge. (And God help the woman who wasn't there. They really tore her apart.) There was one woman, however,

who always had something nice to say about everyone. Finally they said, "Martha, we think that if we talked about the devil you'd have something nice to say about him." She said, "Well, he was once the brightest angel in Heaven, and he certainly is industrious."

You know, I think this is a little bit the attitude, in spite of some of the firm positions I seem to have taken in cutting through the techniques and emphasizing the basic thinking and philosophy of management. I think we have to have this with people. There are no stupid people in the world, only people with various degrees of intelligence. The challenge to the manager, as far as I am concerned, is what he is able to do with these people, not whether he has the right kind of people to do it his way. If we have the right kind of people and if superiors are all logical and if customers behave the way they should, and if Congress is quiet, we won't need as many managers.

Problems are our business. That's why we are trying to learn these techniques, in order to solve the problems of very human beings, as they help us realize our particular mission.

Thank you very much.

**COLONEL HARVEY:** Dean Hayes is ready for your questions.

**QUESTION:** Is the frequent failure of labor-management relations the fault of labor, in your opinion, or the fault of management?

**DEAN HAYES:** Someone has said, you know, that the one flat place in Heaven is going to be when we don't have religion to argue about.

May I answer it this way. I think it is the fault of both. That covers it. Now let me go on from there. I have an opinion that one of the reasons for a great deal of disagreement between management and labor is that, because management did not set objectives for people, and since people so naturally want objectives in order to have pride of accomplishment, the unions bound themselves together and set their own objectives, and now I think management has to accept the union's objectives.

I think that any place where we have a lack of organization the best thing we can do to offset the organized movement, presuming it is not quite as good as a free type of economy--and I am not against unions by quite a bit--is set standards of performance for the management team.

**QUESTION:** What is your recommended method of handling a superior who lacks the technique, and, secondly, a subordinate who lacks the technique?

**DEAN HAYES:** Well, with the superior it's rather simple. You say, "Yes, sir." I am a deep believer that organization by its very nature is not democracy but is an autocracy in which you tolerate as many democratic methods as you can. In other words, there are limits to the democratic process, and I think business or industrial organizations of any sort do not carry out all the elements of a democracy. This does not bar participation. Therefore, when you go upstairs you have the

flow of authority coming through, with responsibility on that man's shoulders, and that's why I say, "Yes, sir." I believe this.

Now, I believe that the great role of management is to do the job that is supposed to be done from his level--or from my level--down. In other words, I am inclined not to worry about the superior in my improvement of management, but to get my job done from my level down.

I don't know whether this has answered the question or not. You don't do very much about the superior. However, let me give him his credit. Looking at superiors generally I am impressed that their methods of management are improved when subordinates act in logical management style and get results. I haven't seen too many superiors who will fly in the face of good management.

Just let me tell you a quick story here which you've no doubt heard, but it illustrates my point of how we, as superiors, sometimes break subordinates. I think this is a point we ought to look at--our subordinate managers. This is the story of the man who came into the hunting lodge in the Midwest, a farmer. They sent him out for the day, and when he returned the master of the lodge said, "Well, how did the dog perform?" He said, "Pretty good." The master said, "Pretty good? Why, that's one of our best dogs." The farmer said, "Well, I don't know. We started out across the field, and that critter had just gone a little way when he stood there and he went just like that (demonstrating pointing). But I

booted him a couple of times and I broke him of that habit."

So I think, to come right to the point of your question, it's this: If the superior lacks integrity then you must do the best you can from your level down in holding integrity with your subordinates. However, the task you are facing is to hold your integrity while holding your loyalty. This is the real problem.

The other side is, if I have a subordinate who lacks integrity, this would be my No. 1 point of development. I would start with coaching and counseling, which I believe is the No. 1 method of development in most industry and most installations and government bureaus, and, if I had to, I would get down to the last method of development, which I am very much in favor of, but which is a little more difficult for you. I believe this.

QUESTION: Sir, I would like to address the question of setting a time schedule. I have often observed that subordinates will become slaves to a time schedule. That is, they will give you an answer, but frequently it will not be either the proper answer or possibly the best answer. I have seen this happen in the aircraft industry quite frequently. They are slaves of the time schedule. How can you get away from this problem?

DEAN HAYES: If I may--as I analyze the problem, the problem isn't the time schedule; it's the objective. I think that setting a time schedule alone will not produce a clear-cut answer or a clear-cut

objective that hasn't been set in the first place. So I would solve it this way: I think a good manager will have fairly clear concepts most of the time, certainly--not all of the time--on what he wants. The problem is one of communicating the objective. Then he tells when he wants it, which is a question of communication, but he uses these points not as drive points--if you don't perform you are out--not at all--but as measuring points of his own management ability--his ability to estimate time, for instance, and to estimate objectives--and his performance points for the subordinate.

This is the philosophy of it. It's setting the objective that is important.

**QUESTION:** Returning to your standards of performance, could you elucidate a little further on this? How do you go about this? Some of these managerial jobs are qualitative rather than quantitative and are rather difficult to reduce to the specifics.

**DEAN HAYES:** They are. There is no question that the higher you go on the ladder the more qualitative a job becomes. For a challenge which we won't have time to discuss here, let me throw this out: In deep analysis you will find that most of your thoughts on quality have quantitative aspects. They are bound in with the happening of an event a certain number of times or with the fact that a certain event does not happen a certain number of times. You make a judgment in your own office that it is a quality performance or it is not. What point did you

pass? If we get three complaints I don't consider it quality. If we get any complaint I don't consider it quality. I just challenge you with this. I am sorry we don't have the time to go into it.

But in setting standards there are three quantitative approaches you can take: What is the positive number of occasions you will let happen or dollars you will let go by or percentages you will tolerate before it is not a standard job? The second point is the zero point. What is it that you do not want to happen at all to create a standard job? The third is the negative aspect: How many times must a thing not happen? This will set your standards.

I can only bear out your comment. It is an extremely difficult task, but it is one of the most rewarding in all of management. Just as an incidental sidelight--we have done it with all our professors. You see, you do have something in your mind. This is the thing you must recognize first. You always have standards. This is not new. You do promote people to "a job." If you don't know what "a job" is, then the problem is a little more fundamental. It isn't a question of standards. It's a question of organization.

Does this give you a lead as to some of the ways in which you can go? It's a topic all unto itself. But it is going to grow fast in the next five years.

**QUESTION:** I have become convinced that women have a great potential. I wonder if you care to comment on the application of these

tools and techniques to motivating the professional, subprofessional, staff assistant, technician type of woman in the average office.

DEAN HAYES: I agree with your preliminary statement, but it may be mostly a reflection of your youth. I find that these principles work just as well amongst women as amongst men. The only thing is that there is a natural difficulty for men in setting objectives and motivating women and women motivating men. As a matter of fact, it is more difficult for any woman to supervise a group of men than it is for any man to supervise a group of women, because our society, quite unfairly, has made the male superior, you see, no matter what his marks were in school.

So I feel they work just as well. Personally I do not feel that the emotional level of women, to take an illustration, is any higher than that of men. I think it's different. Let me start with professional men. One of the strange characteristics I have observed is an area I would like to explore very much, and that is that those of us who have degrees seem to think that by osmosis we pick up all wisdom. This is a real bar in men, and it's not nearly so noticeable in women. They are much more humble with their degrees than are most men.

That's just an observation. I couldn't back it up with facts. If you try to pin me down on it I'll deny it. This is just an observation.

My answer: I think this works just as well amongst women. It's just a little different approach, that's all. The principles are the same.

**QUESTION:** Sir, in government we are faced with the general problem that those job descriptions, A, B, and C, are inclined to become ever inflated, and we are faced with a demonstration of Parkinson's law. What are your suggestions about how we can reverse Parkinson's law?

**DEAN HAYES:** The quick answer, of course, is to get Parkinson to write a new book. If it sells, we've done it. Simply, I say that in government I don't think you have any different problem than you do in industry. I do think that you have developed a block in government, and I say this only because I have had the opportunity, very happily, to work with a number of government agencies. I think we develop a block involving civil service and some of these things. But I have been very aware of the fact that there is a terrific liberalism from the management point of view coming into civil-service operation.

No, 2--I have also observed that certain government agencies seem to be making faster progress than other government agencies in trying to apply many of these rules management-wise, and it doesn't have a conflict.

Now, my observation is that the deepening of these jobs very often is not really a question of deepening the job at all, but from the standpoint of the person executing it it is a deepening, because what he tries to figure out is, "How can I do the things they say this job is supposed to do and hold on to the things I would like to do?" This is one of the

real conflicts in government. It is that we have a lot of people who like to do things, and in addition to that there are things they must do.

If you change people in a job, you often find that the new man doesn't have the same attitude toward the content of the job that the old person had. Why? Because he has never developed any hobby horses.

This may be a little cruel and direct, but it's an outside observation. Don't ever get confused about civil service. Remember I am in an organization. I happen to be in a Catholic organization where I also have something like civil service right over my head, you see. It's run by a group of priests. Now, at least civil service can't read you into Hell.

I only say that because there are many restrictions in industry and in private life, or in a family corporation. They are very much the same kind of restrictions. I just feel that there is too much emphasis in government on the deepening of the job. That's because we have failed to delegate certain portions of it.

In some of your particular instances here you say, "Well, I'd like to have him see my job." Yes. There are exceptions, of course. This is just a broad observation. I am sorry I don't know the particular case, or maybe I could give you a sharper answer on that one.

**QUESTION:** Would you care to address a few comments to the question of delegation and the various degrees thereof, with reference also to the concept of consultative direction?

**DEAN HAYES:** Well, we are liable to be on two parallel tracks-- the question as against the answer. I think you delegate as close to the point of action as you can. This is the first rule. I think the second rule involved here that I would throw out to you is that you may delegate in any way that you wish. Delegation is evidently the giving-away of something that you have by responsibility in the first instance.

There is a side comment I would have to make here that one of the very important aspects of delegation is that the person who accepts the responsibility must accept it in the spirit in which it is given, or there is no true delegation.

Now, very often the so-called consultative type of thing is not true delegation at all. You haven't given anything away. You just ask for opinions or ask for recommendations. This is perfectly all right as long as it is clearly communicated that the final decision is consultative. Take for instance committees, as a good case in point. You delegate something to a committee and all they are going to do is recommend. All right. I think they have to clearly understand that it is only a recommendation.

You know the story of the two business men who were looking at a camel. One said, "Look at that ugly snout, and notice the terrible hump on his back, and the knotty knees, and that awkward-looking neck." The other one said, "Yes. Only a committee could have done this."

This is the way very often things come up when you require action of a committee as against consultation.

Now, I don't know that I am in the back yard of your question. There is something there that didn't communicate through to me. Would you clarify it?

STUDENT: I really had in mind the question of responsibility and authority, and the fact that in some circles it is contended that the manager cannot delegate responsibility but he can assign a duty, or impose a duty, and then delegate authority commensurate with the performance of that duty, but he, himself, retains the responsibility.

DEAN HAYES: This is correct. Let me observe that. Now I know exactly where we are. You can delegate authority. You may not delegate responsibility. Responsibility pyramids. Authority passes. Therefore, when I delegate to a person authority to carry out a task, he becomes responsible for the completion of the task, but I have not lost my responsibility. Therefore you have a pyramiding. You never shed it. You find very often that we do try to shed it through passing the buck, as they call it. This is one of the approaches.

A man comes up to me and says, "Look, How can I get a job done with that group of dodoes you gave me?" The point he has forgotten is that whatever they are, even dodoes, they are all his.

As a matter of fact, in the truest sense of management, I say they are developed dodoes. This often happens. So we do pass authority.

Authority and responsibility, of course, should be commensurate. People say, "Supposing they are not?" Then the answer is it's wrong. It's an easy answer. But good management will always put authority and responsibility hand in hand.

You never lose your responsibility. Responsibility goes right up to the top. This is my fundamental belief when I say that a manager is exercising a kind of autonomy, a kindly kind of autonomy, rather than exercising democracy, because responsibility does not pass. He always retains it.

Now, in answering these questions I naturally have not in my mind precise situations which many of you have in your minds. I hope that you recognize that many of the questions are quick questions which receive quick answers, and they certainly have not been comprehensive, in order to give people opportunities. Maybe some day along the line we will have another chance to visit individually, or if you see me on the street give a yell and I usually can spend some time.

been.

It has/a pleasure being with you. Thank you very much.

**COLONEL HARVEY:** Dean Hayes, on behalf of your audience I would like to express our appreciation for your very fine coverage of many trends and some foibles of management. Thank you very much.

**DEAN HAYES:** Thank you, Colonel.