

MANAGEMENT 18

RESULTS MANAGEMENT
IN PRACTICE, 2nd Ed.

Burt K. Scanlan

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Results Management in Practice

Second Edition

Burt K. Scanlan

The University of Oklahoma



Wiley Professional Development Programs

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ABOUT THE COURSE

Introduction

Management 18: A Short Course for Managers has been written to help managers and administrators in all types of organizations and at all levels to develop, enhance, and update their management skills. It is a self-pacing, individualized study program that calls for a high degree of involvement and active learning, while offering immediate feedback and evaluation of progress.

Management 18 is designed for newly promoted managers who have not received formal training yet who need to learn management techniques and to acquire the basic skills to manage effectively. The course is also ideally suited for technically trained individuals planning to move into management positions and for experienced managers requiring an effective refresher course.

How to Use the Course

Management 18 enables you to work at your own learning pace and to monitor your progress on an ongoing basis through exercise and review materials. Each chapter opens with a list of the learning objectives that you should be able to meet after completing the chapter material. Within each chapter there are usually brief quizzes (Quick Quizzes) that you should use to reinforce the points made just before the quiz in the reading material. Each chapter contains one or more longer quizzes (Checkpoints) at regular intervals, and these should be used to measure your understanding and progress. At the end of each chapter, there is a brief chapter summary and review section. The material in the review section includes an objective test (Doublecheck), brief essay questions, and/or a brief case study or application exercise. This review section provides you with an opportunity to measure your mastery of the chapter material and to apply it in a realistic and practical way.

The quizzes, checkpoints, and review materials are not designed primarily to test. Rather, used in the context of each chapter, they are a means for gaining feedback and reviewing progress in an unstructured, individualized study situation. For this reason, no formal grading scheme has been provided, and the answers that are given to essay questions, case study problems, and application exercises should be considered as general guidelines for reviewing your answers rather than as definitive solutions. If you wish to measure your progress in a more formal way, you can devise a simple grading scheme when checking your answers with the ones given at the bottom of each of the Quick Quiz and Checkpoint pages.

The Pre- and Post-Test

Another feature of the course provides a more formal test of achievement. The Pre- and Post-Test (at the end of the course) is an objective examination graded on a formal scale (2 points for each correct answer) and designed to test your overall comprehension of the course material. It includes questions that cover the most significant points in each of the eighteen chapters.

To use the Pre- and Post-Test properly, you should take it once right after reading this introduction. Write the answers on a separate sheet of paper and compare them with the answers provided on the answer sheet. Then calculate your score and note it in the appropriate space on the answer sheet. At this point the score has no significance. After completing the course, follow this procedure again, but this time without referring to the answers you gave on the Pre-Test or to the Answer Sheet. After you have calculated the score on the Post-Test and noted it on the Answer Sheet, you can compare the two scores for a realistic measure of your achievement. The questions and answers are keyed to the chapters, and you will be able to identify areas where you have significantly improved your skills and understanding, as well as areas where you should return to the course material for further review.

Universality of Management

The word *management* usually evokes the thought of profit-making business and industry. Much of the impetus for developing a unified body of knowledge about management and a

professional approach to performing the management function has come from needs created by our free enterprise system. One will usually find that the quality of management is one of the key factors determining the degree of success or failure of an organization. But it would be a mistake to assume that the only place that management skills are needed is in a profit-making enterprise. Anytime two or more people are involved in a joint effort, management is required. The activity being undertaken may be as informal as a bowling team or three or four people going on a camping trip, or as highly formal as a business. The point is that whether it be a hospital, a university, the military, a health clinic, a branch of the Federal government, a museum, a religious group, or a volunteer organization, the management functions, principles, and concepts discussed in this text must be performed effectively if objectives are to be achieved successfully.

CONTENTS

I. Managerial Planning and the Organization

1. *The Functions of Management* 3

Definitions • Doing Versus Managing • The Functions of Management • Management As a Distinct Activity • The Motivation to Manage • The Content of a Manager's Job • Universality of Management

2. *A Systems Approach to Planning* 19

The Four Phases • Phase I. Setting the Objectives of the Organization • Phase II. Formulating Policies and Strategies to Carry Out Objectives • Phase III. Developing Intermediate- and Short-Range Plans to Implement Policies and Strategies • Phase IV. Stating Detailed Procedures for Implementing Each Plan • Some Positive Payoffs of Long-Range Planning

3. *Planning by Objectives* 43

A Perspective • Establishing Objectives for a Department • Establishing Objectives for Jobs

4. *The Organization in Structure* 63

The Four Elements of an Organization • The Functions of an Organization • The Vertical (Line) Development of an Organization • The Horizontal (Staff) Development of an Organization • Dividing Work and Grouping Jobs • The Steps in Organizing

5. *The Organization in Operation* 83

Responsibility—Authority—Accountability • The Organization Chart • Conflict in Organizations • The Role of Staff and Staff Authority • The Personal Staffs • The Specialist Staffs • Principles of Organizational Structure

II. Dynamics of Organizations

6. *Maintaining Organizational Effectiveness* 105

Organizational Evolution • Causes of Ill Health in Organizations • Analyzing Organizational Vitality • Bureaucracy and Enterprise • Problems in a Bureaucracy • Blending Bureaucracy and Enterprise • Organizational Effectiveness, Human Resources, and Leadership

7. *Developing an Organizational Philosophy* 123

Importance of Philosophy • Four Concepts of Human Nature • Group-Centered Versus Individual-Centered Management • How Organizations Get Results Through People

8. *Organizational and Interpersonal Communications* 137

The Role of Communications • What Is Effective Communication? • Communications and the Manager • Barriers to Understanding

9. *The Role and Function of the Group* 149

The Structure and Characteristics of Small Groups • Group Cohesiveness • Behavior in Groups—Conformity • Managerial Implications of Group Behavior

10. *Problem Analysis and Decision Making* 163

Decision Making: Four Essential Steps • Step 1. Analyzing the Problem • Step 2. Developing Alternative Solutions • Step 3. Analyzing Alternative Solutions • Step 4. Implementing the Decision

III. Managing Human Resources

11. *Human Motivation: An Overview* 183

The Mainsprings of Motivation • The Need Hierarchy • Motivation-Hygiene Concept • Money and Motivation • Supervision and Motivation • Equity Theory • Achievement Motivation

12. *Job Design* 201

The Mechanistic Approach to Job Design • Early Attempts at Solving the Job Design Problem • Job Enrichment • Meaningful Work and Leadership • Combining Enrichment and Enlargement

13. *Participating in Decision Making* 217

Participative Management • Advantages of Participation • Disadvantages of Participation • Prerequisites to Participation • Determining the Appropriate Degree of Participation • Power, Authority, and Participation

14. *Job Satisfaction, Productivity, and Managerial Control* 233

Job Satisfaction and Productivity • The Work Conditions Most Conducive to Job Satisfaction • Managerial Control • Fundamental Guidelines of Effective Control Administration

IV. Leadership for Results

15. *Leadership and Motivation* 249

Leadership and Motivation • Theories X and Y • Implications of Theories X and Y • Power Versus Authority

16. *Management Styles* 267

The Managerial Grid • The Tridimensional Grid • Path-Goal Theory • Contingency Leadership Theory • Four Systems of Management • The Linking Pin Concept

17. *Delegating* 291

An Approach to Effective Delegation • The Role of Delegation • Delegation and Motivation • How to Delegate • What Delegation Is Not • Why Managers Do Not Always Delegate • Why Subordinates Do Not Always Accept Delegation

18. *Coaching and Developing Subordinates* 305

How to Set the Stage for Effective Coaching • How to Develop an Effective Coaching System • Implementing a Results Approach to Performance Reviews • Possible Problems with Coaching and Appraisal Systems

Bibliography 323

Pre- and Post-Test 329

I MANAGERIAL PLANNING AND THE ORGANIZATION

This unit has five chapters. Chapter 1 introduces the field of management in general. It begins with a behavioral definition of management, discusses some of the implications of that definition, and highlights the unique role of the manager.

After a discussion of the difference between “doing” and managing, the chapter offers a second, more technical definition of management and then begins to focus on the five functions that a manager performs. The chapter presents an overview of each function.

Chapter 1 concludes by examining key elements of the motivation to manage and key facts about managerial life.

Chapter 2 describes how to plan with objectives. The chapter breaks the planning function into its four phases: setting the objectives, formulating policies and strategies, developing intermediate- and short-range plans, and stating detailed procedures. It then identifies how planning can be a useful tool when used effectively.

Chapter 3 expands the unit with a discussion of the steps a department must take in order to successfully manage by objectives: determining the overall mission, identifying major areas of responsibility, establishing ways to measure performance, analyzing the status of the operation, writing objectives so as to improve performance, and developing plans to achieve the desired results. The chapter concludes with some “tips” on how to set valid objectives.

Chapter 4 focuses on organization. It traces the vertical and horizontal development of an organization and discusses concepts such as *scalar chain of command*, *line and staff*, and *departmentation*.

Chapter 5 concludes the unit with a look at the principles of daily operation, or organizational dynamics. It examines authority and accountability, types of staff authority, areas of potential conflict, span of control, and other salient principles of organization.

1. THE FUNCTIONS OF MANAGEMENT

Learning Objectives

After you have completed this chapter, you should be able to

- Provide a behavioral definition of management.
- Explain the difference between doing and managing.
- List the basic functions of a manager.
- Explain why management is a creative profession and not simply the automatic next step for the operative employee.
- Identify the key elements of the motivation to manage.
- Describe the content of the manager's job.

DEFINITIONS

Assume that you have been promoted to the role of a department supervisor. What may seem like a small step forward is actually a major change. First, you must now cope with the difference between reporting to work as one of several employees in a department and managing that department. You must broaden your perspective and develop different attitudes.

Second, you must more thoroughly understand the difference between *doing and managing*. As an operative employee, you were expected to perform activities or tasks and meet basic performance standards for those tasks. You were a *doer*. As a manager, you no longer “apply your trade” in this direct way. You are a manager. If you are supervising production workers in a unionized plant, you (or any other supervisor) may be specifically prohibited from doing any physical work. You are now a manager, and you are responsible for the total operation of a department and for the overall direction of the other people in the department. This difference will become even clearer when we examine the functions of management.

Finally, if you did not realize it when you started your new job, you will soon learn that you will be successful in your job only if your subordinates, individually and as a group, are successful in *their* jobs. Your performance is a reflection of their performance; you are judged by what they have accomplished. This leads us to a behavioral definition: Management means *getting things done by, with, and through people*. Although this definition may appear simple, it carries in it three very complex implications.

First, it stresses the importance of the *human element* in management. Managers do not get things done by themselves. If they try to do things alone, their total accomplishment is limited by their talents and energies. In addition, those they supervise become apathetic because they are unable to make any significant contributions. Only routine and semi-automatic details, which do not utilize or challenge their skills, remain for them. If people are expected to contribute and become enthusiastic about work, they must also be significantly involved in it. More specifically, they must have “a piece of the action.”

Second, our definition also suggests that a manager's job is to *make things happen*. If quality is bad, a manager takes steps to improve it. If sales are down, a manager develops new customers and markets. If costs are high, a manager tries to find out how to cut them. Thus, good management is active rather than passive; it is cause- rather than effect-oriented.

And, third, our definition implies that management is a dynamic *process*. Managers transform the potential into the actual. They must be innovators and agents for change, progress, and growth. Managers work for progress and results.

To summarize :

1. Management stresses the human element.
2. Management is active, not passive.
3. Management is a dynamic process; managers work for progress and results.

DOING VERSUS MANAGING

A number of years ago, two employees with essentially the same educational background, experience, and tenure in a large organization were placed in management positions at about the same time. Instead of being paid to perform their technical specialty, they were now paid to be technical administrators, or department managers. At the end of the first six months, Manager A was experiencing considerable success and enjoying her new job. Manager B was not so successful. He was having problems meeting schedules and project deadlines, and was faced with a degree of unrest among the people in his department. He himself was becoming discouraged and frustrated. Higher-level management was becoming very concerned about the situation.

The successful Manager A had obviously adapted to her new role very well. She realized that in a way she was embarking on a new and different career with the organization, and had adjusted accordingly. More specifically, whether it was because of her own personal insight or because she received help from her superior, she recognized that her role and function had changed. Among the many things she did after being appointed a manager was to take inventory of the department in terms of the work that had to be done and the people she had available to do it. She not only concerned herself with the number of people available but also with their individual skills and strengths and weaknesses. She reviewed the present status of work in the department and, using this as a base, formulated priorities and schedules. Through individual and departmental meetings, she communicated to her people the place and importance of the department in the total organization as well as the purpose and objectives of the various projects in which they were involved. In addition, she gave her subordinates a clear picture of what the department expected of them as well as the present status of work. She shared and discussed with them some of the problems that she thought were inhibiting better departmental performance and then obtained their ideas on what could be done to improve things. Beyond this, she took an active interest in each person individually and worked with him or her in a coaching capacity to set goals, improve performance, and gain more satisfaction from the job. In other words, she *managed*. She planned, organized, directed, controlled, and made decisions.

Manager B, on the other hand, was somewhat overawed by his new role. As soon as he realized he was no longer expected to perform his specialty, he became confused. He had to spend his time in some way, so he tried to check everything that his subordinates did before the work left the department. When he found an error, which he was bound to do, he was quick to call it to the attention of the employee in question. It almost became a challenge for him to find something wrong. After a while, because certain projects had been given high priority, Manager B decided he should give them his personal attention, and so he had his drafting table moved into his office and he worked on them himself, very often until late at night and on weekends. Because he became so involved in working alone on these special projects, other important tasks did not get done. Progress reports were not filed on time. At a certain unit meeting with other

managers, he was unable to give an adequate breakdown of the status of the entire department's work and to project completion dates for various jobs. In addition, his people assumed less and less responsibility for their work. They became passive. One of the more capable and more experienced employees resigned, and two others filed transfer requests. This man was *not managing*; he was *doing*. He was doing what he had always done: practicing his technical ability. In management he had found something strange and different, to which he could not adjust. He was not able to supervise others and gain satisfaction from their accomplishments. He could not let go of the slide rule, the T square, and all the other tools with which he worked. Eventually, he failed as a manager and returned to his specialty.

Managing is a distinct activity that requires a unique set of skills, abilities, knowledge, and attitudes. Not everyone can be a successful manager. Doing and managing are distinctly different activities.

✓Checkpoint: Definitions

Indicate whether the following statements are true (T) or false (F).

1. On the department level, there is not much difference between the role of a manager and the role of a subordinate. _____
2. A manager is primarily a doer. _____
3. If successful at the operative employee level, a person is bound to be a successful manager. _____
4. A manager's success is measured by the performance of his or her subordinates. _____
5. A manager gets things done alone. _____
6. Since others do the work, management is largely passive. _____
7. A good manager will improve the quality of work by restricting subordinates to standardized tasks. _____
8. An effective manager spends most of the time practicing his or her professional specialty. _____
9. Management is effect- rather than cause-oriented. _____
10. A person who has just become a manager must develop new attitudes. _____
11. Management is a dynamic process. _____
12. Subordinates must be involved in their work before managers can expect to them to contribute to their work. _____
13. Good management tries to restrict the human element in work. _____
14. Managers work for progress and results. _____
15. Management means *getting things done by, with, and through people*. _____

● Checkpoint Answers

1. F 2. F 3. F 4. T 5. F 6. F 7. F 8. F 9. F 10. T 11. T 12. T 13. F
14. T 15. T

THE FUNCTIONS OF MANAGEMENT

We may also describe management as the *coordination and integration of all resources (both human and technical) to accomplish specific results*. Here, management is viewed in terms of the functions that a manager performs. The basic functions that usually form the core for studying management are *planning, organizing, directing, controlling, and decision making*.

Planning

Planning enables management to design for an uncertain tomorrow with some assurance of meeting its goals. This assurance is described as “bridging the gap” between what is desirable and what can be accomplished. According to their ability to “bridge the gap,” we can divide organizations into three management groups.

First is the *complacent* group. Organizations in this group operate under the mistaken assumption that today and tomorrow are reflections of the past. These organizations are content to “ride the waves” and follow others only after success has been demonstrated. The second includes *efficiency-oriented* organizations that have escaped the complacency of the static ones. Their realization that the future is not just a reflection of the past can lead to positive initiatives. The third is the *dynamic* group. These organizations help shape their futures! They continually monitor the environment for new ideas and developments. They not only efficiently manage present resources but also add to them, expand into new areas, and develop employee skills to the fullest extent.

Although many factors distinguish the third management group from the other two groups, one of the most critical of these factors is careful planning. Results do not merely happen; they are planned. In its simplest form, planning means *establishing objectives and organizing all efforts to meet them*.

When evaluating how well the organization is planning, management can apply basic diagnostic questions such as these:

- Do the managers run the jobs or do the jobs run them?
- Are they always “fighting fires” and trying to meet emergencies?
- Are they continually “under the gun” regarding schedules?
- Do they get the results they want?
- Do the departments operate at close to maximum productivity or closer to average?

Good planning allows management to answer these questions positively. Good planning in the organization enables the manager to run the jobs and contribute to maximum results. It also substitutes results for worry and specifies what can or should happen when all resources are effectively defined and mobilized.

We can divide the planning function into two essential phases. In the *first phase*, management determines the overall long-range direction or *mission* of the organization. This defining activity requires considerable analysis and thought. Is the industry in which the organization is centered growing and expanding? Is it declining? Or is the industry relatively static? If it is declining, management must decide what strategy to undertake to ensure the organization’s health and growth. If the industry is growing and expanding, management must decide how the organization will keep pace. Determining the mission also involves consideration of the long-range size of the organization, where growth potential exists, the degree and extent to which the organization wants to expand in those areas, and the advantages, disadvantages, and consequences of taking or not taking specific actions. Only after decisions are made about these and similar long-range goals can management develop specific shorter-range objectives.

In the *second phase* of planning, management forms specific shorter-range objectives to

ensure that the longer-range missions can be realized. This objective-setting process includes (1) determining overall policies and procedures and (2) devising the operational or “how to” aspects of accomplishing the objectives. These plans should be designed both to take maximum advantage of the strengths of the organization and to overcome or compensate for any weaknesses or shortcomings.

Organizing

Planning describes the activities necessary for the achievement of objectives. These activities then form the basis for organizing. Thus, the first basis is the *work* that must be done. Put another way, the purpose of organizing is to accomplish a planned objective, and accomplishing that objective requires specific activities. These activities must be given primary emphasis when organizing. But work alone is not a sufficient basis for an organizational structure.

The *people* who will do this work constitute the second basis for organizing. The work must be organized in relation to the skills and abilities of the people who must do the work. Organizing, then, also determines the proper relationship between the work and the people who will do it.

The organizing function develops a formal structure that will help the coordination and integration of resources. This structure should contribute to the efficient accomplishment of both long-range and short-range plans. On a corporate level, the organizing function begins with the definition of mission and the division of work. Accordingly, the organizers form a series of operating units, or departments, and assign each unit the responsibility for a particular phase of an operation. This process is known as *departmentation*. Once departmentation is complete, the managers must concern themselves with delegating and with specifying the relationships between operating units. These relationships may take many shapes, such as authority relationships between people and departments, lines of responsibility and accountability, channels of communication, and areas of decision making.

Directing

The directing function is primarily concerned with motivation and managerial leadership. After developing an appreciation for the fundamentals of human motivation, a manager must be alert to how to manage the human element. A manager must create a climate in which the needs of the individual are integrated with the needs of the organization, in which the individual can best satisfy his or her own goals by working toward the goals of the organization. Of particular significance in leadership is the quality of a manager’s face-to-face and day-to-day interaction with subordinates. Although many factors are involved in creating a “results-producing” climate, good communication is a key factor. Success in leadership is also dependent upon how well a manager works with people and how good he or she is at helping others to accomplish their job objectives and to perform at their maximum capability. The directing function also requires a positive philosophy about people, a knowledge of job design and delegation, and the effective use of authority.

Controlling

The controlling function tries to ensure that events conform to plans. The controlling activities focus sharply on the *present*. For example, as a result of planning, management has set specific objectives in all important phases of an operation. The controlling function, if effectively carried out, applies standards and provides a manager with continual feedback that shows exactly where the operation stands with respect to achieving these objectives. If carefully designed, this feedback will pinpoint specific as well as overall progress. If objectives are not being achieved, or if activities are behind schedule, a manager must use research and available information to identify the problem areas and to develop alternatives to overcome these problems.

Controlling is a four-phase process. It involves

1. Defining standards and objectives.
2. Determining how to measure performance in each area.
3. Developing a reporting system.
4. Taking corrective action when and where it is needed.

Decision Making

Decision making ties together the other functions. Decision making involves

- Analyzing problems.
- Developing and analyzing alternative courses of action.
- Implementing decisions.

Since the goal of all management activity is the accomplishment of planned results, a manager must watch continually for problems that may hinder that accomplishment. But a manager cannot operate only on a day-to-day basis. He or she must be concerned with some of the broader issues in the environment and try to include in problem analysis some of the long-range factors that affect achievement. Once these are also evaluated, a manager can develop alternative courses of action and analyze their advantages and disadvantages.

Decision implementation is the final element. People implement decisions. To neglect this fact is to invite limited success, if not complete failure. Every decision that requires action by others must be accompanied by a *plan* for implementing the decision. This plan should include the necessary procedures, a blueprint for communicating the decision to both those directly and indirectly involved, and provisions for participation in the decision-making process when and to the degree it may be appropriate.

The following checklist summarizes some of the elements of each of the five managerial functions. As you read this list, check off any items that seem to apply to your situation as a manager. Then, for each item checked, list below some of the activities you do or are responsible for. This will help you relate your day-to-day activities to the functions of a manager.

- Activities : _____

