Perspectives on
Management

Sixth Edition

Donnelly   **Gibson**   **Ivancevich**
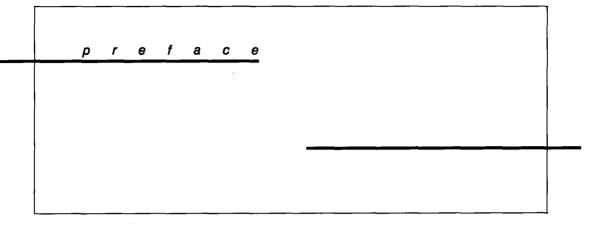
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Management

Edited by

James H. Donnelly, Jr.
Professor
Department of Business Administration
University of Kentucky

James L. Gibson
Professor
Department of Business Administration
University of Kentucky

John M. Ivancevich
Professor
Department of Organizational Behavior and Management
University of Houston

p r e f a c e

This sixth edition of *Perspectives on Management* is an almost completely new set of readings. Twenty-three of the 31 articles are new. The necessity to continually update course materials is recognized by all management teachers. The literature of the field continues to grow at an unabated rate, and preparing this edition was no easy chore because the choices were more difficult to make. Our intention was to provide materials that reflect the best of contemporary ideas. Thus, we reluctantly replaced many excellent pieces with what we believe are equally high-quality but more current articles. We also selected articles that have a distinct practical application value. That is, the articles selected are less theoretical than those found in the previous editions.

Each year the field of management becomes more mature as a result of research and of communication between researchers and practitioners who search the literature for better techniques and guidelines for managing individuals, groups, and organizations. As a result of this increased maturity, management literature covers a wide range of topics and is found in journals, books, magazines, and speeches.

The early management writers were practitioners who attempted to describe their experiences, from which they developed broad management principles. These writers were guided by pragmatic considerations, focusing on improving employee and organizational performance. More recently, many writers have attempted to concentrate on scientifically validating management principles, processes, and models.

Authors and editors of textbooks often place the early and contemporary writings in a specific category for students, practitioners, and others. Some writers are classified as pragmatic, others as mathematically oriented, and still others as scientific. The editors of this sixth edition believe that order can be brought to the field of management and its existing literature by employing a three-way classification framework which identifies three approaches or schools of management: *classical, behavioral,* and *management science.* The classical approach emphasizes *managing work and organizations.* The behavioral ap-

proach focuses primarily on *managing people.* The management science approach is concerned with *managing production and operations.* The ideas, concepts, and techniques of each of the approaches contribute positively to the total body of knowledge that comprises modern management practice.

The purpose of this sixth edition is to bring together a balanced coverage of the three approaches. By integrating management writings, it is hoped that the reader will see that the three schools are mutually supportive; each one makes a contribution to the field of management. Each of the three approaches is the subject of one of the five major parts into which the book is divided. Each of the parts is preceded by the editors' comments and discussion, and a brief summary of each article in that particular part is presented. The reader can thus obtain a taste of what each article covers by reviewing the article summaries.

Part I, Management, the Environment, and Productivity, sets the overall tone of the field of management. Part II presents six articles which illustrate *classical* foundations and the management of work and organizations. In Part III, *behavioral* foundations are discussed. Articles that cover such areas as the Hawthorne study, groups, motivation, and leadership are presented. Part IV covers *managing production and operations.* Eight articles are presented which review concepts such as automation, quality control, decision making, and decision support systems. The final set of articles, Part V, concentrate on management responsibilities, social responsibilities, unemployment, and business ethics are included.

The book can be used in undergraduate, graduate, and training courses. Either the total book or selected articles can be used to supplement appropriate course materials. It is assumed that practitioners and college students will use the book or parts of it to update and improve their knowledge of management.

We are particularly appreciative of the contributions of Martin Meloche of the University of Kentucky who reviewed, organized, and coordinated the large amount of work that went into producing this volume.

James H. Donnelly, Jr.
James L. Gibson
John M. Ivancevich

CONTRIBUTORS

Seth Allcorn

Douglas Baker

F. Best

H. Böhm

A. B. Carroll

Stephen R. Dakin

Terrence E. Deal

R. L. Dilenschneider

M. L. Gerlach

Martin L. Gimpl

B. Gold

R. F. Gonzalez

M. J. Guyote

N. C. Hill

F. Hoy

Anne S. Huff

Richard C. Hyde

R. E. Kaplan

P. G. W. Keen

R. W. Keidel

G. D. Keim

Allan A. Kennedy

Martin J. Kilduff

Edward E. Lawler III

M. J. Liberatore

Edwin Locke

M. W. McCall

C. L. Meador

S. A. Melnyk

Henry Mintzberg

Michael Moch

Allan M. Mohrman, Jr.

Milton Moskowitz

Kenichi Ohmae

J. O'Neill

J. C. Papageorgiou

H. M. Parsons

Susan M. Resnick

Berkeley Rice

J. E. Ross

Y. K. Shetty

M. Sinetar

P. B. Smith

N. M. Tichy

B. Tregoe

W. Torrence

David O. Ulrich

C. P. Zeithaml

c o n t e n t s

Management, the Environment, and Productivity

This introductory part contains three articles which raise several issues about the field of management. The underlying purpose served by these articles is to lay a foundation for the remaining parts. Management theory and practice focus on a particular kind of work that is done in organizations. That work consists of the activities of persons designated as "managers." Managers carry out a variety of tasks which may differ in some aspect from organization to organization; the specification and analysis of managerial work are the foci of the field of management.

The field of study termed *management* is concerned with the process by which resources including machines, money, materials, and people are coordinated to achieve predetermined goals. The literature that comprises the field of management includes many different viewpoints of the most fruitful manner in which to study management. Each viewpoint proposes a particular definition which emphasized one or more aspects of management. For example, one definition, or viewpoint, places emphasis on the process of achieving goals through the efforts of people. Another viewpoint emphasizes management as only one aspect of group behavior. A third definition emphasizes the technical aspects of coordinating and focuses on the elements of coordination, or the functions of management. Other definitions could be mentioned, but the point to be made here is that the field is far from settled.

The unsettled nature of the field reflects not only the complexity of managing but also the relative newness of scholarly interest in management. The complexity of the management process is well understood by even the most casual observer and practitioner. Management is a fundamental human activity and, similar to other such activities (parenthood, citizenship, and the like), it defies easy analysis. Serious efforts to analyze the process are primarily the product of the 20th century; in comparison with other fields of study, management is a newcomer still struggling with the basic issues. In fact, there now exists no general

theory of management which serves to consolidate and direct the efforts of researchers and practitioners. Such a theory must be developed if the field is to take its place alongside other scientific disciplines.

In the widely publicized first article, "The Manager's Job: Folklore and Fact," Henry Mintzberg discusses the manager's job. Interestingly, many people are puzzled by what a manager does on the job. The image of the leader who controls, coordinates, and plans is quite popular. Mintzberg presents some folklore and facts about managerial work. For example, folklore has it that the manager is a reflective, systematic planner. The facts, however, indicate that managers work at an unrelenting pace; they are constantly in action and have a dislike for reflective activities. The folklore-fact comparison leads to a set of self-study questions for managers to consider. Finally, the author discusses the training of managers. He claims that management schools have not trained managers as well as they should.

The second article, "Lessons from the Best Companies to Work For," is by Milton Moskowitz. In this article Moskowitz discusses the other side of the management equation, that is, the managed. The author starts by listing some of the benefits available to employees at some of the most progressive companies in the United States. While this list is far from exhaustive, it points out some of the ways major corporations can and do care for their people. Moskowitz goes on to point out that employees at these companies become linked to them in more than just an employee-employer relationship. There is more of a joint effort, a "we're all in this together" attitude. Finally, the author points out what he sees as some common denominators among these companies.

The final article is "Productivity in America: Where It Went and How to Get It Back," by Benjamin Tregoe. The author details the productivity problems found in the United States in a logical, unemotional fashion. He identifies five causal factors for the productivity stagnation we now face in the United States. Briefly these factors are: the spirit of individualism, the organization of work, the emergence of return on investment as the main criterion of management, the computer, and the unprecedented economic good times that followed World War II. In simple terms, Tregoe claims that the long-term decline in productivity is the result of poor management practices. He then provides six conditions for success that can possibly turn our productivity problems around.

1

The Manager's Job: Folklore and Fact*

Henry Mintzberg

If you ask a manager what he does, he will most likely tell you that he plans, organizes, coordinates, and controls. Then watch what he does. Don't be surprised if you can't relate what you see to these four words.

When he is called and told that one of his factories has just burned down, and he advises the caller to see whether temporary arrangements can be made to supply customers through a foreign subsidiary, is he planning, organizing, coordinating, or controlling? How about when he presents a gold watch to a retiring employee? Or when he attends a conference to meet people in the trade? Or on returning from that conference, when he tells one of his employees about an interesting product idea he picked up there?

The fact is that these four words, which have dominated management vocabulary since the French industrialist Henri Fayol first introduced them in 1916, tell us little about what managers actually do. At best, they indicate some vague objectives managers have when they work.

The field of management, so devoted to progress and change, has for more than half a century not seriously addressed *the* basic question: What do managers do? Without a proper answer, how can we teach management? How can we design planning or information systems for managers? How can we improve the practice of management at all?

Our ignorance of the nature of managerial work shows up in various ways in the modern organization—in the boast by the successful manager that he never spent a single day in a management training program; in the turnover of corporate planners who never quite understood what it was the manager wanted; in the computer consoles gathering dust in the back room because the managers never used the fancy on-line MIS some analyst thought they needed. Perhaps more important, our ignorance shows up in the inability of our large public organizations to come to grips with some of their most serious policy problems.

Somehow, in the rush to automate production, to use management science in the functional areas of marketing and finance, and to apply the skills of the behavioral scientist to the problem of worker motivation, the manager—that person in charge of the organization or one of its subunits—has been forgotten.

My intention in this article is simple: to break the reader away from Fayol's words and introduce him to a more supportable, and what I believe to be a more useful, description of managerial work. This description derives from my review and synthesis of the available research on how various managers have spent their time.

In some studies, managers were observed intensively (*shadowed* is the term some of them used); in a number of others, they kept detailed diaries of their activities; in a few studies, their records were analyzed. All kinds of managers were studied—foremen, factory supervisors, staff managers, field sales managers, hospital administrators, presidents of companies and nations, and even street gang leaders. These "managers" worked in the United States, Canada, Sweden, and Great Britain. In the boxed insert is a brief review of the major studies that I found most useful in developing this description, including my own study of five American chief executive officers.

RESEARCH ON
MANAGERIAL WORK

Considering its central importance to every aspect of management, there has been surprisingly little research on the manager's work, and virtually no systematic building of knowledge from one group of studies to another. In seeking to describe managerial work, I conducted my own research and also scanned the literature widely to integrate the findings of studies from many diverse sources with my own. These studies focused on two very different aspects of managerial work. Some were concerned with the characteristics of the work—how long managers work, where, at what pace and with what interruptions, with whom they work, and through what media they communicate. Other studies were more concerned with the essential content of the work—what activities the managers actually carry out, and why. Thus, after a meeting one researcher might note that the manager spent 45 minutes with three

government officials in their Washington office, while another might record that he presented his company's stand on some proposed legislation in order to change a regulation.

A few of the studies of managerial work are widely known, but most have remained buried as single journal articles or isolated books. Among the more important ones I cite (with full references in the footnotes) are the following:

Sune Carlson developed the diary method to study the work characteristics of nine Swedish managing directors. Each kept a detailed log of his activities. Carlson's results are reported in his book *Executive Behaviour.* A number of British researchers, notably Rosemary Stewart, have subsequently used Carlson's method. In *Managers and Their Jobs,* she describes the study of 160 top and middle managers of British companies

during four weeks, with particular attention to the differences in their work.

Leonard Sayles book *Managerial Behavior* is another important reference. Using a method he refers to as "anthropological," Sayles studied the work content of middle- and lower-level managers in a large U.S. corporation. Sayles moved freely in the company, collecting whatever information struck him as important.

Perhaps the best known source is *Presidential Power*, in which Richard Neustadt analyzes the power and managerial behavior of Presidents Roosevelt, Truman, and Eisenhower. Neustadt used secondary sources—documents and interviews with other parties—to generate his data.

Robert H. Guest, in *Personnel*, reports on a study of the foreman's working day. Fifty-six U.S. foremen were observed and each of their activities recorded during one eight-hour shift.

Richard C. Hodgson, Daniel J. Levinson, and Abraham Zaleznik studied a team of three top executives of a U.S. hospital. From that study they wrote *The Executive Role Constellation*. These researchers addressed in particular the way in which work and socioemotional roles were divided among the three managers.

William F. Whyte, from his study of a street gang during the Depression, wrote *Street Corner Society.* His findings about the gang's leadership, which George C. Homans analyzed in *The Human Group,* suggest some interesting similarities of job content between street gang leaders and corporate managers.

My own study involved five American CEOs of middle- to large-sized organizations—a consulting firm, a technology company, a hospital, a consumer goods company, and a school system. Using a method called "structural observation," during one intensive week of observation for each executive I recorded various aspects of every piece of mail and every verbal contact. My method was designed to capture data on both work characteristics and job content. In all, I analyzed 890 pieces on incoming and outgoing mail and 368 verbal contacts.

A synthesis of these findings paints an interesting picture, one as different from Fayol's classical view as a cubist abstract is from a Renaissance painting. In a sense, this picture will be obvious to anyone who has ever spent a day in a manager's office, either in front of the desk or behind it. Yet, at the same time, this picture may turn out to be revolutionary, in that it throws into doubt so much of the folklore that we have accepted about the manager's work.

I first discuss some of this folklore and contrast it with some of the discoveries of systematic research—the hard facts about how managers spend their time. Then I synthesize these research findings in a description of 10 roles that seem to describe the essential content of all managers' jobs. In a concluding section, I discuss a number of implications of this synthesis for those trying to achieve more effective management, both in classrooms and in the business world.

SOME FOLKLORE AND FACTS ABOUT MANAGERIAL WORK

There are four myths about the manager's job that do not bear up under careful scrutiny of the facts.

1. Folklore: The manager is a reflective, systematic planner. The evidence on this issue is overwhelming, but not a shred of it supports this statement.

Fact: Study after study has shown that managers work at an unrelenting pace, that their activities are characterized by brevity, variety and discontinuity, and that they are strongly oriented to action and dislike reflective activities. Consider this evidence:

> Half the activities engaged in by the five chief executives of my study lasted less than nine minutes, and only 10 percent exceeded one hour.[1] A study of 56 U.S. foremen found that they averaged 583 activities per eight-hour shift, an average of 1 every 48 seconds.[2] The work pace for both chief executives and foremen was unrelenting. The chief executives met a steady stream of callers and mail from the moment they arrived in the morning until they left in the evening. Coffee breaks and lunches were inevitably work related, and ever-present subordinates seemed to usurp any free moment.
>
> A diary study of 160 British middle and top managers found that they worked for a half hour or more without interruption only about once every two days.[3]
>
> Of the verbal contacts of the chief executives in my study, 93 percent were arranged on an ad hoc basis. Only 1 percent of the executives' time was spent in open-ended observational tours. Only 1 out of 368 verbal contacts was unrelated to a specific issue and could be called general planning. Another researcher finds that "in *not one single case* did a manager report the obtaining of important external information from a general conversation or other undirected personal communication."[4]
>
> No study has found important patterns in the way managers schedule their time. They seem to jump from issue to issue, continually responding to the needs of the moment.

Is this the planner that the classical view describes? Hardly. How, then, can we explain this behavior? The manager is simply responding to the pressures of his job. I found that my chief executives terminated many of their own activities, often leaving meetings before the end, and interrupted their desk work to call in subordinates. One president not only placed his desk so that he could look down a long hallway but also left his door open when he was alone—an invitation for subordinates to come in and interrupt him.

Clearly, these managers wanted to encourage the flow of current information. But more significantly, they seemed to be conditioned by their own workloads. They appreciated the opportunity cost of their own time, and they were continually aware of their ever-present obligations—mail to be answered, callers to attend to, and so on. It seems that no matter what he is doing, the manager is plagued by the possibilities of what he might do and what he must do.

When the manager must plan, he seems to do so implicitly in the context of daily actions, not in some abstract process reserved for two weeks in the organization's mountain retreat.

The plans of the chief executives I studied seemed to exist only in their heads—as flexible, but often specific, intentions. The traditional literature notwithstanding, the job of managing does not breed reflective planners; the manager is a real-time responder to stimuli, an individual who is conditioned by his job to prefer live to delayed action.

2. Folklore: The effective manager has no regular duties to perform. Managers are constantly being told to spend more time planning and delegating, and less time seeing customers and engaging in negotiations. These are not, after all, the true tasks of the manager. To use the popular analogy, the good manager, like the good conductor, carefully orchestrates everything in advance, then sits back to enjoy the fruits of his labor, responding occasionally to an unforseeable exception.

But here again the pleasant abstraction just does not seem to hold up. We had better take a closer look at those activities managers feel compelled to engage in before we arbitrarily define them away.

Fact: In addition to handling exceptions, managerial work involves performing a number of regular duties, including ritual and ceremony, negotiations, and processing of soft information that links the organization with its environment. Consider some evidence from the research studies:

A study of the work of the presidents of small companies found that they engaged in routine activities because their companies could not afford staff specialists and were so thin on operating personnel that a single absence often required the president to substitute.[5]

One study of field sales managers and another of chief executives suggest that it is a natural part of both jobs to see important customers, assuming the managers wish to keep those customers.[6]

Someone, only half in jest, once described the manager as that person who sees visitors so that everyone else can get his work done. In my study, I found that certain ceremonial duties—meeting visiting dignitaries, giving out gold watches, presiding at Christmas dinners—were an intrinsic part of the chief executive's job.

Studies of managers' information flow suggest that managers play a key role in securing "soft" external information (much of it available only to them because of their status) and in passing it along to their subordinates.

3. Folklore: The senior manager needs aggregated information, which a formal management information system best provides. Not too long ago, the words *total information system* were everywhere in the management literature. In keeping with the classical view of the manager as that individual perched on the apex of a regulated, hierarchical system, the literature's manager was to receive all his important information from a giant, comprehensive MIS.

But lately, as it has become increasingly evident that these giant MIS systems are not working—that managers are simply not using them—the enthusiasm has waned. A look at how managers actually process information makes the reason quite clear. Managers have five media at their command—documents, telephone calls, scheduled and unscheduled meetings, and observational tours.

Fact: Managers strongly favor the verbal media—namely, telephone calls and meetings. The evidence comes from every single study of managerial work. Consider the following:

> In two British studies, managers spent an average of 66 percent and 80 percent of their time in verbal (oral) communication.[7] In my study of five American chief executives the figure was 78 percent.
>
> These five chief executives treated mail processing as a burden to be dispensed with. One came in Saturday morning to process 142 pieces of mail in just over three hours, to "get rid of all the stuff." This same manager looked at the first piece of "hard" mail he had received all week, a standard cost report, and put it aside with the comment, "I never look at this."
>
> These same five chief executives responded immediately to 2 of the 40 routine reports they received during the five weeks of my study and to four items in the 104 periodicals. They skimmed most of these periodicals in seconds, almost ritualistically. In all these chief executives of good-sized organizations initiated on their own— that is, not in response to something else—a grand total of 25 pieces of mail during the 25 days I observed them.

An analysis of the mail the executives received reveals an interesting picture—only 13 percent was of specific and immediate use. So now we have another piece in the puzzle: not much of the mail provides live, current information—the action of a competitor, the mood of a government legislator, or the rating of last night's television show. Yet this is the information that drove the managers, interrupting their meetings and rescheduling their workdays.

Consider another interesting finding. Managers seem to cherish "soft" information, especially gossip, hearsay, and speculation. Why? The reason is its timeliness; today's gossip may be tomorrow's fact. The manager who is not accessible for the telephone call informing him that his biggest customer was seen golfing with his main competitor may read about a dramatic drop in sales in the next quarterly report. But then it's too late.

To assess the value of historical, aggregated, "hard" MIS information, consider two of the manager's prime uses for his information—to identify problems and opportunities[8] and to build his own mental models of the things around him (e.g., how his organization's budget system works, how his customers buy his product, how changes in the economy affect his organization, and so on). Every bit of evidence suggests that the manager identifies decision situations and builds models not with the aggregated abstractions an MIS provides, but with specific tidbits of data.

Consider the words of Richard Neustadt, who studied the information-collecting habits of Presidents Roosevelts, Truman and Eisenhower:

> It is not information of a general sort that helps a President see personal stakes; not summaries, not surveys, not the *bland amalgams*. Rather . . . it is the odds and ends of *tangible detail* that pieced together in his mind illuminate the underside of issues put before him. To help himself he must reach out as widely as he can for every scrap of fact, opinion, gossip, bearing on his interests and relationships as President. He must become his own director of his own central intelligence.[9]

The manager's emphasis on the verbal media raises two important points:

First, verbal information is stored in the brains of people. Only when people write this information down can it be stored in the files of the organization—whether in metal cabi-

nets or on magnetic tape—and managers apparently do not write down much of what they hear. Thus the strategic data bank of the organization is not in the memory of its computers but in the minds of its managers.

Second, the manager's extensive use of verbal media helps to explain why he is reluctant to delegate tasks. When we note that most of the manager's important information comes in verbal form and is stored in his head, we can well appreciate his reluctance. It is not as if he can hand a dossier over to someone; he must take the time to "dump memory"—to tell that someone all he knows about the subject. But this could take so long that the manager may find it easier to do the task himself. Thus the manager is damned by his own information system to a "dilemma of delegation"—to do too much himself or to delegate to his subordinates with inadequate briefing.

4. Folklore: Management is, or at least is quickly becoming, a science and a profession. By almost any definitions of *science* and *profession,* this statement is false. Brief observation of any manager will quickly lay to rest the notion that managers practice a science. A science involves the enaction of systematic, analytically determined procedures or programs. If we do not even know what procedures managers use, how can we prescribe them by scientific analysis? And how can we call management a profession if we cannot specify what managers are to learn? For after all, a profession involves "knowledge of some department of learning or science" (*Random House Dictionary*).[10]

Fact: The managers' programs—to schedule time, process information, make decisions, and so on—remain locked deep inside their brains. Thus, to describe these programs, we rely on words like *judgment* and *intuition,* seldom stopping to realize that they are merely labels for our ignorance.

I was struck during my study by the fact that the executives I was observing—all very competent by any standard—are fundamentally indistinguishable from their counterparts of a hundred years ago (or a thousand years ago, for that matter). The information they need differs, but they seek it in the same way—by word of mouth. Their decisions concern modern technology, but the procedures they use to make them are the same as the procedures of the 19th-century manager. Even the computer, so important for the specialized work of the organization, has apparently had no influence on the work procedures of general managers. In fact, the manager is in a kind of loop, with increasingly heavy work pressures but no aid forthcoming from management science.

Considering the facts about managerial work, we can see that the manager's job is enormously complicated and difficult. The manager is overburdened with obligations; yet he cannot easily delegate his tasks. As a result, he is driven to overwork and is forced to do many tasks superficially. Brevity, fragmentation, and verbal communication characterize his work. Yet these are the very characteristics of managerial work that have impeded scientific attempts to improve it. As a result, the management scientist has concentrated his efforts on the specialized functions of the organization, where he could more easily analyze the procedures and quantify the relevant information.[11]

But the pressures of the manager's job are becoming worse. Where before he needed only to respond to owners and directors, now he finds that subordinates with democratic norms continually reduce his freedom to issue unexplained orders, and a growing number of outside influences (consumer groups, government agencies, and so on) except his attention. And the manager has had nowhere to turn for help. The first step in providing the manager with some help is to find out what his job really is.