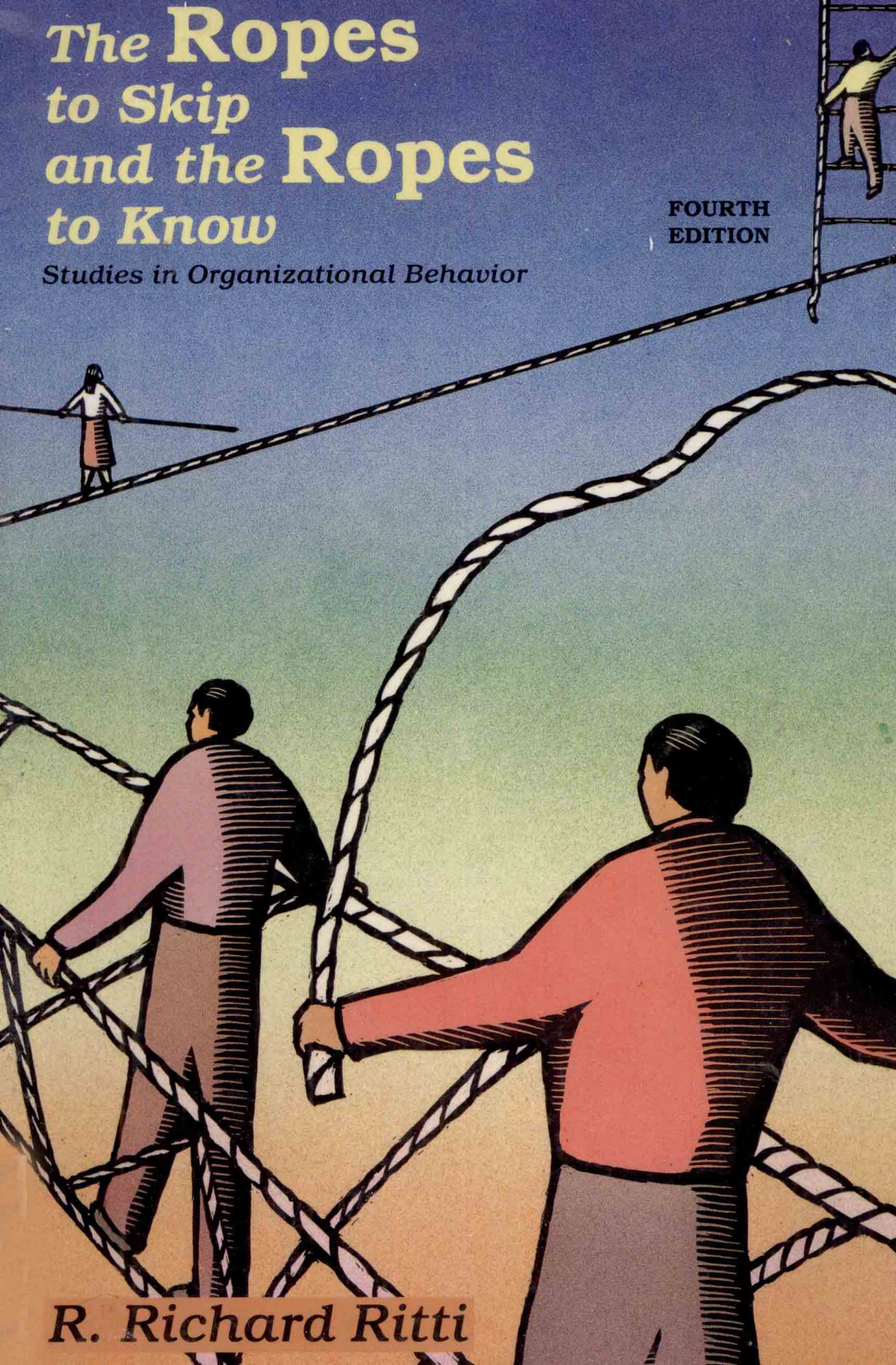


The Ropes to Skip and the Ropes to Know

Studies in Organizational Behavior

FOURTH
EDITION



R. Richard Ritti

THE
ROPES TO SKIP
*Studies in Organizational
Behavior*
AND THE
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TO KNOW
FOURTH EDITION

R. RICHARD RITTI
THE PENNSYLVANIA STATE UNIVERSITY



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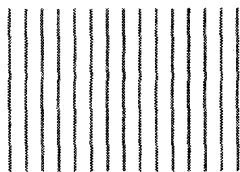
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Foreword

Those of you who read this foreword might be interested to know that this fourth edition of *The Ropes* is being published over 15 years after the appearance of the initial version. What accounts for this longevity? My answer: Students and professors who use *The Ropes* see in it a reflection of their own experience in organizations, and *The Ropes* helps them to learn from those experiences.

And what accounts for this peculiar quality of the book? My answer again: This isn't fiction, these things actually happened. Or, in the words of a well-known humorist—I AM NOT MAKING THIS UP! Now, as you read *The Ropes*, some of you are going to say, "Now wait a minute, you're not trying to tell me that *this* actually happened." My answer: You bet, although I certainly have changed names and venues to protect the innocent (or guilty).

Just pick up any old issue of *The Wall Street Journal*, or some other credible business journal, and direct a critical eye to those little human interest items. You'll be rewarded; count on it. In fact, I have included a baker's dozen of these in this issue. And here . . . here's one hot off the press. Could I have made this up? It's about GM's Purchasing V.P., a Spanish national who is being hired away by Volkswagen AG.

- He sees America as a declining civilization. Too much golf and french fries consumed by executives.
- He has published a booklet for his agents prescribing the proper executive diet for them to follow. Its title? *Feeding the Warrior Spirit*. I AM NOT. . . .
- He's developed a program for cutting purchasing costs—PICOS. What does it stand for? Purchased Input Concept Optimization with Suppliers.

In fact, the executive being portrayed has been judged by results to be extremely effective at his job. "Flamboyant," yes; "fanatic," yes; but also effective. Perhaps his is the only way, it is speculated, to rouse the sleeping giant.¹

My point is that to understand the nature of human organization we need to understand it as just that, human. And this proves not only useful, but interesting.

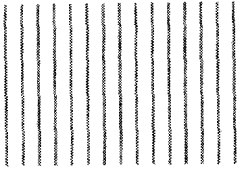
I'd like to take the opportunity now to thank publicly those readers who from time to time send me letters, and even trial episodes for *The Ropes* that they have written from their own experiences. I find these to be enormously gratifying, although I have yet to find a way to weave them into the fabric of *The Ropes*. I also apologize to all for being a lousy correspondent.

Finally, I want once again to acknowledge some people who have been important to me in developing this book. Bill Whyte, my first mentor, taught me the value of clear exposition. I remember—though I am sure he does not—a key incident. I brought him a paper to read, to criticize. A man of few words, he glanced up at me, before reading a word, and asked, "Is this the best you can do?" What he meant was, Don't ask me to do *my best*, if you haven't been willing to do yours. Touché. I'd like to say that I took it back and polished it up a bit. Truth to tell, I don't remember. But the lesson I have never forgotten. Fred Goldner, a long-time colleague with a remarkable ability to perceive the "other side" of organizational life, has been a major contributor to the ideas expressed here. My buddy, Stu Klein, has done invaluable service as a supporter and intellectual policeman. "Listen, Ritti, now you've gone too far. You don't even believe that yourself!"

I would like to express my gratitude to the following reviewers who extended valuable feedback on the previous edition of *The Ropes*, as well as on the manuscript for the new edition: Richard Sebastian, St. Cloud State University; Carol Steinhouse, Indiana University; Ann Copay, University of Illinois; Edward Cahaly, Boston College; Jane Seebler, Oregon State University; Charles Dauds, DePaul University; and Joseph Dobson, Western Illinois University.

To Steve Kerr I owe a debt of thanks that is impossible to repay. As rejection letters piled high, Steve was the only editorial consultant with the courage of conviction to say, "I don't care if there is no apparent market for this manuscript. I like it. Let's publish it." A vote of appreciation is due as well to Ray Funkhouser for his encouragement and participation in the writing of the first edition. The snappy title of this text is his invention.

R. Richard Ritti



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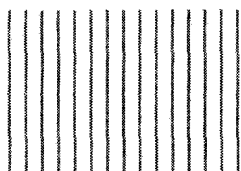
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Prologue

The announcement reads, "Franklyn Named to New Corporate Post." Young men and women—and some not so young—gather around The Company bulletin board to read the details.

The office of the President announced today that Ben W. Franklyn has been named to the newly established office of Corporate Director for Safety Programs. Mr. Franklyn moves from his post as plant manager at Portsmouth.

M. M. Marsh commented personally on this appointment. "Over the years I have seen a growing and essential need for us to develop a comprehensive, hard-hitting approach to safety. In appointing Ben Franklyn to the new post of Corporate Director for Safety Programs, I am giving my personal support to this important effort. Mr. Franklyn's long years of association with every phase of our manufacturing effort make him admirably qualified to drive this important program ahead."

Replacing Mr. Franklyn at Portsmouth will be Edward Wilson Shelby IV. Shelby will hold the position of Acting Plant Manager with specific responsibility for the development of our new Expandrium program. Ted Shelby has been staff assistant to the President, responsible for financial control systems.

The gathering digests this announcement with an assortment of mumbles, grunts of approval, some envy, and some questions.

"But what does *he* know about safety?" one young man asks his companion. "It doesn't seem right to me. With all that responsibility—Corporate Director—you'd think they'd have picked someone with real professional experience. Just doesn't make sense to me."

Over to the side a greying but still youngish man is shaking his head. The greeting tag stuck to his lapel reads, "Hi . . . call me *Stan*."

"Poor Ben," he is thinking, "wonder what he did this time?"

"What do *you* think, Stan?" The young man addresses him in keeping with the tag. "Isn't that a lot of responsibility for somebody without any *real* background?"

"I take it you're new with us, Jimmie?" ("Hi . . . call me *Jimmie*.") "Well, don't worry about it. Mr. Marsh and our other top executives know what they're doing. Do you think they'd be where they are if they didn't?"

Stanley is giving Jimmie a ritual answer, of course. For, in fact, Stanley could tell Jimmie exactly what is happening, but that is not the way the game is played in The Company.

First of all, read that announcement again, carefully. Notice the "named to" instead of "promoted to." Also, it is a "newly established" office. That's significant, too. Why *now*? Surely we haven't just discovered the need.

Now read down a little bit. Ted Shelby is "Acting Plant Manager." You would have thought the communications people would have massaged that one a little more. Of course, it *is* possible that The Company needed a Safety Director so badly that they couldn't wait to find a permanent replacement—but, well, you get a feel for these things. Also, the "specific responsibility for, etc, etc . . ." For that line read, "The new Expandrium program is SNAFU."

Obviously, Shelby is Marsh's hatchet man. Financial control people always are, and Shelby comes right out of Marsh's office. He doesn't know a damn thing about manufacturing and never will—because he's one of the "new breed."

And don't let the Corporate Director business fool you either. Corporate Directors (of given varieties) come and go, but plant managers are crucial—though the ring of the title is not as exotic.

So what Stanley might have told Jimmie is simply this.

"Look, Ben Franklyn has served The Company faithfully and well since he started as a machinist's apprentice at sixteen. He's tough and capable, but the business has passed him by. It looks to me like Ben got into some kind of hassle with the big boys over this new Expandrium line. And when Ben gets it in his head that he's right, he's not about to back off.

"This time Marsh has finally had enough. Ben's about three or four years from retirement, so Marsh is going to ease him out of the way with a face-saving corporate directorship where he can't do any damage. Ben doesn't know a damn thing about anything but manufacturing, so you can't just turn him loose in the china shop.

"But the rest of those poor bastards at Portsmouth are in for real trouble. Marsh wants that Expandrium line on time, and Shelby is out there to wield the axe. In other words, heads will roll. And that's where the acting manager part comes in. You can't go in there and rough up the troops, then expect them to love you. So when the

dirty work is done, Shelby will be lifted. Then a permanent manager will be named to secure the peace."

There you have Stanley's exegesis of a corporate announcement. And I would have to say that he is right on target. Stanley's ability to read the corporate tea leaves is the product of hard-won experience, the experience I am going to relate to you here. For what you are reading is a textbook, a serious text, though it may not appear to be nor read exactly the way you might expect a text to read. Yet, it is nothing less than a text on organizational life. More specifically, it deals with organizations that constitute America's greatest institution—business. It is an instruction manual for the novice, for the junior executive, and for those in the September of their careers. For each there is a different function. The novice learns what to expect, how to interpret the ritual events of this new undertaking. The junior executive finds confirmation of early observations, plus valuable lessons about future activities. And those in the golden years of their careers will find either a comforting affirmation of rightness of thought, or perhaps an unhappy revelation on a fall from grace.

Yet this is a book primarily for the beginner whose career is yet to unfold. With the lessons of these pages, you will quickly understand what is taking place, and you will be able to translate symbol into meaning much as a dream analyst does for a patient. That this is a painless and rather pleasant way to get to "know the ropes" is simply added merit.

OUR CHARACTERS

Inasmuch as this book is a series of allegorical stories and cautionary tales, the cast of characters does not, strictly speaking, constitute a reflection of real life. Our characters are few, and none is truly an individual but a representation of a type. You may occasionally feel the book is disjointed, as when the mail boy in one sequence is a mill hand in the next. But the organizational characteristics of the positions are similar in many ways, as are those of their occupants. So why invent a new character? Put another way, there may be inconsistencies in positions but not in social roles.

Mr. Marsh is the universal executive, the top man in The Company (an allegorical corporation).

Bonnie is our secretary, at once innocent and all-knowing, understanding though not truly conscious of the power of her position.

Our main character is *Stanley*, the universal subordinate. In our opening chapter, he has graduated recently from The University and is just launching his career. Here, we chronicle Stanley's ago-

nies and triumphs as he learns the ropes. Later we will find him at various stages in his development as a corporate employee, never a failure, never outstanding. For Stanley is Everyman, both sinew and fat in the corporate body. You ask, "Stanley who? Doesn't he have a last name?" Answer—no. Stanleys and Bonnies just don't have last names in The Company. Nor does Mr. Marsh have a given name. Nonsense, you say? Well, try this experiment. Pretend you are looking for your mail clerk (who, by the way, may be older than you). Find out the clerk's last name and ask one of your friends, for example, "Say, have you seen Mr. Szekely?" Your friend will look at you blankly. "Who? No one by that name here. Where does he work."

"Mail room," you will say.

He says, "No such one, only Jimmie."

"Yeah," you say, "Jimmie, Jimmie Szekely."

"Well, why didn't you say so?" etc., etc.

Now try the equivalent thing asking about Mr. Marsh.

"Mason been through lately?"

This last exercise will also prove informative and undoubtedly more interesting. Things in The Company are ordered and orderly. We keep track of who's who in small but meaningful ways. And so it is that Mrs. Mason is Mr. Marsh's secretary, and Bonnie is the secretary for Department D.

Lesley is, so to speak, Stanley's twin in The Company. Lesley's main problem in the corporate world is to convince the Shelbys and the Franklyns that she's really serious about her career.

A third Stanley and Lesley counterpart in The Company's management ranks is *Claude*, a graduate of the Polytechnic Institute and one of The Company's first "Equal Opportunity" professional employees. Like Lesley, Claude has certain barriers to overcome as he moves up The Company's career ladder.

The Executives and corporate staff of The Company are in New York, an allegorical city. People in The Company refer to corporate headquarters simply as "New York." And here we find *Edward W. Shelby IV*, our universal staff manager. His intermediate position is indicated by the fact that he has both first and last names. Ted Shelby is there to advise and devise. As far as he is concerned, the key to a successful business is to apply the most modern management techniques. He cannot believe that anyone without an MBA (including, some suspect, even Mr. Marsh) could possibly know anything about running a company.

Out in the Plant (wherever it might happen to be) we find *Ben Franklyn*, the universal line manager, Ted's antithesis in the dialectic of corporate existence. Ben's job is to get things done.

Ben has come up through the ranks and has been with The Company forever. As far as he is concerned, the only important activity in a business is getting the product out the door. He cannot

believe that anybody who has not been a foreman could possibly know anything about running a company—except Mr. Marsh and the “Old Man” (Marsh Senior who gave Ben his first promotion to foreman).

Kerry Drake is Ben’s counterpart in the professional ranks of middle management, running things in design, finance, or production. Kerry’s given name is actually Junius. As a boy he was called Skip, but that didn’t seem appropriate in The Company. And then someone noticed his resemblance in a handsome, prematurely grey way to the comic strip character of the same name, and so he became Kerry to all. He’s been down and up in The Company. Kerry will be a success, but he lacks the single-minded drive, self-interest, and strategic sense to make it to the top. His fundamental qualities are honesty, openness, and loyalty to The Company.

Finally, we have the universal consultant, *Dr. Faust*, chairman of The Department at The University. Faust is called in whenever there is some sort of problem and whenever times are good enough that nobody is watching budgets *that* closely. Occasionally, he will present a seminar or a training session. His major function is to sanctify with the aura of outside expertise that which has already been decided upon by the management of The Company. But make no mistake, Faust knows whereof he speaks. In fact, now and again he finds himself wishing he had the time to set down in writing some of his more “instructive” experiences.

THE FUNDAMENTAL THINGS APPLY . . .

The French have a saying, “The more things change the more they stay the same.” Or, as Sam puts it in *Casablanca*, “The fundamental things apply as time goes by.”

The cause for this reflection is my realization that it has been fifteen years now since the first edition of *The Ropes* appeared. A lot of things have changed, but the fundamental things of human organization have stayed the same. That’s what *The Ropes* is all about: how people interpret symbols, about ritual events, about how people put meaning into events. It’s about socialization and perception, about communication and power. And these things don’t change. So to interpret that title phrase, the more those surface events change, the more we see yet again the play of those fundamental concerns of human organization.

So what are some of those things that *have* changed? Well, for one thing, every few years we seem to discover new technical principles that constitute the current formulae for “how to do it.” A new motivational panacea, a revived form of participative management. We have seen job enrichment, management by objectives, “quality

circles," Japanese management, downsizing, rightsizing. Some of these ideas are ephemeral, metaphorical mayflies of management. Yet others are immortal, resurrected from time to time as suits the need.

THE CHANGING ENVIRONMENT

But looking back over the years, what strikes me most is the different social and economic environments in which the various editions of *The Ropes* have been read. The 1977 edition, being read during the tenure of Jimmy Carter, was the product of the Nixon/Ford years. We had the "gloom and doom" syndrome. The Iranian hostage crisis, "stagflation," and short-term interest rates over twenty percent. (You could look it up!) The symbol of the futility felt during the Carter years was the widely circulated story of how the president had been the victim of an assault by a vicious rabbit—the "attack rabbit."

The second edition came out in the middle of the first Reagan term. Hey, things weren't that great. While we were waiting for supply-side economics to kick in, David Stockman was coming to the realization that the dollars needed to reduce the federal deficit—as promised—weren't going to be found in the likes of the budget for the National Endowment For The Arts. It's worth noting that in mid-1982 the DJIA stood at just about 800! Nonetheless, inflation was being brought under control, "deregulation" was proceeding apace, and things were starting to look up economically.

The third edition arrived in the full flush of what some small-minded souls called the "greed years." Junk bonds were flying, thirty-year-olds were wondering why it was taking so long to make their first million. IBM had reported its best year ever (also a record number of employees). The official line was that this was the work of the supply-side revolution. More orthodox nonbelievers pointed to record military spending and invoked "military Keynesianism" to account for the newfound largess. Oh yes, and the DJIA would shortly reach a level representing a fourfold rise from its second edition level. Finally, 1988 saw the landslide election of George Herbert Walker Bush, pledging "read my lips . . ." Listen, things were GREAT.

As I write this in what is to become the 1994 edition, things are NOT so great. For one thing, the country is spending about half its income simply to finance a humongous hangover from the go-go years. Michael Milkin, he of junk-bond fame, has done some time, as has a kingpin of the Savings and Loan (S&L) scandals. President Bush, held responsible for a protracted economic downturn, took on the Carter patina and was shot down in flames. Meanwhile, an off-again on-again candidate businessman with zero political experience got about 20 percent of the presidential vote. And even though short-term interest rates are less than a fifth of the first edition

record, nobody is taking. IBM is talking for the first time in its history about honest-to-God *layoffs*, and in any event is planning on cutting its work force by 40,000 in this business year. Downsizing with a vengeance is the order of the day.

WELL . . . ?

So what would you have me make of this, you ask? I guess the first thing would be that environments *do* change a lot, and that over the years *The Ropes* has been read in its various editions in a variety of environments, both harsh and beneficent. The contemporary reader might be lead to observe that things will never be the same, but *The Ropes* has a different message: the fundamental things apply.

Here's an illustration. At the opening of the decade of the seventies, business pundits were heralding the arrival of the "new breed" of managers, student radicals from the late sixties and early seventies. They were to put a new face on business, bringing a heretofore absent "social consciousness" to management. And it's true, I have attitude survey data from the Columbia University MBA class of 1970 that would do justice to a cadre of socialist youth. So what did we get? Well, pretty much more of the same.

What's that? Not so fast, you say. What about those things that *are* changing? And isn't it a fundamental principle of open systems that they adapt to changes in their environment?

Granted. But that's not my point. Yes, from a technical/rational perspective we see change, and right now we see a rash of downsizing—ah, I mean rightsizing. But from *The Ropes* perspective, that's just half the story, and not the most interesting half at that. From a cultural/interpretive perspective, we see much *the same* face of organizational behavior acted out on a different stage. That's my point. The symbols may be different, and the rituals may be carried out in a different context, but their meaning is the same. Performance appraisal, for example, may be infused with a new urgency as a rational tool, the technical key for intelligent "rightsizing," but its ritual and ceremonial meaning are utterly unchanged—it's a way of legitimating management use of power. The fundamentals, the constants of organization, are rooted in human culture.

THE PARABLE OF IBM

I can think of no better example than a trio of heretofore outstandingly successful organizations, DEC, IBM, and Wang, which, for very similar reasons, have suffered greatly as this edition goes to press.

Their stories are similar. Organizations with cultures finely tuned to an environment that ceased to exist and a management unable or unwilling to abandon that culture.

Where was the computer industry at the time of the 1977 edition? The above-mentioned three were doing very well. IBM had over three-fourths of the mainframe market and could have had more were it not for anti-trust worries. DEC had the “techie” market, and Wang had a specialty applications business. All systems were completely “proprietary,” customers ran IBM operating systems on IBM hardware, and so forth. What a mainframe should cost was what IBM charged. IBM’s product development was geared to a five-year recovery of investment cycle. Customers would see only incremental improvements in the interim. And given the staggering investment in plant and personnel required, you simply couldn’t go head-to-head with IBM in a business that IBM wanted. From a business perspective, the personal computer was a curiosity, championed by techies and visionaries.

Things hadn’t changed a whole lot when the 1982 edition rolled around. IBM had introduced its PC almost as an afterthought and was amazed by its popularity among business users. Ken Olson of DEC wondered publicly why anyone would want such a thing as a PC. But in its inadvertence, Big Blue had done an unaccustomed thing. The IBM PC had been cobbled together from off-the-shelf components, with published technical specifications (an open, not a proprietary architecture), sporting a crude Disk Operating System patched together by a Seattle computer nerd and entrepreneur, and one of his buddies. Who knew? Anyone who has ever used that first-ever PC can readily understand why it didn’t figure big in IBM’s cosmic scheme of things. The PC didn’t do many things, didn’t do them very fast, and didn’t do them very well. But it was just this rudimentary quality that was like catnip to a budding generation of techies who, for the first time, had *unlimited* access to their very own computer. As we say, the rest is history.

The 1987 *The Ropes* witnessed a sea change in the world of IBM and DEC, but not in their management cultures. “Out there” now were legions of talented PC programmers, producing word-processors, spreadsheets, database managers, everything imaginable, and all with ZERO overhead. Each was looking for their one chance to make it big, and some did. A cottage industry had been born. On the hardware side, reverse engineering had made the PC “clone” a reality. The IBM defacto industry standard was IBM’s no more. IBM tried to recover using its tried and true strategy, a new and thoroughly proprietary PS/2 to be accompanied by OS/2.

Yet from IBM’s perspective, it had just wrapped up its biggest year. Who on the Corporate Management Committee was prepared to listen to a corporate Cassandra foretelling woe and disaster in