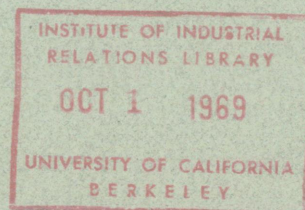


Motivation  
(1968?)

# The Ties That Bind

**FINDINGS AND CONCEPTS ABOUT PEOPLE AND ORGANIZATIONS**

[National Association of Manufacturers.]



# The Ties That Bind:

FINDINGS AND CONCEPTS  
ABOUT PEOPLE AND ORGANIZATIONS

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1968?

## **A Preface to Read**

“There is a new awareness in industry today that the talents and commitment of people afford the most solid base on which to build a company and from which to achieve a long-term competitive advantage.” That’s how Daniel Parker said it when he keynoted the 40th NAM Institute on Industrial Relations in Puerto Rico, in his dual capacity as Chairman of the Board of The Parker Pen Company and NAM Board Chairman.

The search is on for systems that are sensitive and responsive to what employees want and need as individuals. There is such a proliferation of theories about human effectiveness, it is easy to become confused.

Much of what we “know” about managing human effort isn’t true. A few minutes taken out to examine our assumptions about individuals, and how they can work effectively together in organizations, can improve our skills in the management of people.

This publication presents an overview of some of the important research findings and emerging concepts which are currently having a significant influence on organizational effectiveness and management development in many companies. It is basically a conceptual document and presents no program or procedures.

Authored by John Paul Jones, Vice President, Federated Department Stores, it formed the basis for a series of round-table discussions on **MOTIVATION—KEY TO RESULTS** at NAM’s 40th Institute on Industrial Relations. These sessions stimulated much interest and we have gone to press in response to demand, and also to stress that human resources represent a company’s most valuable asset.



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## Introduction

There is an urgency about increasing human effectiveness today which tempts all of us to seek shortcuts. Because we seldom look directly at our own learning processes and recognize that most of our real development and growth in learning comes from living itself, we are sometimes inclined to believe that others in our organization (particularly our subordinates) can somehow be “developed” by program or activities outside the stream of the day-to-day life of the organization. The fact that no evidence exists which would support this theory doesn’t seem to deter many business enterprises from applying it over and over again. It seems necessary, therefore, to begin our consideration of the potential in this area by taking a look at the principles and systematic knowledge which underlie the more successful efforts in this field.

We can begin with the fact that *we have nothing to manage but human effort*. Our money, our facilities, our merchandise and even our computers stand lifeless and unproductive until people interact with them. Therefore, the managerial process involves people, and it is a basic premise of this memorandum that “developing organizational effectiveness” is not a separate, discrete activity or program but is one of many consequences of the management process itself. (Other consequences are relative levels of profit, expense, efficiency, effectiveness, etc.) Indeed, it can be said that this difference of viewpoint separates the successful and unsuccessful companies in the matter of growing managerial and/or executive talent. This is not to say that training programs, learning projects and educational experiences have no contribution to make, but it will be argued that these constitute a fraction of the total influence on managerial and executive growth, and that their impact is virtually nil unless that which is taught is consistent with what happens to the man on the job.

# I.

## **Factors Influencing Growth in Organizational Effectiveness Including Managerial Growth**

It is a basic premise of this memorandum that *we should be concerned with the total effectiveness of the human organization* as a means of improving management development along with a host of other things. There are four important broad factors affecting organization development today; and each of these factors will be dealt with at greater length in the body of this memorandum. They are:

1. The explosion in man's knowledge of his physical universe.
2. The changing nature of the work force.
3. The heritage of inappropriate organization models and managerial methods.
4. The body of knowledge emerging from behavioral science research in the broad area of effective organized human effort.

To the extent that we can accept, understand and constructively adapt to these influences, our organization will grow in effectiveness and our people will develop accordingly.

### **The Explosion of Man's Knowledge of His Physical Universe**

The fact of the technological explosion is so obvious as to need little description. Man's growth rate in his knowledge of non-human things is operating somewhere on the vertical plane of an exponential curve, and is said to be doubling every seven years. McKinsey & Company recently calculated that 90 percent of all the scientists who ever lived are still alive today.

In terms of organizational effectiveness and human growth within organizations, the explosion of knowledge has created some singular problems which are not met by traditional methods of organizing and managing human effort. Increased knowledge means more specialization; therefore, business now employs more and more people who must be expert and

deep in relatively narrow fields, such as computer technology, economic geography, mathematics, etc.—unknown to corporate payrolls a generation ago.

Thus, the general problems can be stated as follows:

1. Organizations exist because people together can accomplish more than people alone, yet how does an organization muster its overall strengths and skills when the new specialization tends increasingly to separate people?
2. Much powerful learning occurs when talented people are exposed to varied and challenging situations, yet how can an organization provide multiple opportunities to its people in the face of the increased demand for specialization?
3. The specialization of today is different from that of fifty or a hundred years ago, being a specialization of knowledge rather than of job content, yet our organization structures still emphasize the latter and thus compound the difficulty. How can the same structure accommodate the need for specialization, the need for collaborative effort and the need for broad opportunities for talented people to grow?

The answer to these problems is “change,” and the direction of change is becoming quite well-known. Some of the indicated direction will be discussed later on (see *The Characteristics of Effective Modern Organization and Leadership Processes*, page 16).

### **The Changing Nature of the Work Force**

Today's man-in-organization is both a cause and a result of complex social, economic and political forces. Compared to his counterpart of only a relatively few years ago, he is more affluent, less class-conscious, more independent and less submissive. He demands more (or withholds his effort), has higher expectations, is upwardly mobile and is much better educated. All of these plus the explosion of knowledge and other less obvious factors have produced a dramatic change in the composition of the work force. The following table from Harbison's study (1960) of high-talent manpower indicates the general pattern.

Actually, in specific organizations the shift is even more dramatic. Many technologically oriented corporations now find the component of their work forces represented by managerial, professional, technical and administrative people to be reaching or exceeding 50 per-

**EMPLOYMENT BY MAJOR OCCUPATIONAL GROUPS (% OF WORK FORCE)**  
(Abridged)

	<u>1900</u>	<u>1920</u>	<u>1940</u>	<u>1960</u>	<u>1970 (est.)</u>
TOTAL WHITE COLLAR	<u>17.6%</u>	<u>24.9%</u>	<u>31.1%</u>	<u>43.1%</u>	<u>46.6%</u>
(Professional-Technical)	4.3			11.2	13.3
(Managerial)	5.8			10.6	10.7
(Clerical)	3.0			14.7	15.9
(Sales)	<u>4.5</u>	<u></u>	<u></u>	<u>6.6</u>	<u>6.7</u>
TOTAL BLUE COLLAR	<u>35.8</u>	<u>40.2</u>	<u>39.2</u>	<u>36.3</u>	<u>34.3</u>
TOTAL SERVICE WORKERS	<u>9.0*</u>	<u>7.8</u>	<u>11.7**</u>	<u>12.5**</u>	<u>13.8**</u>
TOTAL FARM WORKERS	<u>37.5</u>	<u>27.0</u>	<u>17.4</u>	<u>8.1</u>	<u>5.3</u>

\*Primarily household workers

\*\*Primarily repair workers

cent of this total. Here, again, the situation demands that we answer these sorts of questions:

1. Are our present approaches to organization structure, work assignments, job structuring, etc., appropriate and effective when considered against the changed nature of our work force?
2. Are our present theories of motivation, communication, leadership, management development adequate to the problems presented by the changed situation?

Here the answer is “no” and again the solution is “change.” As before, the indicated directions of change are discussed in subsequent sections of this memorandum.

**The Heritage of Inappropriate Organizational Models and Managerial Methods**

The concepts by which we tend to organize and manage human effort have their origins in a far-gone time and era. When the Industrial Revolution created the need for large industrial organizations, it was only natural that the theorists of that day turned for their principles to two of the oldest and most successful continuous organizations in the world, the military and



the Catholic Church. These large institutions had been in existence for centuries, and indeed, were synonymous during the Middle Ages of the Western World.

The length of this memorandum does not permit expansion on this area of research, but a quick look at the terms we use and notions we embrace in the fields of organization and human management will serve to illustrate the point:

Line and Staff	Unquestioning Loyalty
Span of Control	Control by Authority
One-Over-One	Unity of Command
Hierarchy	Chain of Command
Submission of Subordinate to Superior	Dependence Upward
Obedience	Incentive by Reward and Punishment
Dedication	

All of these terms and concepts have their origin in the military-church models. It is also significant to note that both of these institutions possessed effective punishment mechanisms in the courts martial and excommunication, which means that productive behavior could be quite effectively controlled by threat. Too many alternatives are available to people in modern organizations for fear to be an effective motivator of *productive* behavior. People can leave such an organization, or they can react with passive resistance, counter-hostility and subtle sabotage of the organization's objectives.

Needless to say, no opprobrium is directed at the military or the Catholic Church in these observations. It is fair to say that these principles were appropriate to the organizations and their missions at the time. It is equally fair to ask if these principles, even though they are largely implicit or unconscious, are appropriate to business-industrial organizational principles and management methods today.

Today's organizations have also been influenced in the somewhat more recent past by two concepts of man-work relationships, "bureaucracy" and "scientific management."

Max Weber, the German sociologist, developed the theory of bureaucracy about 1900 to counteract some of the influences of the military-church models. His aim was to replace management by personal idiosyncrasy and capricious personal judgment with a system which would govern by rational laws, rules and procedures. Unfortunately, as time has passed,

bureaucracy has become less and less suitable as a vehicle for management (those who are interested in a fuller exploration of this subject will enjoy Warren Bennis' paper, "Beyond Bureaucracy").

The concept of scientific management developed by Frederick Taylor and his associates has also had a powerful effect on business-industrial organizations. Taylor, about 1910, evolved his concept of man's relationship to machines, spurred by the evolution of assembly-line techniques in the auto industry.

His basic principles were:

1. Break a job into its smallest tasks.
2. Study each task and determine the one best way to perform it.
3. Hire people with the requisite aptitudes, and train in the "one best way."
4. Supervise them closely, time the job, put a rate on it, and control their productive behavior by raising or lowering the rate against a piece-rate schedule.

Here, again, Taylor's work was appropriate to the time and the problem. Again, though, we must ask if the principles of 1910 are appropriate to the problems of today.

### **The Body of Knowledge Emerging from Behavioral Science Research in the Broad Area of Organizational Effectiveness**

Short of writing a book, it is impossible to discuss all the meaningful research and applications development which would be useful in modifying these earlier concepts to achieve a greater degree of organizational effectiveness and consistent growth of human resources. There are, however, at least seven basic areas of current knowledge which can provide a framework for progress. They cover:

1. The Nature of Human Motivation
2. The Nature of Human Organization
3. Assumptions About the Nature of Man and Their Effect on Management Development
4. The Characteristics of Effective Modern Organization and Leadership Processes
5. Group Process—The Key to Effective Teamwork

6. The Importance of Diagnosis and Data
7. The Nature of Management Development

There are also a number of practical diagnostic tools which can be used by managers and executives at all levels to increase organizational effectiveness.

## II. Some Basics

### The Nature of Human Motivation

The most fundamental work in this area has been done by Dr. Abraham Maslow of Brandeis University; his concepts underlie most current organization development work. One of the most important things to understand about motivation is that man is motivated by his own needs. In other words, motivation is internal rather than something we do to the other person.

Motivation can, of course, be stimulated by leadership and incentives and these are extremely important to our own and other people's performance. The essential point is, however, that unless we know something about the needs, desires and drives of the other person, our leadership and incentives may be completely ineffective, or at best, less effective than they could be.

The second important thing to understand is that human needs tend to be organized by levels of importance, and that thwarting needs at any level causes that level to be pre-eminent. Maslow's Hierarchy appears thus:

5. Self-Fulfillment Needs
4. Ego Needs
3. Social Needs
2. Safety Needs
1. Physiological Needs

To illustrate in simple human terms, if I am starving, my entire motivational drive is focused at Level 1., and you will talk to me in vain about the need for me to be cooperative (Level 3.) or innovative and creative (Levels 4. and 5.). Similarly, if I am threatened, my drive is focused on protection against danger or deprivation and no higher level motivation can occur. At the same time, the third important thing to understand about motivation is that once my need is satisfied (i.e. for food or protection, etc.), the need is no longer a motivator of my behavior.

How does this apply to our managerial process and the problems of organizational effectiveness and management development? Three illustrations may suffice:

1. As Douglas McGregor has pointed out, “The fact needs little emphasis that since every industrial employee is in a dependent relationship, safety needs may assume considerable importance. Arbitrary management actions, behavior which arouses uncertainty with respect to continued employment or which reflects favoritism or discrimination, unpredictable administration of power—these can be powerful motivators of the safety needs in the employment relationship at every level from worker to vice president.”

An illustrative point to be made is that any business which requires risk-taking, creativity or other higher-level motivational forces to insure its growth and survival is well-advised to examine its managerial processes to be sure that they are consistent with these needs. The manager or executive who operates on the basis of threat will allow few if any risk-takers to develop; the manager or executive who is primarily a veto-wielder or a decision-hoarder will effectively stifle creativity and innovation.

2. The greatest potential motivational forces for a business organization are those of Level 4., Ego Needs (those which relate to one's sense of self-worth) and Level 5. Self-Fulfillment Needs (the needs for realizing one's own potentialities and continuing self-development), because these needs can never be completely satisfied in man. However, to bring these into play, the first three levels must be reasonably well-satisfied.

Essentially, when wages and benefits are adequate, when people receive and can expect to receive fair play, and when an opportunity to feel a sense of belonging in a meaningful organization exists, people will turn their creative energies loose on the problems of the organization if given the opportunity to do so.

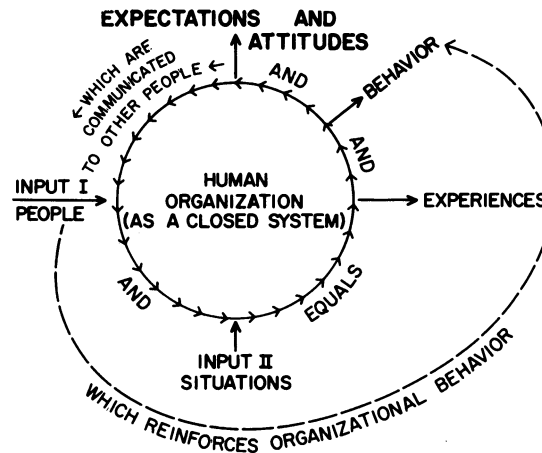
3. One of the greatest wastes is to continue feeding lower-level needs beyond the point where

these needs are satisfied. A satisfied need is not a motivator of behavior. It is dangerous to oversimplify here because, for example, economic motivators can contribute to all need levels. Nevertheless, as Herzberg has pointed out, such things as basic benefit plans tend to be “dissatisfiers” in the sense that if they are missing or inadequate, people will not be stimulated to greater performance by making them more than adequate. He draws an analogy with the community which has no sanitation system and is most unhappy with its city government until one is provided. Once that has been done, however, the city government will do well to turn its attention to parks and playgrounds because it will gain no added support by building a duplicate sanitation system.

Organizational effectiveness is fundamentally a motivational problem, a process of developing productive attitudes and experiences which support such attitudes. Thus, the total human managerial system should be based on sound motivational principles.

### The Nature of Human Organization

There is a behavioral model of human organization which, with slight modification, fits every human organization of which I am aware. The model is basically the work of Rensis Likert of



the University of Michigan and it is worth studying because in it one can see one's family, one's face-to-face work-group, one's department and one's corporation.

To be sure, this model is somewhat oversimplified because it does not show the influence on the individual of the socio-economic-political milieu outside the organization. Nevertheless, it is a model of great importance to the subject of management development and needs further explanation because of that fact. Let's try a sequential explanation of this model in a business organization:

1. People (Input I) are brought into the organization. They are selected primarily for their skills, which may be similar across a large number of people (i.e. merchants) but are still individually different from person to person. What is often unrecognized by all of us is the fact that people not only bring uniquely different skills to the organization, but that each person is also uniquely different in terms of personality, experiences, expectations, value systems, education and training—in short, these are *Individual Variables*, most of which are well-established long before the individual joins our organization. A failure to recognize the fact of differences is responsible for many ineffective systems (e.g. some performance appraisal systems), since they are built on the implicit premise that all people are alike in these characteristics.
2. As people (Input I) become part of the organization, they become affected by situations (Input II). "Situations," in this context, are generally based on managerial assumptions about people and are expressed in such ways as organization and job structure, policies, rules and control systems, selection and promotion criteria, and attitudes toward risk-taking and mistakes.
3. The interaction of Individual Variables (I) and Situational Variables (S) produce Behavior (B). Therefore, behavior is always a function of individual variables and situational variables. (See Appendix, page 29)
4. The behavior of people interacting with the organization produces experiences. These experiences may be good or bad, threatening or supportive, but the consequences are a set of attitudes (e.g. "Risk is good; I am rewarded for risk," or "Risk is bad; I am punished for risk that fails,") and a set of expectations (e.g. "My experience is that when I took risks and failed, I was punished. My expectation is that if I take risks in the future and fail again, I will be punished again.") Therefore, attitude is always a function of expectation based



on experience  $A = f \frac{E1}{E2}$  . This simple formula explains better than anything I know why people are often unaffected by management development training or by company communications on subjects such as employee relations—their experience in the company simply does not match up with what the trainer or communicator is telling them, so their attitudes remain unchanged.

5. Whatever attitudes are prevalent among the people of an organization about the organization (“It’s a great place to work!” “It’s a lousy place to work!” etc.) are inevitably communicated among the people and to new people, thus reinforcing the system.

Probably the most important point to be made here is that it is difficult, if not impossible, for management to change the characteristics of an individual. It is relatively easy, however, for management to change the situation in which an individual finds himself. In new circumstances, individuals often can and will modify their own behavior.

### **Assumptions About the Nature of Man and Their Effect on Organizational Effectiveness**

Organizations are organized and managed to a large degree on the basis of assumptions about human nature (Maslow, McGregor, Haire, Kuriloff, et al). Our general policies and procedures, our control systems, our selection and promotion methods, our management development beliefs, our communications, our methods of structuring jobs and reporting relationships, and our behavior toward each other and toward subordinates all reflect these assumptions. To be sure, the assumptions are often buried deep within us and our managerial methods, they are seldom explicit, and they often appear to be conflicting. Nevertheless they are there and they have a profound effect upon the issue at hand.

To illustrate the powerful effect which assumptions about the general nature of man (unconscious or explicit) have upon boss-subordinate relationships and how these relationships affect organizational effectiveness and management development, it is again necessary to oversimplify somewhat and to exaggerate considerably in order to make the point. At top of next page are two models of common assumptions to choose from.

Undoubtedly no reader of this memorandum will apply anything but Model Y to himself. It is just as certain that each of us acts at times toward other people as though they fit Model X. This incongruity of one’s view of oneself and one’s view of the other person is insup-

## MODEL X

People by nature:

1. Lack integrity.
2. Are fundamentally lazy and desire to work as little as possible.
3. Avoid responsibility.
4. Are not interested in achievement.
5. Are incapable of directing their own behavior.
6. Are indifferent to organizational needs.
7. Prefer to be directed by others.
8. Avoid making decisions whenever possible.
9. Are not very bright.

## MODEL Y

People by nature:

1. Have integrity.
2. Work hard toward objectives to which they are committed.
3. Assume responsibility within these commitments.
4. Desire to achieve.
5. Are capable of directing their own behavior.
6. Want their organization to succeed.
7. Are not passive and submissive.
8. Will make decisions within their commitments.
9. Are not stupid.

portable in any logical sense. On the other hand, many people in many organizations behave at many times as though Model X fit them perfectly. Why?

Research findings in this area are among the most fascinating and significant in the field of behavioral research and have implications which go far beyond business organizations to the core of much racial, religious and international conflict. The central findings are:

1. That the inherent nature of man is much more like Model Y than X.
2. That people in lesser positions of power (subordinates, racial and religious minorities, underdeveloped nations) often behave in patterns consistent with Model X because *they perceive those with greater power treating them as though they were, in fact, dishonest, lazy, passive, resistant, indifferent, irresponsible and stupid.*

To put it in organizational terms, if I (as a boss) manage you (as a subordinate) in ways which tend to decrease your sense of self-worth, dignity and integrity, you are quite likely to behave toward me in ways which confirm my notions about you. If, on the other hand, I make the same assumptions about you that I make about myself, I will manage you in ways which

increase your sense of self-worth, dignity and integrity and you are quite likely to behave in ways that reflect these assumptions. In short, behavior begets behavior and the Golden Rule turns out to be pretty good behavioral science.

It should be clear that no one claims that all of us are *equally* endowed with talent, energy, intelligence and the like. We are not. It is another safe bet, however, that most people in an organization use only a fraction of their abilities, energy, creativity and ingenuity on behalf of the organization—not because they don't have more to contribute but because limiting assumptions made about them curtail both the opportunity and the motivation to contribute. Here again the implications for increased organizational effectiveness are unmistakable.

### **The Characteristics of Effective Modern Organizations and Leadership Processes**

It is important here to emphasize that research in this area is very substantive, contains data covering at least the past 20 years, and has been confirmed by independent research done throughout the United States and Europe on many different kinds and sizes of business organizations. Among the leaders in this area of research are Rensis Likert (University of Michigan), Mason Haire (University of California), Chris Argyris (Yale University), Richard Beckhard (M.I.T. and Richard Beckhard Associates), and the late Douglas McGregor (M.I.T.). While each has tended to approach the question from a different interest and viewpoint, their findings continue to support each other. Furthermore, the systematic application of the evolving principles in many widely diverse corporations has lent heavy support to the validity of the findings.

To provide a framework for a discussion of the characteristics of effective modern organizations, it will be useful to review some questions posed earlier in this memorandum:

1. How does an organization muster its overall skills and strengths when specialization tends increasingly to separate people?
2. How can an organization provide multiple opportunities to its people in the face of the demand for their increased specialization?
3. How can the same organization *structure* accommodate:
  - a. the need for specialization,

- b. the need for collaborative effort, and
- c. the need for broad opportunities for talented people to grow?

The best answers I know today are as follows:

1. *Insure a wide array of talent at all levels of the organization.* Even as late as 1946 organizations survived and grew on the concept of “key people.” Given a few “key people” and a lot of “hands” (even though these “hands” might be college-trained), a well-financed corporation could prosper. Demand was great, competitive ranks were thinner (the rest of the world was decimated by World War II), technology had not yet “burst its bounds,” and the age of high-level specialization was just ready to begin.

Today, while “key people” are just as necessary and vital to the survival and growth of an enterprise as they ever were, the “key people” concept is simply not adequate in the face of the internal complexities of a modern business enterprise and its equally complex external relationships with the community, the public, the government and the world at large. We must have talented people from top to bottom and we must maximize the use of that talent.

2. *Provide for effective team collaboration.* The price of specialization is interdependence—dependence upon one another. Complex tasks require multiple skills, up, down and across functional and hierarchical lines. Complex problems require the contribution of multiple talents for good solutions. If for no other reasons, the modern organization will provide for team structures within its organizational design *and will see that they are effective in their processes.*


Beyond this, however, effective teams provide a certain and powerful way to broaden the experience of talented people and expose them to new areas of growth. They permit the individual to retain his functional accountability while also permitting him to contribute more broadly to the overall success of the enterprise.

3. *Create and sustain a dynamic quality in the organization.* We still need the dynamic, innovative flexibility represented by the “great captains” of business and industry, but we now need this as an organizational characteristic. Rigid structures, sharp lines between functions, intolerance of error, lack of delegation, deeply pyramided managements, clogged policy and procedure all tend to smother creativity and innovation and minimize risk-

taking. The effective organization will work constantly to see that these obstacles are removed or minimized. The world is changing rapidly, the rate of change is accelerating, and the enterprise which is to survive and grow must organize for change.

Furthermore, people of high talent, particularly young people, are going to be increasingly less interested in joining organizations which do not offer them excitement, involvement and a meaningful contributive role.

4. *Achieve a wide understanding of and commitment to corporate goals.* Most corporations today have financial goals; no one can quarrel with their importance. On the other hand, more and more business enterprises are finding that while targets in sales volume growth, earnings per share, return on investment and return on shareholders' equity are challenging *requirements*, they are not necessarily the *goals* to which people become committed. This is particularly true of corporations with multiple product lines, decentralized operations, geographic dispersion and proliferating specialized functions.

 The essential point is that people tend to work hard only toward objectives to which they are committed, and these are generally objectives which they set for themselves, participate in setting, or which promise to satisfy their needs (see *The Nature of Human Motivation*, page 10). This makes corporate goal-setting difficult and makes the task of achieving wide understanding and commitment even more difficult. Even so, without understanding of and commitment to corporate goals, there is little chance that people at levels much below the top will assume any responsibility for their achievement.

5. *Establish Integrity.* Creating a climate for internal growth of human resources, pooling skills and talents to solve complex problems, and building a flexible dynamic collaborative organization depends to a great degree on the extent to which mutual trust and a supportive climate can be developed among the people of the organization.

It is perfectly possible to build an organization in which we are dedicated to the growth of one another (and thus, the enterprise) rather than to the control, manipulation or punishment of one another. To do so, however, requires a high degree of integrity and openness, and unfortunately, many traditional structures, methods and controls tend to promote dishonesty and secrecy. This is a harsh statement, but the evidence is unmistakable. In most organizations much time, energy and creativity is spent in "beating the system," in destructive personal competition, in hiding mistakes, in avoiding issues and in manipulating one

another for a variety of purposes and to a variety of ends. This can be changed. It is not an inherent characteristic of people and it should not be one of organizations.

6. *Provide first-class leadership at all levels.* This statement might be trite if it weren't for the problem of defining "first class" in relationship to the kind of organization we have been describing. Affirming the importance of the business or specialty skills which may be required in any given leadership job but concentrating here only on the qualities of human leadership, current knowledge suggests that a first-class leader:
  - a. Show confidence in his subordinates, be interested in them, rely on them to do their jobs and help them grow.
  - b. Have a positive attitude toward teamwork and be able to be both a leader and a member of his team.
  - c. Accept disagreement and differences as an asset rather than a liability to the organization and help his people "work through" differences whenever possible, avoiding the role of arbitrator or adjudicator except when absolutely necessary.
  - d. Be able to accommodate wide differences of personality among his associates and within his team.
  - e. Be a good and patient listener and an articulate and painstaking communicator with individuals and with his team.
  - f. Give feedback on performance readily to individuals or to his team in ways that are open, supportive and do not destroy motivation.
  - g. Freely engage in group discussion to resolve problems; make decisions; allow his subordinates to make decisions; and try to avoid problem solutions which result in one man, or group, "winning" at the expense of another.
  - h. Be an "upward influencer" in the organization.
  - i. Have a genuine concern both for production and for people.
  - j. Be not afraid to use authority, but use it wisely and only when he believes it will get a job done better.
  - k. Be seen by both organizational subordinates and superiors as making a genuine contribution to the overall effectiveness of the enterprise.



Many people may quarrel with this description of leadership, preferring a more directive and authoritarian model. The data suggests, however, that as levels of education, expectation and affluence rise, the authoritarian leader becomes increasingly obsolete. The demand for high-talent people at all age levels and in all kinds of organizations far outstrips the supply of those who are willing to put up with classic authoritarian direction.

### **Group Process—The Key to Effective Teamwork**

“Group process” can be a misleading term unless the word “group” is defined. In the context of this memorandum we are talking about a face-to-face *work* group, characterized by its orientation to an ongoing series of tasks or problems, a specific task or a specific problem. Thus an executive committee is a work group, as is a manager and his assistant managers. A temporary or ad hoc team convened to solve one specific problem or a series of related problems is a work group. In size a group can range from two to perhaps as many as twenty, although the latter is getting pretty big for a face-to-face relationship.

Group process may best be described as that process which transforms an aggregate of individuals into a powerfully functioning team. As Likert has pointed out, there is nothing good or bad, per se, about a group. A group can be a roadblock to progress, enforcing “group-think” and conformity upon its members, paralyzing decision-making processes and smothering individual initiative. Under other conditions, a group can be a powerful synergism of talents, strengthening its individual members, speeding up the decision-making process and enhancing individual initiative and personal growth. What makes the difference?

The reader will recall that earlier in this memorandum we discussed “individual variables” as being those personal characteristics, experiences, expectations, etc., which make each of us uniquely different from everyone else. Douglas McGregor pointed out that simply collecting a number of people together and calling them a “team” or a “committee” merely assures a collection of individual differences and almost guarantees poor group performance (e.g. “a camel is a greyhound put together by a committee”).

One of the greatest contributions to systematic knowledge about organizational effectiveness was made by McGregor when he demonstrated that the variables which must be present to transform a collection of individuals into a powerfully productive team *are those which can't exist in individuals but are unique only to teams*. A really good team will have

established a large number of these variables or conditions, but in my experience there are five which are fundamental and the others will develop naturally if the team can establish these five. (It is worth pointing out that none of these stand alone—they are dependent upon one another.)

1. *Mutual Trust*. It takes a minimum of two people to establish mutual trust and it is, therefore, a group process variable. Mutual trust is probably the most sensitive of these conditions. It can take a very long time to build and can be destroyed very quickly. To describe it in personal terms, if I feel it is established in a team of which I am a member, I can also feel free to express my opinion, say how I feel about issues, ask questions which may display my ignorance and disagree with any position, without concern for retaliation, ridicule or negative consequences, and each other member can, of course, do the same. An important point to me is that mutual trust is not blind faith. It is a thoroughly explored, deliberately created condition.
2. *Mutual Support*. It takes at least two people to support each other so this, too, is a group process variable. Mutual support means, among other things, that we have genuine concern for each other's job welfare, growth and personal success. In the personal sense again, if mutual support is established in our team, I don't have to waste any time and energy protecting myself or my function from anyone else. We will all be able to give and receive help to and from each other in accomplishing whatever object the team is working on and in helping each other grow.
3. *Genuine Communication*. Communication is a group variable and has two dimensions: the quality of openness and authenticity when a member is speaking, and the quality of non-evaluative listening to other members. These are worth exploring separately:
  - a. Open authentic communication takes place when mutual trust and support are so well-established that no member feels he has to be guarded or cautious about what he says but can express his "authentic," genuine feelings about whatever issue is facing the team. It also means that members of a good team won't "play games" with each other (e.g., asking "trap" questions, suggesting wrong answers to test another member's integrity, etc.).
  - b. Non-evaluative listening simply means listening with your "bias-filters" removed to what the other person is trying to communicate. It is perhaps easier to describe "non-

listening.” Most of us listen through an evaluative screen (which, incidentally, is why most performance review feedback fails for its purpose). If we like the speaker or the position he represents, we may translate some of what he says into that which we want to believe, discard (don’t really hear) that which makes us uncomfortable, and end up missing entirely the message he was trying to convey. If we dislike him or the position he represents, we tend to reverse the process, magnifying the negatives, discarding the positives, and again, missing the real message.

Another non-listening phenomenon is what someone has described as the “yeah, but” syndrome. The next time you are in a small group discussion where the issue is fairly controversial and someone other than yourself is trying to make a point, look around the table and judge for yourself how many people are really trying to listen to what the speaker is trying to say and how many are just waiting for him to take a breath so they can jump in with *their* views (such interruption often starts with the words “yeah, but!”).

One very interesting point about listening, and the reason we don’t always really *listen* to each other, has been made by Carl Rogers (Western Behavioral Science Institute). Rogers points out, in effect, that if I really listen to you, I might change, and change threatens my comfortable ideas about myself. So I listen only to those aspects of your communication which don’t threaten my biases!

4. *Accepting conflicts as normal and working them through.* Conflict (except in the deeply individual psychological sense) is a group variable. We are all uniquely different from one another, so we will not agree on many things. One of the unproductive heritages left us by the old school of “human relations” practitioners is the notion that we should strive for harmony among us at all costs. Thus, if we like someone but differ with him, we often avoid expressing our differences because we want to retain his liking. Unfortunately, such differences affect our performance as a team, and quite often (since he usually is as reluctant to “level” as we are) we find ourselves unable to push through to vital decisions or common understandings. This, too, hampers our “management development.” A good team (where mutual trust and mutual support and genuine communication are well-established) accepts conflict as normal, natural and as an asset, since it is from conflict that most growth and innovation are derived.

It is worth noting here, too, that conflict resolution is a group process. The notion that, for example, a manager can resolve a conflict between or among subordinates is a myth. If you and I have a conflict, our boss can't resolve it. He (and our teammates, if any) may help us work it through, or he can arbitrate or make a "win-lose" decision which binds our action, but in the latter two instances he has adjudicated the issue and the conflict remains unresolved. Only you and I can resolve it.

5. *Mutual respect for individual differences.* A good team will not demand conformity of its members and will commit itself not to usurp individual decision-making. This may be the essential hallmark of a really first-class team for a number of reasons. There *are* decisions which, in a task-oriented team, *must be team decisions* because they require the commitment of most or all of the resources of the team and cannot be implemented without this commitment.

Unfortunately, it is all too easy for a group to drift into the practice of making decisions for or forcing decisions on an individual where clearly, for his own growth and for the good of the enterprise, he should make the decision. In a good team, the individual member will feel free to ask advice and counsel from other members and all will recognize that he is not obligated to take the advice.

Furthermore, using a group process on every issue, problem or task wastes an inordinate amount of time. One is reminded of the famous Hatlo cartoon where the Board of Directors approves the building of a \$10 million plant with no discussion at all, then wrangles for hours over the purchase of two glue pots for the shipping department! Good teams don't make decisions which are properly individual, nor do they make decisions or deal with issues which should properly be handled at lower organization levels.

Finally, a good team delegates within itself. Time and situational variables sometimes don't permit group process even when the issue is such that it might benefit from such a process. In a well-established team, with high mutual trust and support, the leader, or often any member, will be able to make a decision which commits the team. In such a team, only important issues need to be "worked through," and there is much delegation from leader to members, from members to member and even from members to leader (which isn't as easy as it sounds!).

## **The Importance of Diagnosis and Data**

The critical resources of any business enterprise are money, materials, equipment, facilities and people. No business enterprise makes important decisions affecting the first four of these without collecting data (e.g., doing research) and diagnosing the alternatives in order to make the optimum use of these resources. Strangely enough, very few business enterprises apply the same principles to their people (which almost always constitute the most critical resource).

There are some practical diagnostic tools which executives, managers and teams can use for specific problems, but the basic issue is much greater than this. Ten years ago, one corporation estimated the cost of simply getting college recruits on the payroll at \$1,500 per man. Considering his first-year salary as training costs and adding 26 percent for fringe benefits, the cost became \$7,500. Today these costs in the same corporation are approximately \$12,500 per man, and this deals only with entry-level people. The investment represented by any ten-year veteran will prove to be startling to any manager who has not analyzed this situation before.

The basic point to be made is that we ought to be astonished at our own willingness to manipulate this expensive resource (including ourselves) with only the most superficial evidence that we know what we are doing! Fortunately, people are infinitely more self-adaptable than money, materials, equipment and facilities, but we need to ask ourselves if we couldn't do a much better job if we knew more about their skills, strengths and interests and if we could tap their knowledge of problems within the organization and use it to improve organizational effectiveness.

A second central point is our quickness to make judgments about the overall worth or potential of an individual when the relevant data is pretty skimpy. Unfortunately, good or bad, these judgments tend to be engraved for all time as the measure of a man and make no allowance for his growth, regression, change in situation or any of the other variables which affect him. Beyond that, we will need to be increasingly judicious in our use of termination as a means of solving performance problems. This is not to say that we should be protective of poor performance, but we can ill-afford to liquidate high-level human assets if there are alternative ways to improve the situation. We need to remember that behavior (performance) is always a function of the individual and the situation, and that among situational variables (which management can change much more easily than it can change individuals) are new challenges, new bosses, new assignments, different locations, and growth and change over time.

## A Summary

Here are the general points I would emphasize:

*Management development is primarily a consequence of management itself.* It is basically a task of building organizational conditions which are conducive (rather than hostile) to growth. This is so because *the door to development is locked from the inside*. The capacity for growth, the willingness to assume responsibility, the desire to learn and achieve, and the innate drive for self-fulfillment are all present in people, but these forces cannot be ordered into action by management. Management can lean on the door and frustrate growth, or it can open the door and help people grow.

*We must understand that people are motivated by their needs, not ours,* and that one of our jobs is to create organizational conditions in which people will achieve organizational needs best by achieving their own. Among these are:

- *The need to be important to the organization* (not just a cog in a machine).
- *The need to be a part of the progress of the organization—to grow and prosper with it.*
- *The need to be treated as a person—with unique hopes, fears, goals and aspirations* (not as an interchangeable part in an impersonal machine).
- *The need to be involved in and committed to the organization* by genuine participation and delegation.
- *The need to be proud of the organization* and the people in it.
- *The need to be responsible* for something essential to the growth and survival of the organization.
- *The need for warmth, support, approbation, help, honest relations and open communication.*

*We must also understand that people will not seek to satisfy high-level motivational needs if they are primarily worried about inadequate family protection, inadequate pay, arbi-*



trary discharge, unfair treatment or other organizational conditions which force them to concentrate on safety needs ahead of all others.

*We must, over time, look at our policies, procedures, control systems and communications* to see if they support or hinder the growth of our people.

*We must look at compensation and incentive* with a view to making it supportive of the kind of growth we want.

*We must practice what we preach.* If we hope to encourage others to change attitudes and behavior (which is a part of growth), we must demonstrate the same willingness to change.

*We must work together as a corporation in our development efforts* and provide support, encouragement, counsel and assistance to one another.

*We must create opportunities for people to grow* and find ways to breach the walls of suspicion and misunderstanding which make it difficult for us to release and accept people to and from one another.

*We must find ways to create meaningful teams* of all kinds to afford opportunities for people to participate in a real way in the growth of the business and to broaden their own experience.

*We must recognize that our business requires not only first-class managers and executives but also first-class specialists,* and we must not make the error of putting all our rewards on the side of managerial and executive growth.

*We must make good use of academic resources, inside and outside training, and every learning situation we can devise—bearing always in mind that such experiences are of little or no value unless what is learned can be used and is consistent with the way the organization lives from day to day.*

\* \* \* \* \*

**There are no panaceas, and the road from concept to principle to application can be a long one. It is accurate to say, however, that an increasing number of companies are finding practical ways to apply these concepts with powerful and positive effect.**

## Appendix

### ANALYZING TEAM EFFECTIVENESS

#### PART I

*(By the Leader and Each Individual Member)*

Analyze your team by rating it on a scale from 1 to 7 (7 being what you would consider to be ideal) with respect to each of these variables. The data should be anonymous, and the team should not insist that any individual identify his analysis. Then (with the rest of the team) discuss in depth the situation with respect to each variable, paying particular attention to those for which the average rating is below 5 or for which the range of individual ratings is particularly wide. Formulate some ideas as to *why* these perceptions exist. The “whys” are likely to be quite different for different variables.

Ratings (1 to 7)

#### 1. Degree of Mutual Trust

We act as though we were highly suspicious of one another \_\_\_\_\_ We demonstrate high trust in one another

#### 2. Degree of Mutual Support

We operate on the basis of every man for himself \_\_\_\_\_ We show genuine concern for each other; we do not need to protect ourselves or our functions from one another

#### 3. Communications

We are guarded and cautious in our team discussions \_\_\_\_\_ We are open and authentic in our team discussions; we can “level” without hurting each other

We don't listen to each other \_\_\_\_\_ We listen; we understand and are understood

#### 4. Team Objectives

We don't understand them \_\_\_\_\_ We clearly understand them

We are negative toward objectives \_\_\_\_\_ We are completely committed to objectives

#### 5. Handling Conflicts Within Team

We deny, avoid or suppress conflicts \_\_\_\_\_ We accept conflicts and “work them through”

#### 6. Attitude Toward Differences

We don't respect each other's individual differences \_\_\_\_\_ We respect and protect each other's differences and right to individual decisions

#### 7. Utilization of Member Resources

We don't utilize each other's abilities, knowledge and experience \_\_\_\_\_ Our abilities, knowledge and experience are fully utilized by the team

#### 8. Organizational Environment

We must conform to the “official position” \_\_\_\_\_ We are free to dispute any issue

## ANALYZING TEAM EFFECTIVENESS

### PART II

*(This Analysis should be used only when the leader feels comfortable with the idea of getting feedback on his own leadership. The process is the same as for Part I, and the leader should participate both in the rating and the discussion.)*

In your view, how does "the boss" stack up on the following variables (7 being perfect)?

#### 1. Confidence Displayed in Subordinates

Acts as though he mistrusts my honesty, ability or motivation \_\_\_\_\_ Acts as though he believes in my honesty, ability or motivation

#### 2. Type of Supervision

Always checks up on me; doesn't delegate; "second guesses" me \_\_\_\_\_ Relies on me to do my job; is interested. Helps when I ask

#### 3. Attitudes Toward Team

Believes in "divide and rule" or uses group only to tell us what he wants done \_\_\_\_\_ Has positive attitude toward team; is both a leader and a member

#### 4. Attitudes Toward Differences and Conflict (Within Group)

Suppresses arguments; insists that "we all agree" whether or not we do \_\_\_\_\_ Accepts disagreement as an asset; helps us "work through" differences

Impatient with personality differences within the team \_\_\_\_\_ Is able to accommodate wide differences in personality within the team

#### 5. Communication

Exhibits little effort to communicate with team \_\_\_\_\_ Is highly sensitive and painstaking in efforts to communicate with team

Holds back authentic feedback on team or individual performance \_\_\_\_\_ Freely gives feedback to team or individuals

#### 6. Attitude Toward Self-Participation

Avoids engaging in team discussion. Remains aloof and ready to arbitrate \_\_\_\_\_ Freely engages in group discussion to accomplish problem resolution

Avoids action appropriate to leadership role \_\_\_\_\_ Takes action appropriate to leadership role

#### 7. Concern for Subordinates

Is indifferent to our needs and concerns \_\_\_\_\_ Has genuine concern for us

#### 8. Contribution to Overall Effectiveness

Low \_\_\_\_\_ High

## Exhibit II

### DIAGNOSING JOB BEHAVIOR (PERFORMANCE)

This is a fairly simple but powerful tool. In essence, it involves breaking down the formula  $B = f(I, S)$  into questions. Using a subordinate's less than optimum job performance as an example:

1. Can I describe in reasonably exact terms the performance characteristics which concern me? (Do so)
2. Do any of these situational variables apply?
  - a. Do I know what *he* views his job to be? (Have I asked him?)
  - b. Do I know what *he* feels is lacking to make him a good performer? (Have I asked him?)
  - c. Have I communicated my concern about his performance to him in a helpful, non-threatening way?
  - d. Are there any policies or procedures which might be blocking him? (Have I asked him?)
  - e. Have I acted toward him in a supportive manner? (Have I asked him how *he* feels about my support?)
  - f. Have I given him all the help he needs? (Have I asked him how *he* feels about that?)
  - g. Have I given him all the information he needs? (Have I asked him if *he* thinks he is getting enough and the right kind of information?)
  - h. Is he in a job for which his skills, training, education and experience fit him? (Have I asked him how *he* feels about this?)
  - i. Are there outside situations which may be affecting his performance? (Have I talked to him about these?)
  - j. Etc. (Add other situational variables as they occur to you.)

In boss-subordinate relationships which are fairly strong and in which communications are open, the above diagnosis can (a) also be done by the man himself, or (b) can be done jointly by both the man and his immediate organizational superior.

#### **Management Can Change Situations Much More Effectively Than It Can Change Individuals**

\*Behavior is a function of Individual Variables and Situational Variables.

## Exhibit III

### DIAGNOSING ATTITUDE

Like  $B = f(I, S)$ , the attitude formula (pages 13, 14) can be most useful in diagnosing both individual and group attitudes (in the latter case, it would be useful for the group to do it *as a group*). Using an individual situation as an example:

1. Can I describe in reasonably exact terms the attitude or set of attitudes which concern me? (Do so)
2. What experiences has he had (with consequent expectations) which might influence his attitudes? For example:
  - a. What sort of experience has he had with previous managers which might be conditioning his expectations with me?
  - b. What has happened to him in the course of *our* relationship which might be affecting his attitudes?
  - c. Have I checked with him all the situational variables (see Exhibit II) which might be affecting either or both his performance and attitude?

Here again, if the boss-subordinate relationship is strong enough, a joint analysis may be fruitful.

#### **Attitudes Can Be Changed Much More Effectively By Experience Than By Exhortation**

## **A SUCCESSFUL ORGANIZATIONAL CHANGE PROCESS**

*(which is also a powerful management development process)*

### **Assumptions**

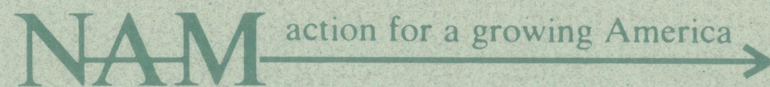
1. People at any working level know the working problems of that level.
2. Creativity, ingenuity, innovativeness are widely distributed in the population—people who know the problem best are well-equipped to solve it.
3. People will work hard to achieve objectives, problem solutions and organizational change to which they have become committed by involvement in diagnosis and proposed resolution.
4. The basic unit of diagnosis and change is the face-to-face work group (at any and all organization levels).

### **Key Steps**

1. Top team makes a decision that change is needed.
2. Top team establishes effective group process for itself.
3. No solutions are accepted without diagnosis; no diagnosis without data.
4. Change objective is not kept secret. All levels are informed.
5. Data is secured from the working levels to be affected by change. (Generally by group interviews to strengthen interaction.)
6. Data is fed back to people from whom it came to insure accuracy and strengthen involvement and commitment.
7. Data is organized into major problem areas.
8. Working level teams are formed for each major problem area.
9. Top team works through major problem areas and devises tentative solutions for reaction of appropriate working level teams.
10. Process is kept open and experimental. Top team is willing to listen to working level teams.
11. Top team communicates widely with rest of organization—up, down and sideways—at each stage of significant progress.







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