

Frank A. Armstrong

MEMOS TO MANAGEMENT



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MEMOS TO MANAGEMENT

*A DECLARATION
OF INDEPENDENCE
FOR PEOPLE IN
BIG BUSINESS*



Frank A. Armstrong



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STEIN AND DAY/Publishers/New York

First published in 1974

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Library of Congress Catalog Card No. 73-92188

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Designed by David Miller

Printed in the United States of America

Stein and Day/Publishers/Scarborough House,

Briarcliff Manor, N.Y. 10510

ISBN 0-8128-1691-9

***To Dorothy, Mark, Christine and
Michael . . . who are my main business.***

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PREFACE



This nation cannot live without big business. Anyone who refuses to recognize that fact is living in a fantasy world. He is looking for a magic potion to reverse his maturity and make him a child again. We must accept the idea of living and working with big and complex organizations which, after all, have made this country what it is today: the most powerful industrial nation in the world.

But big business is presently misusing a great national resource: its most enterprising and energetic people.

This book is for people in big business who want it to continue to make an irreplaceable contribution to American life.

It is also for those people who refuse to join or are about to quit a big business because it no longer offers an opportunity for fulfillment, excitement, and a useful contribution to modern life.

It will describe those aspects of big business

that are demoralizing its best people and tell what can be done to stop this waste of invaluable human potential. It will offer concrete proposals for essential change. Some may at first appear wild-eyed. Others, while desirable, may appear unattainable. But what I offer is the direction and nature of changes that must be made.

The business system in which we live today has become increasingly vulnerable to critics who clamor for the break-up of big business or its regulation by a federal agency. If big business managers do not in the near future implement some of my proposals themselves they will find that the system's hardening arteries and softening underbelly have made it an irresistible target for forces that could destroy it.

Properly armed with the right ideas, all levels of management—young, old, at the top, in the middle—can effect these critical changes. I respectfully submit this book as an arsenal in their battle.

It obviously does not contain all that can or should be done. But after long experience and careful thought, I am confident that what I do propose will work.

I'm in business now, president of Moxie Industries Inc., and have been all my working life. I have worked with hundreds of top and middle management men in a wide variety of industries from pharmaceuticals to comput-

ers, insurance to catering, automotive manufacturing to communications. Because I have not spent my business career with one or two big companies, I am able to step back and give an objective view of big business today. My own company, Moxie, has grown from a small to a medium-sized business, and hopefully will be a big business before too long. For the purpose of this book, my experience is my most important credential.

A list of companies I have learned from:

Allied Chemical
American Home
American Motors
Anchor Hocking
Avon
Brunswick
Buick
Burlington
C.B.S.
Chesebrough-Pond's
Chrysler
Coca-Cola
Colgate
Corn Products
Cowles Communications
Del Monte
Dow Chemical
Du Pont
Flintkote
Ford
GMC Truck
General Foods

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General Mills
Goodyear
Hilton Hotels
Heublein
IBM
I.T.T.
John Hancock
Jonathan Logan
Kinney National Service
L.T.V.
Magnavox
Maytag
Mead
Miles Laboratories
Revlon
Schenley
Scott Paper
Simmons
Sperry Hutchinson
Sun Oil
Milliken
Moxie Industries, Inc.
NCR
Nabisco
National Lead
Owens-Corning Fiberglass
J. C. Penney
Pepsico
Philco
RCA
Standard Oil of Ohio
Standard Oil of New Jersey

**J. P. Stevens
Swift
Time Inc.
Warner-Lambert
Westinghouse**

MEMO 1

BIG BUSINESS: THE GHOST TOWN OF TOMORROW?

Big business is under attack from some very articulate critics, from an ever-growing federal government, from intensifying international competition, and most damagingly, from many management people who want no part of big business as it is operating today.

In recent years, what with Nader, Townsend, Galbraith, and the rise of the ecology movement, it is easy to conclude that because a company is big, it's bad. At the same time, it is obvious to any responsible observer that we can't reverse ourselves: big business is here to stay. After all, big business has been tremendously successful in the last thirty years.

But what about the next thirty years?

I believe there is a critical need to change the way big companies manage people if big business is to continue to thrive. That's what this book is about. And you better believe there is a real problem.

When you see survey figures that indicate

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only twenty-three per cent of college graduates want to work for a big company (in contrast to forty-four per cent of high school graduates) you can believe there is a problem. In fact, at the college level, seventy-one per cent of those students who opt for business careers would rather work for a small company or for themselves than in a big business. This is a complete reversal of the situation in the mid-fifties, when eighty-five per cent of all college graduates opted for a career in big business.

What people want today is a feeling of accomplishment. They also want pleasant working conditions and enjoyable work, but, most important, they want to take pride in what they do. They are not interested in short hours, fancy titles, achieving status, or not working at all. They are entirely ready and willing to work hard, but they want to feel they are achieving something worthwhile. In big business they feel their functions are fractionated and the sense of accomplishment is minor, and this discontent is not the product of media criticism. It has been developing for several generations.

Young potential management people don't want to become pieces of corporate baggage moved around from place to place, from time to time, at the whim of the corporation. In fact, over sixty per cent of those aspiring to a career in business state they don't want to take a job if it means moving a number of times. If you are