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THE POLITICS OF MANAGEMENT CONSULTING

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THE POLITICS OF MANAGEMENT CONSULTING

by

GERALD L. MOORE

A dissertation submitted to the Graduate Faculty in
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for the degree of Doctor of Philosophy, The City
University of New York.

1982

This manuscript has been read and accepted for the Graduate Faculty in Sociology in satisfaction of the dissertation requirements for the degree of Doctor of Philosophy.

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Abstract

The Politics of Management Consulting

by

Gerald L. Moore

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This study presented the politics of management consulting with an emphasis on the role and function of social science specialists. The history of management consulting was briefly reviewed as well as the theories that were first espoused by consultants. The relationship of the consultant to the client organization was given along with a review of the relevant literature.

Since the social science theories applied by management consultants are demonstrated most clearly in the management training programs they conduct or design, the techniques used by the consultants as trainers were delineated.

The theoretical framework underlying management consultant practices was examined in relationship to the specific consultants studied. Organizational and management theories used in the analysis of the client

organization as well as social science theories utilized by consultants in training programs were described.

The case study itself covered five management consultants working within a company. Background information about the client company and the external and internal pressures that led to the hiring of the management consultants were reported. The case study recounted the reasons why the consultants were hired, how they entered the company, the problems presented to them, the approaches they used to handle the problems, and the outcomes for the client company.

The conclusions summarizing the study provided an analysis of how the consultant functioned within the client organization in terms of theories presented. Inferences drawn from the case study suggest that consultants may frequently be inadvertently manipulated by management. In this case, consultants were engaged to improve the company image, to pacify dissenters and to give the appearance of having conformed to new social legislation. While management consultants were ostensibly brought in because of their objectivity, they appear to have contributed to the politics of the company and to negative consequences for the organization which had not been anticipated.

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PART I.
INTRODUCTION

CHAPTER 1. OVERVIEW

General Statement

In order to grow or maintain their existence, organizations must respond to change rationally and effectively. These changes may emanate from external or internal environmental causes and from individual and group pressures.

Change may be sought by the organization for a number of reasons. One reason for seeking change is an attempt to increase productivity of the organization. Productivity may be viewed not only as organizational output such as the company product or service, but as unit cohesiveness and drive in the forms of morale or pride of workers. Units can be considered in terms of sections, departments or divisions within the company. A similar reason for instituting change is to attempt to alter dysfunctional behavior which is preventing the achievement of organizational goals. This dysfunction is largely exhibited in terms of conflict between personal goals of employees and organizational goals.

Change may also be sought for the purpose of enhancing the organization's image, both inside and outside the company. Most organizations wish to be considered "modern" companies who keep up with new technologies and trends. Thus new methods or

ideas may be implemented for the purpose of doing something "new"--whether or not it has other benefits for the organization.

Another pressure creating the need for change comes from new social norms; the need to do things differently or to satisfy new laws. Two examples of this are the Occupational Safety and Health Administration (OSHA) regulations and the Equal Employment Opportunity (EEO) laws enacted by the federal government which had far-reaching effects on many companies.

Other reasons for change stem from internal pressures: the attempt to pacify dissidents within the company or to solidify or expand one group's power in the company. In these cases, change is sought by those in the organization who would benefit from their improved political position in the company and not necessarily for the benefit of the organization itself.

Still another reason for implementing change in the organization arises when old goals and objectives which have not been successful need supplanting. After a period of time, unsuccessful goals must be replaced or the organization cannot maintain itself. In a similar fashion, change provides a mechanism for adopting new goals once others have been achieved, thereby allowing the organization to grow.

As social structures become more complex, business

has turned to outside and specialized internal experts to help them cope with the clamor for more decision making at lower managerial levels. The request for changes in older, bureaucratic models to allow for more decentralized decision making and the delegation of authority with responsibility at lower levels of management, and increased social legislation have stimulated the use of a proliferation of management consultants to provide solutions to various problems caused by stresses and strains that have emerged in the corporate apparatus.

This study will focus on the intended and unintended effects of the intervention of management consultants on the corporations who are their clients. It is hypothesized that while management consulting firms are brought in for a number of specific purposes by specific company executives to solve specific problems as perceived by those executives, they may or may not "solve" the specific presenting problems for which they are retained and in doing so may also aggravate other problems in the organization or produce new ones. In some cases, it is hypothesized, the problems they create may be more serious than those they were employed to solve.

The question will be raised as to whether the consultant should bring other than the presenting problem to the attention of the client even though that may be viewed by the client as creating additional

demand for business for the consultant or as a power play to extend his influence in the company.

To illustrate this hypothesis, a case study detailing the use of five management consultants by one company will be presented. All of the data have been gathered in the course of the author's experience as an executive and management consultant.

The case study will encompass managerial consulting assignments from the (reconstructed) initial assignment, the analysis of the presenting problem, the presentation of findings and recommendations, to the consequences of all these for the corporation.

The attempt will be made to establish whether the consulting firm has: 1) specific positive benefits for the company in question or 2) no impact, or 3) unintended consequences that are either positive or negative.

The determination of positive or negative impacts will be stated in terms of their consequences for the organization as a functioning totality and not for individual members or units within it.

Background on Management Consulting

Management consulting as a professional service and method of implementing change is not confined to

any particular type of organization. It operates in all areas of organizations, public and private, and for all functions of operations: technological, managerial, financial, personnel, and public relations. In North America there are about 3,500 management consulting firms and the use of management consultants has become common practice.

Management consulting had its origin in free market economies where independent companies used consultants in many different ways. Over the years, consulting has spread into government as well as private business. But most consulting assignments have traditionally been in industrial and commercial enterprises. From these sectors, consulting has expanded to transport, catering, banking and insurance. Important management consulting has been carried out for trade unions, sports and religious organizations and international governmental organizations.

Management consulting grew out of the scientific management movement of the early 1900's. Frederick Taylor, considered the "father" of scientific management, began as an engineer in the steel industry. In 1911 he formulated principles to increase productivity. He stressed the need for cooperation between workers and managers in order to increase the surplus produced. In order to apply his principles, there was an increase in the use of time and motion techniques. Taylor

retired at the age of forty-five and became a consultant to industry.

Followers of Taylor also branched out and became independent consultants in the steel and other industries. Carl Barth and Henry Gantt were management engineering consultants in the steel industry. Frank and Lillian Gilbreth applied their own ideas together with those of Taylor and became consultants on the improvement of human productivity. Lillian Gilbreth was one of America's first industrial psychologists and combined the interest in efficiency with an interest in the human aspects of the workers. She believed that worker dissatisfaction was generated by management's lack of interest in the workers as people.

The work in scientific management stimulated a simultaneous development of industrial psychology and sociology applied to industry. This led to the growth of sociological approaches to human relations and management.

Hugo Munsterberg, working out of Harvard University around 1900, began applying the behavioral sciences to the scientific management theories. He combined the principles of engineering efficiency with an emphasis on the psychological qualities of workers. He thought that it was necessary to be able to analyze tasks to see what mental qualities were required for each task and then to select workers who were capable of performing them. For that purpose, he developed

vocational tests to screen out unfit job applicants. Some of the psychological factors he studied were attention, fatigue, monotony and social influences on work output.

Elton Mayo, who was on the faculty of the Wharton School of Finance at the University of Pennsylvania and later the Harvard Business School, was also a management consultant for industry. Mayo, Fritz Roethlisberger and William Dickson, along with other Harvard researchers, undertook a series of experiments at the Hawthorne plant of Western Electric between 1927 and 1932. Before Mayo stepped in, the National Research Council had made a study of the effects of illumination and other conditions on workers and their productivity (from 1924 to 1927). By 1927 the researchers concluded that lighting was only a minor influence on the employees' output. Whether they raised or lowered illumination, productivity increased. They felt that attempts to measure experimental effects were unsuccessful because it was difficult to control the many factors that interacted in affecting productivity. Western Electric wanted to continue the experiments and thus in 1927 they called on Mayo and his associates.

Mayo tried to isolate the effects on output by introducing other changes in the environment: smaller groups, rest periods, and a more sociable climate. Output increased whether the changes were introduced or when, later, they were eliminated. To try to determine

the reason for the increases in productivity, extensive interviews were conducted with 20,000 employees about their attitudes. From these interviews, the effects of peer pressure on performance stood out. To study this further the researchers selected a group of employees working on the same job. In this case the output was restricted and production did not rise. This was attributed to the peer pressure from the workers.

There were two major conclusions drawn from these studies. One was that the novelty or attention generated by the study and the researchers themselves affected employees' attitudes favorably and this led to increased productivity. This is called the "Hawthorne Effect." The second result was that the type of supervision and climate also affected output. If the supervisor paid attention to the workers and allowed a free exchange of communication, production rose. In the situation where the supervisor was not interested in understanding group behavior, workers restricted output.

Although the Hawthorne studies were not definitive in their findings, they launched the human relations approach in management and sparked further research.

Chester Barnard, an executive for the Bell Telephone Company in 1938 wrote The Functions of the Executive, based on his own observations of the functions of executives. He emphasized the importance of communication between manager

and worker to establish a cooperative system where the worker puts forth the maximum effort on the job. This was one of the major influences altering the concept of the manager's job to include more than the authority to direct or lead workers. Barnard believed that the manager must elicit the worker's consent and cooperation to do the job well. Barnard's writings stimulated interest in motivation, decision making, leadership styles and organizational relationships.

By the 1940's the contributions and involvement of the social scientists in consulting and management theory were expanding into several areas. Much of the application of social science theory to management was an outgrowth of the psychological testing developed to test soldiers during World War I and the tight labor market during World War II. This development of personality, intelligence and interest inventory tests was used to screen job applicants for industry.

After World War II, consulting in marketing and in various newer management techniques, such as operations research and systems design, were expanded. This was followed by changes in the concepts of consulting in general management to embrace prospective problems of business strategy, long-range planning, decision making and organization development.

At the same time, the increasing prestige and utility of the physical sciences in industry reinforced the growing managerial faith in the application of the social sciences

in industry. The chemical, electrical equipment and aircraft industries were those most committed to research in the physical sciences. They started research labs and commissioned research that could be applied to their own industry. These same industries became interested in social science research and its application to industry. Social scientists from universities such as Harvard continued to be sought after as consultants to business. The Universities, such as Harvard, University of Michigan, Ohio State University and the University of Pennsylvania, conducted research in business organizations. This gave the professors credibility to the business world and they were then hired as consultants to apply their knowledge gained through research. Social scientists from these schools, such as Renses Likert, Edwin Fleishman and Frederick Herzberg, became well-known consultants to business.

According to Philip Shay, management consultants have played an active role in supplementing the work of managers in industry. The founders of the managing consultant profession were responsible for establishing management as a separate discipline of study and research.

The development of almost every accepted technique--work measurement, compensation and incentive plans, improved work methods, systems analysis, market research, information systems, budgetary control and the like--has been the joint work of consultants and men in industry. And they have also made distinct contributions to such central problems of managing a business as the design

of the business, corporate strategy, human organization, manager development, the management of relations, innovation and keeping the enterprise relevant to the economic and social environment in which it functions.¹

After World War II, the human relations approach to industrial problems expanded as a trend in industry. This was an interdisciplinary field borrowing from both psychology and sociology. Out of this background came an emphasis on motivation and small groups, leadership and communications. The human relations philosophy asserted that the business organization is a social system and employees are motivated by the human relationships within the system.

The human relations school believed that employee participation was needed to provide employees with job satisfaction and improve morale. The assumption was that a satisfied and happy employee was a more productive worker. Thus, motivation was not only provided by monetary incentives, as the scientific management approach believed, but encompassed personal needs to be liked and to belong in a group. In order to improve morale and satisfy these needs, managers should keep employees informed and allow them to participate in decision making. The way the manager treated subordinates was seen as crucial to good morale, and thereby, productivity.

¹Philip W. Shay, "Toward a Unified Discipline of Management," Conference Board Record, 13 (June 1976), p. 64.

Using the relatively new techniques of role playing and sociometry developed by Jacob Moreno, the human relations field grew as more and more managers believed that it was the key to getting employees to work harder. Moreno, a psychiatrist, was concerned with the impact of group life on its individual members. His technique of diagramming preferences among workers in a group, i.e., sociograms, provided a means of studying the relationships between group members.

Although by the 1950's the assumption that a happy worker was a productive worker was shown not to be true by such researchers as Likert, Herzberg, Zaleznik and others, many of the influences of the human relations school have remained.¹

Despite the growing acceptance of human relations in industry, a number of companies were skeptical: they awaited evidence in terms of productivity gains. The use of excessive jargon served to alienate some segments of industry, with some managers labeling the industrial social scientist as "impractical, ignorant and possibly crazy. With time however, even executives joined in the sport and used the jargon themselves.

¹Abraham Zaleznik, C. R. Christensen and Fritz J. Roethlisberger, The Motivation, Productivity and Satisfaction of Workers (Boston: Harvard University Press, 1958), p. 35; Rensis Likert, "Measuring Organizational Performance," Harvard Business Review, March-April 1958, pp. 41-50; Frederick Herzberg, The Motivation to Work (N.Y.: Wiley, 1959).

. . . As the human relations approach gained steam, fewer and fewer managers had the necessary conviction or will to resist the fad."¹

One of the key concepts of the human relations approach was motivation. Though the scientific management approach had assumed that money was the greatest incentive for workers, some social scientists now proposed that workers needed other, less tangible rewards. Frederick Herzberg's motivation-hygiene theory, based on Maslow's Hierarchy of Need, was the catalyst for this idea. He proposed that unless people were given the opportunity to satisfy the intangible needs, such as personal growth and advancement, there would be no real motivation. This idea appealed to management because it did not require increasing salaries or pay. Other social scientists such as John Atkinson and Victor Vroom opposed this trend by claiming that monetary rewards were, indeed, important and that individual needs, personalities and expectations of employees must be taken into account in determining motivation.

Regardless of the lack of agreement on a common theoretical basis for an acceptable theory of motivation, everyone agreed that motivation was an important key for management. Maslow's theory of Need Hierarchy

¹Loren Baritz, Servants of Power (Middletown, Conn.: Wesleyan University Press, 1960).

gained increasing acceptance along with Herzberg's adaptation of that concept for use in the work situation as a tool that managers could utilize to stimulate motivation.

Researchers on group dynamics theories defined such attributes and concepts in their own terms as cohesiveness, sociometry, conformity, power and influence, and leadership behavior, and applied them to studies of work groups in industry.¹ Leadership, long considered important in management, began to be the focus of new approaches. Among some managers improving styles of leadership and gaining the respect of workers became an objective replacing the assertion of power and authority. Starting from Barnard's emphasis on cooperation, more social scientists stressed the importance of the relationship between the leader of the work group (the manager) and the group members (subordinates).²

At first the research on leadership styles concentrated on trying to identify traits which would distinguish the "leaders."³ When it was seen that no particular

¹Dorwin Cartwright and Alvin Zander, eds., Group Dynamics (New York: Harper & Row, 1968).

²William G. Scott, Human Relations in Management (Homewood, Illinois: Richard D. Irwin, Inc., 1962), p. 304.

³Richard M. Hodgetts, Management: Theory, Process and Practice (Philadelphia: W. B. Saunders Co., 1979), p. 289.

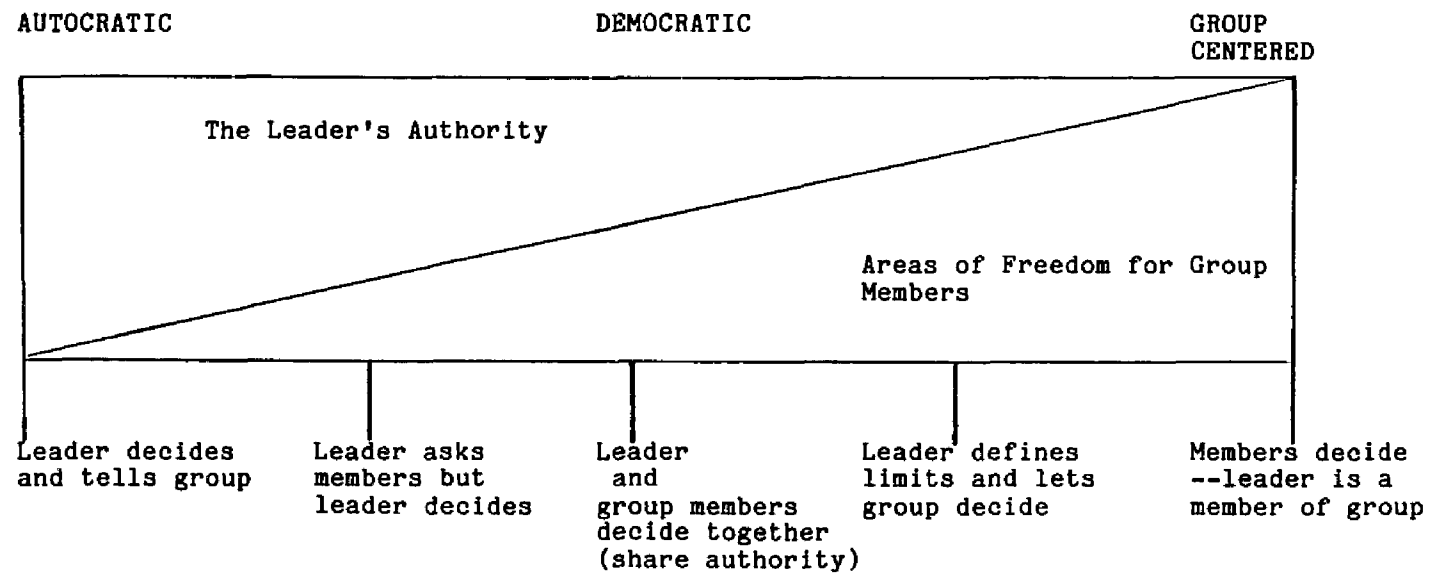
traits were exhibited by leaders and not by followers,¹ efforts then turned to identifying what made a leader effective in a particular situation.

One of the most widely used models using a situational approach to leadership styles was that of Robert Tannenbaum and Warren Schmidt.² They described leadership styles in terms of a continuum of authority used by the leader and the area of freedom allowed to group members (see Diagram 1). In this human relations approach managerial theorists tried to move away from the traditional use of the "autocratic" style, where the manager plays the dominant role in making decisions, toward the use of the "democratic" style where there is a sharing and communication with subordinates. The human relations advocates believed that democratic leadership would produce more work. The possibility that this type of leadership might result in at least some benefits was enough to stimulate companies to sponsor leadership training programs to include management with the advocated style. Training was targeted primarily at first-line supervisors, who were believed to have the most direct impact on workers' productivity.

¹Harold Koontz, Cyril O'Donnell and Heinz Weihrich, Management (New York: McGraw-Hill Book Co., 1980), p. 664.

²Robert Tannenbaum and Warren H. Schmidt, "How to Choose a Leadership Pattern," Harvard Business Review, March-April 1958, pp. 95-101.

DIAGRAM 1. LEADERSHIP STYLES CONTINUUM



Source: Robert Tannenbaum and Warren H. Schmidt,
p. 96.

By the 1950's industrial programs in human relations were common, using techniques based on sociology, psychology and the Harvard case study method to teach managers "people skills" as well as other management skills. One such program conducted at International Harvester Company was studied by researchers at Ohio State University. It was typical of the training given to thousands of first line supervisors.¹

The Harvester program included 5,000 supervisors in a course of personal development (twenty-one hours of speaking, writing, planning and logical thinking), human relations (twenty-nine hours of human behavior, industrial relations, industrial organization and control, and application of human relations), as well as seventeen hours of company operations and finance. In the program, the "democratic" leadership pattern was taught as the most desirable leadership style for supervisors to use.²

According to Loren Baritz, the new approach became a fad in industry, without any actual research that demonstrated such training accomplished its promised results. "As usual, a few social scientists dissented, questioning the human-relations training being given to foremen and its effectiveness.... Despite such doubts, industry went on its determined way

¹Scott, Human Relations in Management, p. 411.

²Ibid., p. 411.

of finding out whether or not more highly trained foremen could in fact increase output, morale and loyalty while reducing costs, grievances and conflict."¹ Whether or not leadership training could produce the desired effects remained very much a question.

Much of the research that was conducted on leadership effectiveness was done in universities. There were two main research centers which were established to conduct studies in business on leadership effectiveness: the Bureau of Business Research at Ohio State University and the Institute for Social Research at the University of Michigan.

At Ohio State University in the 1950's Edwin Fleishman identified two independent dimensions by factor analysis of data from leader behavior questionnaires. These major dimensions, as defined by Fleishman, were:

Initiating Structure(S) - Reflects the extent to which an individual organizes, defines and structures his role and that of subordinates toward goal attainment. A high score characterizes an individual who plays a more active role in directing group activities through planning, communicating information, scheduling, etc.

Consideration(C) - Reflects the extent to which an individual is likely to have job relationships characterized by mutual trust, respect for subordinates' ideas, and consideration of their feelings. A high score is indicative of a climate of good rapport and two-way communication. A

¹Baritz, Servants of Power, p. 184.

low score indicates the supervisor who is likely to be more impersonal in his relations with group members.¹

He found these dimensions consistently important in assessing industrial supervisors over a wide range of studies using two questionnaires which measure the amount of structure and consideration as perceived by the supervisor and his subordinates. The Leadership Opinion Questionnaire (LOQ) is a Likert-type attitude scale which assesses how the supervisor thinks he should behave in his leadership role. The Leader Behavior Description Questionnaire (LBDQ) measures subordinate perceptions of supervisory behavior. Although it initially was thought that there was one "best" pattern of consideration and structure scores for effective leaders, later research showed that this was not the case. In a review of C & S research, Abraham Korman states that there is a great deal of inconsistency in the results of studies relating leader patterns of C & S to effective performance and "there is very little evidence that leadership behavioral and/or attitudinal variation," as defined by scores on the LOQ or LBDQ, "are predictive of later effectiveness and/or satisfaction criteria."²

Other research, conducted by Fred Fiedler, led

¹Edwin Fleishman cited in Abraham Korman, "Consideration, Initiating Structure and Organizational Criteria: A Review," Personnel Psychology 19 (1966): 349-350.

²Korman, Personnel Psychology, p. 354.

to the theory that situational factors interact with certain personality attributes in determining leadership effectiveness. Fiedler found that a reliable leader-personality variable can be obtained through a Least Preferred Coworker (LPC) score.¹ "It is obtained by asking an individual to think of all the people with whom he has ever worked, and to describe the one person in his life with whom he found it most difficult to work on a common task . . . by marking a set of 16 to 20 items on an eight-point, bi-polar scale of the semantic differential type."² Examples of items on the scale are pleasant-unpleasant, accepting-rejecting, helpful-frustrating. The LPC score is the sum of the item scores, with the positive pole of each item giving a high score. A high LPC score is interpreted as reflecting a motivation to relate to others. A low score is interpreted as reflecting a motivation for task accomplishment.³ The LPC is a motivational or personality variable which Fiedler himself says is difficult to interpret but which is independent of other personality or attitude scales and has been found to be reliable in extensive studies on leadership. LPC is the one variable that has been consistently related to performance.⁴

¹Fiedler, 1967.

²Fiedler, 1973, p. 144.

³Fiedler, Current Developments, 1973.

⁴Ralph Stogdill, Handbook of Leadership (N.Y.: Free Press, 1974).

The majority of the research has supported Fiedler's hypothesis that low-LPC leaders perform better in very favorable situations and in unfavorable situations, while high-LPC leaders tend to perform better in conditions of intermediate favorableness.¹

Many consultants have used these leadership effectiveness theories to develop and sell their own leadership training programs to clients. These have become quite popular even though research has not established that these training programs are effective. So far, there has been little examination of the research on the effectiveness of leadership or management training programs. Although there has been voluminous literature written (between 1945 and 1949 there were an average of 55 studies per year; between 1950-1953, an average of 152 per year;² while in 1974, a survey of leadership theory and research found it necessary to analyze over 3,000 books and articles in the field³), very little has been written about the methodological evaluation of leadership/management training. One reason for the dearth of evaluation studies

¹Fiedler, Current Developments, (1973); Michaelson, Organizational Behavior & Human Perfection, (1973).

²Fiedler, A Theory of Leadership Effectiveness (N.Y.: McGraw-Hill, 1967), p. 6.

³Fiedler, Theory of Leadership, p. 251.

is the complexity and difficulty in establishing controlled conditions and the inability to isolate variables in the real world rather than the laboratory.

Another reason is that scientifically controlled evaluations usually involve extensive follow-up which may mean extra time away from the job for participants. Time lost from the job can be quite costly and, in addition to the high cost of the study itself, makes evaluation too inconvenient and expensive. Still another reason for the lack of evaluation in corporations is the difficulty in tracking participants over a period of time to see if the training was effective. With the rapid changes occurring in most companies, many managers do not remain on the same job, have the same superior or even remain in the same department.

Even when evaluation is done, it is difficult to attribute positive effects to the training. There are other factors which contribute to visible effects such as the relationship between the trainer and participant, or the additional attention being given to managers as a result of their participation in the evaluation study.

In 1967 Fiedler complained about the lack of studies of the effects of leadership training.

Organizations have been more than happy to spend money on training programs but they have been considerably less eager to find out whether the training really does any good. Moreover, personnel research has been

severely handicapped by the fact that the criteria of group and departmental effectiveness are only vaguely . . . defined . . . and even less frequently¹ are they measured with any degree of reliability.

Few studies have been conducted which evaluate leadership training under controlled conditions with objective performance criteria; nor are disinterested studies done. Evaluation is often a subjective report by participants on their perceptions of how useful the program is. Informal comments and testimonials do not provide an independent measure of change in attitude or behavior, especially productivity.

One of the earliest research studies was done in 1951 by Ralph Canter. He evaluated a training program designed to increase cognitive skills (understanding) of supervisors. A post-test showed an increase in knowledge for trained supervisors but subsequent surveys of subordinates on the job indicated no increase in morale attributable to training.²

In another study, conducted at the Ohio State Research Center, Fleishman developed a design and battery of surveys for measuring continued effectiveness of training; the LOQ and the LBDQ. These questionnaires, as indicated, measured the Consideration

¹Fiedler, Theory of Leadership, p. 251.

²Ralph R. Canter, "A Human Relations Training Program," Journal of Applied Psychology 35 (1951): 38-55.

and Structure factors from the supervisor's and subordinate's point of view. Although significant changes in C and S were found immediately after training, no effect was established when measured on the job. Fleishman concluded that "training did not produce any kind of permanent change in either attitude or behavior or trained foremen."¹

Later studies by M. Gene Newport and then Lawrence Meyers reported much the same thing--little or no effect of management training. Although trainees judged themselves as having changed in relation to training goals, significant others rated them as not having changed. Changes in awareness evidently were not translated into behavior.²

If there are immediate changes in behavior as a result of training, the evidence does not suggest they are lasting changes. It indicates that trainees do not maintain changes learned in the laboratory or

¹Edwin A. Fleishman, 1953, p. 154.

²M. Gene Newport, 1963; Lawrence C. Meyers, 1970.

classroom. If there is no immediate and direct reinforcement in the work environment, studies¹ show that learned behavior will not continue. Confirming these findings are studies that show that organizational climate can negate or overwhelm training when upper management reinforces behavior that is inconsistent with training.² Fiedler also stresses that the laboratory or classroom experience will be useful only to the extent that the situation is nearly identical to that present in the leadership training. He believes that training can provide an opportunity to "experiment with attempts to change the leader member relations Whether laboratory training can affect changes in the individual's leadership style is considerably more doubtful."³

According to Fiedler, it is more likely that we can seek effective leadership in business by altering aspects of the situation (such as designated power or group members) or by selecting appropriate leaders with styles that fit the particular situation, rather

¹Scott, Human Relations in Management, p. 411.

²Edwin A. Fleishman, 1953; Floyd C. Mann, 1957.

³Fiedler, Theory of Leadership, p. 201.

than trying to train someone to change their leadership or management style.

It is possible that changes in behavior do occur as a result of training but that the changes are not those that were specified in the program objectives and they are, therefore, overlooked in the search for manifest changes. Since these changes or consequences cannot be predicted, management consulting which employs training and the social science approach is itself not a science, even though the social and psychological theories it uses are scientific in the sense that they are based on laboratory research.

The Relationship of the Management Consultant to the Client Company

A review of the literature reveals a variety of opinions about how the consultant is used in industry. The consultant is seen either as a change agent, diagnostician or problem solver. The variety of their functions are suggested by the reasons why organizations use outside management consultants, the factors involved in the selection of the management consultant, criticisms of consultants and consultants' styles.

There are many reasons why business organizations hire management consultants. One of the reasons is that they feel they do not have the expertise necessary within their own organization. Don Bowen explains that with the rapid and unpredictable changes occurring, the accepted maxim has come to be that the only constant is change itself. At the same time, professional knowledge and skills are expanding so fast that even with the best of care it will be unlikely that an organization will have the "complement of in-house competencies when, where and in the quantity needed."¹ This has also led to increasing specialization among management consultants.²

Organizations are also prone to recruiting from professional staffs of major consultant firms to fill senior management positions rather than promoting from within the organization. This is done on the assumption that the consultants possess better expertise and experience than the company's own managers. Yet John Miner has examined this assumption by comparing corporate

¹Don Bowen and Merrill J. Collett, "When and How to Use a Consultant," Public Administration Review 38 (September-October 1978) :476-481.

²Business Week, 1979.

managers and management consultants on measures of motivation and mutual ability, both of which factors have been known to have some relationship to managerial success. He did not find a pattern of superiority among the consultants.¹ Good management talent was found equally in both groups. This does not mean, however, that specialized consulting firms in total do not possess a wider range of techniques and information than any one operating organization may possess.

Another reason for seeking consultant advice is the attempt by the organization to get an independent view. In an activity in which the judgemental element is high, "another opinion" is often sought by those concerned. The "credibility of an outside and independent perspective in the often internecine or interjurisdictional warfare and the personal and political antagonisms attendant to such disputes" is an important factor.² A third party view may both be better than the judgements of more immediately concerned parties and have an

¹John B. Miner, "The Management Consulting Firm as a Source of High Level Managerial Talent," Academy of Management Journal 16 (June 1973).

²Bowen and Collett, p. 477.

acceptance that will facilitate action where there has been an organizational standoff.

The politics of a situation may also require bringing in an outside consultant, even when the expertise exists in-house, to give the impression of neutrality.¹ Others support the view that outside consultants should be brought in for politically sensitive issues or for top management reorganization or for changes in corporate strategy.²

There are those, however, who feel that the management consultant does not maintain the objectivity he is hired to provide. James Kennedy states that although the biggest advantage a management consultant brings to the client is his objectivity, this quality "erodes as the consultant gets to know the client better. While some indoctrination into company affairs undoubtedly helps, there comes a time when the consultant's blinders are almost as big as those worn by the regular employees."³

Others also claim that consultants are not any more objective than regular employees--they have to

¹Robert Kelley, "Should You Have an Internal Consultant?" Harvard Business Review, November-December 1979.

²Business Week, 1977.

³James H. Kennedy, 1978, p. 117.

please the person who hired them. "Even outside consultants can't spit on the flag," comments Guzzardi.¹ "External consultants can be either objective or tainted too They know which side their bread is buttered on."²

Management consultants are, in addition, described in an analogy to a physician. They are expected to diagnose, sort out causes from symptoms, prescribe remedies and check back to see if their suggestions are being carried out."³ According to Nicholas Radell, a good consultant should be an expert at recognizing and defining solvable problems. Management sometime falls into the pitfall of "identifying and dealing with symptoms rather than with more basic, underlying difficulties."⁴ This is where the consultant's experience and objectivity are real assets because they are not so involved with the company and they have been exposed to a number of similar situations in other client organizations in the industry.

¹Walter Guzzardi Jr., "Consultants: The Men Who Came to Dinner," Fortune, February 1965, pp. 138+.

²Business Week, 1977, p. 66.

³Nicholas J. Radell, "Optimizing the Management Consultant," Data Management 15 (August 1977); Bowen and Collett, 1978.

⁴Radell, p. 32.

The Selection of a Management Consultant

According to Nicholas Radell, a Vice President of a leading management consulting firm, a subjective judgement must be made when selecting a consultant. "The only means available in minimizing the risks involved is to gain as much insight as possible into the consultant choices available."¹ He suggests that an organization should request a written proposal which clearly defines the objectives to be achieved, the end-products that the consultant will deliver, an estimate of the time to complete the project, the costs involved, and who will be the staff assigned. Radell feels that there is always a risk in selection because "at the time a consulting engagement begins, not even the consultant can predict the substance of the product he or she will create and deliver; i.e., the conclusions reached and recommendations made."²

Steven Brown also recommends evaluating potential consultants by having them submit written proposals and then evaluating the costs and benefits.³ Guzzardi sees an increase in companies who are getting several bids before selecting a consultant for a project.

¹Ibid., p. 33.

²Ibid., p. 33

³Steven W. Brown, "On Choosing a Management Consultant," Arizona Business, October 1975, pp. 9-14.

"They invite three or four consulting firms to outline their approach before making any assignment and seek to have fees as far as possible fixed in advance The best results seem to come when management knows what the problem is, and sets down clear boundaries and objectives in advance."¹

Both Brown and Radell emphasize manifest "presenting" problems in selecting a consultant, and in the clear manifest statement by the consultants of the consultants' terms of reference; by implication, they deny the existence of latent meanings in the selection of problems.

Other difficulties may arise out of a lack of clear definition of what the consultant will do. Some consultants "insist that their professional responsibility ends when they have carefully analyzed a problem and have presented well-conceived recommendations to deal with it."² If the client does not have the means or knowledge to implement the recommendations without assistance, this could result in a worthless end-product

¹Guzzardi, p. 138.

of consultation; or it could lead to inaction or less than adequate action.

Many companies when selecting a management consultant will go immediately to one of the top ten or fifteen firms, relying on reputation. More and more, however, companies are seeking out a number of smaller firms to reduce costs and/or to get the expertise needed in the increasingly specialized market. Business Week reports that "for their part, clients themselves show increasing willingness to forego one-stop shopping at a prestigious consulting firm in order to get a multidisciplined approach."¹ This has led to a proliferation of smaller and specialized consultant firms. Companies may use several specialized consultants rather than one large firm.

All of this discussion deals only with manifest problems and functions, except in the suggestion by Business Week that a top firm offers prestige as well as multiple services.

¹Business Week, 1979, p. 101.

²Business Week, 1979, p. 99.

Criticisms of Consultants

One of the problems that occurs with the use of management consultants stems from the fact that management consulting itself has become a growth industry. The growing complexity of the world and of organizations has generated more and more work for consultants. At the same time it has also led to fragmentation in the consulting industry.

Thousands of academicians and other professionals have capitalized on their technical expertise in fields such as transportation, productivity, data processing, and the behavioral sciences to establish successful individual consulting firms, which together are offering a serious competitive challenge to the biggest and most well-known names in the business.¹

It is interesting to note that while academicians have always done consulting as a sideline, it has now reversed itself to the extent that teaching has come to supplement lucrative consulting practices. In places such as the Harvard Business School, faculty members with consulting incomes may be earning several times more than their salary from teaching.

Another aspect of the growth of the consulting

¹Business Week, 1979, p. 99.

firm is that the staffs grow quite large, which may lead to a dilution of the care and quality that have earned the firm its reputation in the first place. Only a few consultants at the top have the experience one expects, and pays for, with the top consultant firms. One way the consultant firm maintains its profitability is by bringing in new, inexperienced staff members who earn for the consulting firm far more than they are paid. While companies are paying for the experience of the senior members, "the fact is that ranking members of a big consulting house have many clients to serve and new accounts to worry over. They cannot give much time to any single client's problem; it just isn't economical for them to do so."¹ If you go to a big consulting firm you are not getting the top partners but one of the younger, less experienced members.

Radell explains that "consulting firms do not perform consulting engagements; individual consultants do. A client has the right to know who is going to do the work, who is going to manage the work, and who is going to be fully accountable for the successful completion of the work."²

¹Guzzardi, p. 238.

²Radell, p. 33.

Guzzardi gives an example of the problem as he severely criticizes consultants:

In our instance, the executive's company has a good record of earnings, but he is troubled, let us say, by the loss of some competent young executives from one division. Unsatisfied by the explanation from within the ranks, he calls in a consulting firm of renown to have a look. A senior member of the firm responds, and, in brief and intelligent preliminary analysis, recommends an executive compensation study. . . . Impressed with the analysis and with the demeanor and experience of the senior consultant, the executive agrees to the study. The senior partner is seen very little around the company after that, and the youth of the consultants who actually do the work lifts a few company eyebrows. . . .¹

Another criticism of consultants is that they are continuously finding new problems which perpetuates their business--and sometimes in the process of "solving" problems, creating new problems themselves. Guzzardi refers to them as "the men who came to dinner" and masters of the "self-perpetuating sell."² No serious problems can be left unsolved for long, but even solutions developed by consultants bring new problems in their wake. For example, after conducting the executive compensation study mentioned above, the program is implemented by the company. A solution seems to have been found to the problem until the consultant points

¹Guzzardi, p. 139.

²Ibid., p. 138.

out that there is another problem--which in effect he created. The compensation study that was done for one division has thrown top management out of kilter and, therefore, requires that an entire organization study be made to restructure the compensation system.

Part of the problem may be the increasing specialization of consulting firms. The narrower perspective, while providing more expertise in a particular area, tends to increase the possibility of creating problems in other parts of the organization. This occurs because no one looks at the ramifications for the company as a whole. By focusing attention on manifest problems there may be a tendency to overlook underlying or latent problems.

Another problem with consultants is that there is no way to calculate the fair price of the consultant's advice. There is no guarantee of "quality of advice; there is no approved scale of fees; there is effectively no redress in the event of a botch-up."¹ Brown cites some instances where the consultant, called in to cure a sick organization, wound up killing it. In one example, the cost of the consultant's services turned out to be almost a quarter of the company's annual profits and bankrupted the company.² This discussion, by Brown,

¹Rosemary Brown, 1980, p. 92.

²Ibid., p. 92.

suggests that management firms can make gross mistakes but its emphasis is on the fees and technical failure of the advice, not on the latent function of the advice.

Another example is that of a consultant firm that did good work for one large company, but left "a string of embittered people behind. In effecting the savings that its gifted salesman promised for the client, the consultant left one senior survivor convinced that 'the impact on spirit has been devastating. This is a blow from which the (company) will never recover.'"¹

Part of the problem, according to the Business Week article of 1979, is that this is an unlicensed, unregulated profession; one in which any person can hang out a shingle and adopt the label of consultant. There is a need for standards in an area where growth has occurred so fast that its overall performance standards have weakened. This assumes that consultants were better in the past, and the major problems of consulting firms are their technical inability to deliver on their promise.

A related problem of standrads arises when there is a possible conflict of interest. Most consultants gain their expertise by working with several clients in the same industry. Thus they occupy a position of trust (many are asked to sign non-disclosure agreements

¹Guzzardi, 1965, p. 237.

covering technical processes). The temptation may be great to use knowledge gained from another company.¹ Some favor obligating the consultant to be certified or regulated in a way that lawyers or physicians are supposed to follow professional standards. In regard to conflict of interest especially, "by the very nature of the business, consultants who serve competitors are forced to play the role of both poacher and game-keeper."²

It may be unrealistic to expect a consultant to have information that would help with another client in the same industry, but refrain from using it for his own advantage. The ethical problems suggested here assume that the unethical consultants defraud clients, that each firm is an entity, and there is no collusion between consultant and individual representatives of the client.

Still more problems may occur because of the mistakes the consultant makes in working with the client organization. William Reddin, a well-known management consultant who specializes in organization development and conducting his own leadership style program, has

¹Kennedy, 1978.

²Guzzardi, p. 237.

made a survey of consulting-management problems. He outlines nine errors which are commonly made with the client. The errors include: 1) initiating change from the bottom up, 2) creating a change overload, 3) raising expectations beyond what is realistic, 4) allowing inappropriate attachment, 5) becoming trapped in one part of the organization, 6) changing only a sub-system, 7) mistakenly intervening behaviorally rather than structurally, 8) losing professional detachment, and 9) assuming that change is needed when it is not.¹

1) The first error is a well-known mistake.

Reddin says that "when change agents tell me that they plan to attempt to change from the bottom up, I remind them of the military dictum that the penalty for mutiny is death."² He gives an example of what happened when he conducted a well-budgeted series of workshops for everyone except the very top managers. Although the first seminars were well rated by the participants, the top management team cancelled the budget after the first three sessions.

What happened was that successive waves of managers with radically different ideas of how the company should be run were causing a tremendous disturbance, and we had not prepared the top team for dealing with it.

I am frequently pressured by clients to

¹William Reddin, 1978.

²Reddin, p. 67.

make this error again The person who makes this request usually explains that the top man is too busy to attend a seminar, does not need it, or could simply read the book.¹

Here Reddin accepts the principle of hierarchy and finds that consultants must work with the very top. The criterion of success is the retention of contracts.

2) The second error involves creating more change in the organization than it can handle at one time. A rigid or bureaucratic system will alter and undermine any meaningful changes if they are introduced too fast or if it is unprepared to handle them. A single, one-shot large-scale intervention is not likely to produce any change in such systems. Changes, he argues, should be introduced gradually and assimilated before any new changes are attempted.

3) Reddin gives an example of the third error --raising unrealistic expectations. He recounts the introduction of a participative goal setting program --a Management by Objectives (MBO) approach. The top person in the organization decided to introduce the program by participation in a meeting to discuss the MBO program with subordinates. This was an immediate error, Reddin says, because "the top man's autocratic decision was hardly the way to introduce a participative

¹Ibid., p. 67.

approach, and the meeting raised expectations beyond the delivery point."¹ The people expected that the participative management style would be used immediately and in all areas. This was not top management's intent and when in the next few months the budget and other key decisions were made in the usual, autocratic way, the managers were disappointed and became disillusioned with the entire MBO program. If change had been introduced in a more limited fashion, it would have had a better chance of succeeding.

4) The fourth error is what Reddin calls "inappropriate attachment" in the relationship of consultant to client. It means that the consultant forms a relationship that is inappropriate for maintaining the professional, objective approach. Reddin humorously recounts how he lost his effectiveness by being "seduced" by his client. He describes how he was invited by the Chairman to dine with the board members at their country house training center.

It was an epic meal and the vintage port flowed. The conversation was witty, and I had to lean on my limited classical education to keep up with the literary allusions

¹Reddin, p. 67.

My first error was to accept that invitation, and my next was to visit again in similar circumstances. It was a superb, if unconscious, seduction of me by the client. My role in this case became that of an intellectual, witty companion. My attempts to change it were met with difficulty.¹

Here we have, perhaps, a truncated version of a latent function of consulting. It is truncated in that Reddin does not discuss how his social co-optation affected the manifest statement of consulting problems and his response to them.

5) The fifth error also involved inappropriate attachment; being confined to one part of the organization rather than forming connections throughout. This can cause the consultant's perspective to be too limited. This problem can be caused by the wrong type of entry into the organization. The entry may be through one individual which limits access to information. Another aspect of this problem is entering too low in the organizational hierarchy or having contact with an individual rather than the group. Here Reddin suggests that inappropriate attachment results in limited sources of information, limited diagnosis and therefore, limited recommendations. It also suggests

¹Reddin, p. 68.

co-optation and the inability to "sell" his recommendations to higher and wider levels.

6) Changing only a sub-system is a mistake when there is mutual dependence or interdependence with other parts of the organization. This might involve making changes in only one part of a division which brings it into conflict with the rest. Changing only a part of the organization may also bring disorganization where consistency would be more efficient. The example of bottom-up change, exclusive of top levels, would be another example.

7) Intervening behaviorally when structural change is more appropriate is a common error made by management consultants involved with organizations and management development. For example, if a task group is having "personality clashes" it is all too easy to rush in with human relations skills training when, in fact, the problem is caused by a lack of definition of roles and responsibilities. Another example of this would be offering management training workshops to try to lower high turnover, when the problem should be addressed through the compensation program. These may be technological errors, or they may be the result of consulting firm specialization; a firm specializing in human relations or skills workshops may be unwilling to recommend services it cannot provide.

8) The error of becoming emotionally involved with a client is easy to make because the consultant's reputation and fees are at stake. In becoming too concerned with having his project "succeed" in the client's view, the consultant may lose objectivity and professional detachment when associating too closely with the client; becoming concerned about being "liked" by the client, liking the client and becoming too personally involved, or accepting as "success" the client's praise without looking at the situation and all its ramifications. This error seems to imply the adherence of latent motives of some individuals in the client firm and a co-optation to his diagnosis, perspective or interests. Reddin does not, however, follow this through.

9) The last error Reddin discusses is that of introducing change when none may be necessary. In the consultant's zeal for work or over-enthusiastic assessment of his own ability, he may introduce a new way of doing something when the old way was satisfactory --or perhaps better. The consultant, not being as familiar with a particular company's functioning, may do great damage if he fails to heed the advice of knowledgeable people in the organization.

In summary, Reddin discusses how consultants may be co-opted as they work with clients, sometimes by the top, sometimes by lower levels, and sometimes by specialized parts of an organization. Some of his points suggest that "co-optation" in some form may be necessary in order to accomplish the changes in the organization. His last point suggests that a consultant's preference for certain types of diagnoses and recommendations regardless of solution, may limit their flexibility and, therefore, their effectiveness.

None of Reddin's cases report directly on the effects of co-optation by management officials on manifest diagnosis and recommendations. They do suggest, however, that management resistance is the greatest problem and they suggest the necessity for the consultant to co-opt the managers.

Reddin has supreme confidence, with the exception of one case, in the value of his work. The only problem he presents is the chance to apply it to the total organization with the aid of the person at the top.

Consultant Styles

Not much research has been done on the effects of the management consultant's style on the intervention in an organization. S. R. Ganesh, while not addressing

this issue explicitly, has at least begun to examine the consultant's style. He interviewed some management consultants and defined an organizational consultant in terms of the activities engaged in. He uses the typology of interventions taken from French and Bell: 1) diagnostic activities, 2) team building, 3) intergroup activities, 4) survey feedback, 5) technostructural, 6) education and training, 7) process consultation, 8) grid and organization development (OD) activities, 9) third-party conflict resolution, 10) coaching and counseling, 11) life and career planning, 12) planning and goal-setting.¹

Ganesh contends that since it is the organizational consultant who helps the application of existing behavioral science to ongoing organizations, there is a need to understand individual consultants in terms of their styles which influence their interventions. From interviewing twenty-one consultants he arrived at two basic approaches: an emphasis on people, and an emphasis on task.

The people-oriented style used by consultants involves an emphasis on individuals and groups. A

¹S. R. Ganesh, "Organizational Consultants: A Comparison of Styles," Human Relations 31 (1978): 2.

concern for others' feelings and the relationship they have with each other and with the consultant is paramount. The people-oriented approach focuses on the people in the organization as the most important aspect of getting the organization to function well. The emphasis is on interpersonal relationships. This involves getting along with people, trust and open communication.

The task-oriented style is more concerned with the task itself and the structure of the organization. Task-oriented consultants emphasize getting the job done, the systems within the organization and the way work is structured. Task orientation focuses on systems of work and efficiency.

The various styles fall along a continuum from the most people-oriented to the most task-oriented. As one moves to the right on the continuum, there is less concern with personal or interpersonal issues and more concern with total organizational issues (see diagram 2).

The people approaches consist of: 1) training and working with groups, 2) personnel aspects, 3) working with individuals, 4) both people and task approaches with an emphasis on people.

Task approaches are: 1) task and structure work per se, 2) information control and communication,

DIAGRAM 2. CONTINUUM OF CONSULTANT STYLES

Increasing Emphasis on PEOPLE VARIABLES				Increasing Emphasis on TASK & STRUCTURE ASPECTS			
Training and working with groups	Working on personnel aspects	Working with indivi- duals	Working on both people & task as- pects, but empha- sis on the people	Working on task & structure aspects	Working on informa- tion control & communi- cations aspects	Working on organi- zation wide goal setting	Working on strategy

Source: S. R. Ganesh, Human Relations, p. 23.

3) organization-wide goal setting, and 4) organizational strategy.¹ The way that the consultant carries out the assignment may vary depending on the approach and style employed. Ganesh identified elements of style related to overall approaches and those related to the individual personality of the consultant.

There are three elements of style related to overall approaches. The first is called "entry" and has to do with the way the consultant enters or comes into the organization. This encompasses the way the consultant makes contact with the client organization and through which level or levels of management the consultant comes into the organization. The second approach-element is the involvement of the consultant with the organization. This includes the period of time the consultant works in the organization, the dependency of the client on the consultant and whether or not the consultant tries to build the internal abilities of the client organization so they can continue to function well after the consultant leaves. The third element is the degree of change that is created by the consultant's intervention. This includes the type or amount of change that occurs and the object or systems in the organization that are involved in

¹Ganesh, p. 7.

the changes.

There are also three elements of style related to the individual personality of the consultant. Ganesh calls these the "person-related" elements. The first of these elements has to do with the role that the consultant plays in the organization in which he works. The consultant may take one role or may play several roles, at one time or in sequence. The role that the consultant plays in interacting with various groups within the client system may vary. Some consultants become active members of their client groups while others do not attempt to join at all.

The second person-related element involves the relationship that the consultant establishes with the client organization. The consultant and the client may interact on a formal or informal basis that establishes the consultant's particular concern for the client's welfare. The consultant may also bring to his relationship with the client personal expectations for professional learning.

Lastly, there is the power element of style. This involves whether or not the consultant is aware of his own power (or lack of it) in the client organization and the type of power the consultant exerts--based on expertise, trust, position power.¹

¹Ganesh, p. 8.

According to Ganesh, consultants using the people approaches tend to enter the organization at middle levels. Personnel consultants express interest in entry at top levels since "access to the top is necessary to introduce changes that affect the total organization . . . but are quite content to start lower down."¹ All the other approaches, including the task approaches, tend to enter at the highest levels. This is because "the rationale for entry at middle levels appears to be the emphasis on improvement of individual and group functioning, whereas the rationale for entry at the highest . . . levels appears to be the focus on cultural change."²

The major differentiation between the people approaches and the task approaches seems to center on their values. These values underlie the type of approaches that are used by the consultant. The task approach is generated by values that Ganesh calls a Systematic Relationship (SR) orientation. Consultants with an SR orientation are usually involved with issues which affect the entire organization and in changes

¹Ganesh, p. 8.

²Ibid., p. 9.

which affect the long term patterns of work in the organization. The SR orientation is based upon working from formal power bases and using these to bring about desired changes in the total system. Consultants using the SR orientation avoid personal involvement in their relationship with the client. They attempt to maintain a detached perspective rather than getting involved in personal or organizational politics. They may, Ganesh concludes, be involved with an organization for a long period of time and develop a good working relationship with a concern for the client's welfare on a professional rather than a personal level.¹

The Human Relations (HR) orientation usually involves personal, interpersonal and group situations. The changes that are attempted are directed to individuals or groups that are parts of systems within the organization. This approach is focused on only parts of the organization and thereby limits the consultant's involvement in the total system. This limitation, in addition to the way that these consultants enter the organization (usually through personnel and training managers) influences the nature of the changes they are able to accomplish. Limited involvement also fosters the

¹Ganesh, p. 22.

need of these consultants to feel that they are members in a client group. Although they come in as experts, they work from a position of trust with the client. They professionally emphasize the interpersonal skills that lead to personal relationships based on trust. These include facility at communications, getting along with others, and sensitivity to others rather than impersonal objectivity.¹ Ganesh's descriptions of consultants' styles will be use to characterize the consultants' relationship to the company in the case study.

Variety of Services by Management Consultants

Management consultants with a social science approach often offer several services to clients. In addition to providing assessment and analysis of management problems, the consultant might also design, market and sell various management games, simulations and programs. These "products" are based on academic social sciences derived from university research that has been adapted for business. The university origin of the product adds credibility and prestige which help the consultant sell the products to business client organizations.

The management consultant might sell his game or program directly to the client or, most often,

¹Ibid., p. 22.

may actually conduct a series of workshops for the client. Thus, the management consultant frequently takes on the role of management trainer for the client organization. In the management training workshops a variety of techniques, borrowed from the social sciences, may be used. The particular techniques selected to achieve the desired results may depend not only on the appropriateness of the techniques themselves but also on such conditions as the prestige or reputation of the consultant and previous clients who can attest to his effectiveness.

In this study, the emphasis is on the management consultant who specializes in a social science approach. This is done because the author has worked as a consultant to business and industry utilizing such an approach and is most experienced with it. In addition, during the period of the case study, there were several management consultants with social science approaches working for the company. This provides material for comparisons and analysis.

Techniques Used by Management Consultants

Having discussed some of the ways that management consultants are used, some attention will now be given to the techniques and processes utilized by consultants in the management training programs.¹ Consultants often use a workshop format for the management training programs. This format may include exercises, discussions, role playing, lectures, case studies, questionnaires, and additional participative techniques. Often the workshop starts out with an exercise designed as a warm-up technique which permits the participants to relax and get to know one another. Thus, the workshop utilizes a variety of techniques, usually in combination.

The workshop is designed to be a problem-solving or knowledge acquisition session in which trainees contribute ideas and learn from one another rather than by formal instruction. The program leader takes the role of the facilitator, asking questions, guiding discussions, summarizing and drawing conclusions. This format is an experiential mode rather than that of the student-faculty mode. The presumed benefits

¹Material from this section is drawn from the author's experience as a management trainer; from Sidney Mailick, The Making of a Manager (Garden City, N.Y.: Anchor Press, 1964); and from William G. Scott, Human Relations in Management (Homewood, Ill.: Richard D. Irwin, 1962).

of this format are that participants learn through independent discovery, develop their problem-solving ability and are likely to have better retention of what they learn. It is alleged to be especially effective in attitude or behavioral change.

The lecture is a traditional method adapted from academic settings and one of the most popular techniques. The role of the consultant as instructor is that of "teacher" while the participant is the "student." It allows for presentation of a great deal of information in a short period of time to a large number of people, but it permits only the passive involvement of the audience in learning and therefore is presumably less successful in creating long term changes in attitude or behavior. The lecture is usually used in conjunction with games, simulations or role playing, all of which are used to demonstrate the dynamics of the theory presented in the lecture. Lectures, conversely, are used in workshops to provide the theory, origin or scientific credence to the exercises or games being used.

The case study method starts with a written description of a management situation that includes one or more problems requiring analysis and a decision. Developed at Harvard, the case study involves learning by individual

participation and group discussion. For example, during a session on goal setting in a workshop, a case study may be presented focusing upon a manager and a subordinate setting sales goals. Through individual and, subsequently group analysis and discussion, the group discusses how to set goals, how much the manager should prevail and how much the subordinate should contribute. In this discussion individual managers are exposed to new ideas and views of their peers.

Case studies are designed to provide realistic situations and complexity during a workshop in a meaningful, active way. A possible drawback is that it is highly dependent upon the ability of the instructor and that case may not be seen as relevant to a particular participant's job.

Still another technique is that of management games and simulations. These use competition in an artificial game situation to simulate organizational activities. It is an attempt to reproduce the dynamics of organizational behavior in a protected setting of the management workshop. For example, the game may deliberately not provide enough time or material for the participants to create and respond to stress as an approximation of pressures in the real business world.

Most games center around general management principles such as planning, decision making, leadership and motivation. There are other management games which are more specialized for particular production, marketing and financial problems. These often involve computer simulations.

A game such as the Wood Blocks might be used during a workshop on motivation. It would be used to illustrate and allow participants to experience the concept of need for achievement motivation.

A disadvantage of management games is that the game situation may be dissimilar to the participants' real situation. The competition among participants, while stimulating interest, may distort usual behavior (e.g., adopting more conservative strategies to try to win). The amusement and fun of the play may distract too much from the desired lesson of the game. Here again, the successful use of this technique is dependent upon the ability of the instructor to gain participants' acceptance of the applicability of the "lesson" to the job. The advantages of games are that they may allow for the re-creation of real life work situations and that they create a high level of interest and participation.

Role playing and psychodrama are techniques used

in workshops by consultants which derive directly from psychotherapy. In therapy, they are used to help release unconscious drives and motivations when one begins to act out a scene with a protagonist (a father or spouse). In leadership workshops, the influence of this technique is seen in the direct application and use of role playing and psychodrama in evoking self-awareness of one's unconscious motivations in work situations. For instance, in one leadership training program designed and conducted by consultants for companies, role playing and psychodrama are the major part of the program. A situation is given where two participants play their roles of subordinate, peer or superior while the other group members are asked to observe their behavior.

From this situation they criticize the behavior of one of the role players in terms of the dimensions of dominance-submissiveness and warmth-hostility. These allegedly result in four styles of leadership: dominant-hostile, dominant-warm, submissive-hostile, and submissive-warm. A clinical attempt is made to categorize the role player's behavior in these terms with descriptive adjectives for each style. This is done by observation, recording on notes and video-tape,

and reporting of the conscious behavior which is presumably triggered by the unconscious motives and drives. The discussion is done individually and then by group consensus.

An attempt is made also to suggest alternative modes of behavior to improve the outcome of the relationship which may involve negative behavior or to counteract another person's behavior which has a negative impact on the work goals. A delineation of alternative strategies is undertaken to deal with each of the leadership styles. This provides a way to counteract or manipulate, perhaps on an unconscious level, the person exhibiting each style, supposedly to more work-productive ends.

Psychodrama is used in this program by having each person re-create a situation in which he experiences difficulty or conflict on the job. As the individual re-enacts the scene, he relives a situation that he has undergone in the past which has made a strong impact on him. Most role players report that they experience the same emotions as they felt when the incident first happened. This provides an opportunity to work out unresolved conflicts and to develop new strategies to handle similar situations in order to produce more satisfactory outcomes.

Another example of the use of role play would be a situation where a company might be having many complaints of discrimination. The company might call in a consultant to conduct an affirmative action training program for their managers. As part of the workshop that the consultant would conduct for the company, role playing, psychodrama and role reversal (where the individual takes the role of the other person or opposite position) may be used in handling prejudice. In attempting to change attitudes such as prejudice and stereotypic thinking towards minority groups, role reversal and psychodrama provide opportunities for changing identifications and evoking awareness of unconscious influences on one's own behavior.

Sociometry is still another technique borrowed from the social sciences that is used by consultants in management training workshops. Sociometry is applied in group exercises designed to make participants more aware of their unconscious feelings and behavior which affect their interactions on the job, especially with their subordinates.

Sociometric choices are used to analyze co-worker relationships. In them each individual in the group is asked to choose others in the group with whom he would like to eat or work most. The individual lists

his first three preferences among the group members in order. Each member may also be asked to indicate negative choices; for example, those with whom he would least like to work. The choices reveal the patterns of repulsions and attractions between one individual and others. Some relationships may be fulfilled and others only wished for, i.e., desired but not actually occurring in the manager's life situation. The work group is then supposed to be arranged to give each person his choice of work partner, insofar as this is possible without violating the other members' choices. Arrangement by sociometric preferences is advocated by some as the best basis for a group because in groups of preferred members, people are supposedly more secure and open. They can, therefore, function better. This method then, can be used by consultants in forming groups during a workshop. Other factors, however, detract from this idea. There may be unconscious motivations behind a person's choices. Thus if a person relates to someone as he did to his father, this will influence the position in which that person will be chosen. Similarly, the choice made or the preference felt may be pathological, or simply not helpful to total group functioning. In that case, it is argued, the choice should not be encouraged. Thus, the sociometric method of forming groups, both on the job and

in workshops, must--it is argued--be used carefully with the focus on optimal group composition in addition to individual preferences, however these criteria are actually defined.

Another sociometric exercise is called the social atom. This exercise is also used by consultants in workshops to make participating managers more aware of the subtle ways that their unconscious feelings are perceived by the other people with whom they work. The exercise demonstrates the relationships between the subject and family members, the subject and friends or enemies, or with others that may influence the subject. The participant is asked to draw triangles and smaller circles representing the men and women who are most influential in his life. By the positioning and relative size of these circles and triangles much is revealed about the person's unconscious relationships. This may allow him to free himself and also to examine these relationships. It may make him aware of how he relates to his work group in terms of past or present family groupings. It has been noted that the leader of a group, in this case the supervisor, is looked on as a central authority figure. The supervisor becomes a surrogate parental figure to the subordinates.

Still another sociometric tool used by consultants is an exercise called the social barometer. In this

exercise, words and phrases are read to the group and participants are asked to stand in front of the numbers posted around the room (ranging from -50 through 0 to +50) which best expresses how they feel about the word. Some of the words or phrases used are "militant," "Jesus Christ," and "gay liberation in teaching." The participants then discuss why they chose the number they are standing in front of. This exercise may be especially helpful in an affirmative action workshop where prejudice and values are discussed. It helps to bring out unspoken feelings and assumptions that are made. By making the managers more aware of these, it is assumed that they will be able to react in a more positive way on their jobs.

A number of communications exercises which are used by consultants in communications workshops conducted for client companies are also derived from the social sciences. The exercises are designed to reveal to participants their unconscious behavior and its influences on their communication with others.

An exercise called the Animal Game is used to demonstrate the concept of self-disclosure which is introduced during a lecture. Each person is asked

to write down the name of an animal that best describes himself and one for each member of the group. They are then asked to reveal these names to the respective designee and to tell the group why they chose that animal. This begins the process of providing assessments of other people in a less threatening way than if they are told directly how someone feels about them. It also provides the individual with others' assessments of himself. One of the by-products of this exercise is a high degree of anxiety which is noted at two times in the exercise. The first time is when the instructions have been given and the second time is when there is a release of the anxiety expressed by laughter when the "feedback" process is taking place. Another phenomenon which has been observed is that all of the participants in a short period of time gravitate toward one place in the room forming a single group. It may be that they come together because surrounding themselves by others in the group serves as a source of protection or security.

This exercise encourages the development of group cohesiveness during the workshop by providing another opportunity for group identification. The revelation of feelings serves as an initiation to the group and

as a way of sharing feelings. Similar exercises are often used in workshops as warm-up exercises.

Another communication exercise used in workshops is that called "Three Images of Self." The three parts of a person's self-concept are described to participants in a brief lecture. The exercise illustrates the concept and allows the participant to experience how other people see him. The lecture also points out that the self-concept (i.e., how you see yourself, how others see you, and what you would like to be) is the most important part of effective interpersonal communication. This is because one's self-concept is conceived as influencing how a person behaves and how he is seen by others in unconscious as well as conscious ways.

Participants are made aware that a person may give certain impressions to others because of the way he feels about himself. The person may not realize that he is communicating these feelings to others and that his self-concepts affect the way he expresses himself, how he copes with angry feelings, or how open he is with others. The objectives of the communication workshop is to make managers more aware of the ways in which they communicate so they can be more effective in communication and in their relationships with subordinates, co-workers and superiors on the

job. Once they know of the unconscious factors in communication, they will presumably be better able to control their communication.

To further illustrate the self-concept as discussed in the lecture, the Three Images of Self exercise is used. The individual first describes himself in front of the group and then the other people in the group describe their impressions of him. This shows the Perceived Self (how he sees himself) and the Acting Self (how others see him). The individual also discusses what he would like to become (the Ideal Self). The ideal self is greatly influenced by socialization factors. The different combinations of these three parts of the self-concept have varying effects on the communication between the individual and other people. If the perceived self is bigger than the acting self, the person is usually thought of as conceited or having delusions of grandeur. If the acting self is larger than the perceived, the person usually has an image of being insecure or lacking self-confidence. If the ideal self is much larger than the perceived, the person is usually viewed as being an unrealistic dreamer, whereas if the ideal self and the perceived self coincide, the person is viewed as complacent or self-satisfied. These influences on the communication between the managers and their subordinates are brought out with the aim

of having the manager, through his awareness of these processes, improve communications on the job.

CHAPTER 2. THEORETICAL FRAMEWORK

A clarification of concepts and terms will be included since several concepts and theories will be used to explore the effects of management consultants and to describe the client organization.

The term "manifest function" is based on Robert Merton's definition meaning "those objective consequences for a specified unit (person, subgroup, social or cultural system) which contribute to its adjustment and adaptation and were so intended."¹

The concept of "latent function" is based on Merton's definition of "unintended or unrecognized consequences of the same order."² In Merton's terms, these social functions refer to "observable, objective consequences and not to subjective dispositions (aims, motives, purposes)."³ Yet in this study latent function will be used to mean functions that are not publicly or officially recognized by the participants to the

¹Robert K. Merton, Social Theory and Social Structure (New York: Free Press, 1968), p. 117.

²Ibid., p. 117.

³Ibid., p. 78.

actions in question. They are objective in the sense that they are ascertainable; and to the extent that they are "latent," the functions are not officially or publicly presented, discussed or used as a criteria for the evaluation of action and policy. In this sense latent means "private" expressions of what can become publicly accessible. Latent meanings may, of course, become manifest in the process of discussion, conflict and research. When this happens they are no longer latent meanings. They may also be manifest to some observers and participants and not to others. The process of discovering the latent meanings underlying manifest functions and then their other latent functions is, of course, what consulting firms do; that is, to discover hidden dimensions of a problem. It is manifestly the function of social science to lay bare these latent meanings and functions to make them manifest. Since the consulting firm and the social scientist may have latent motivations, meanings and functions of their own, the process of discovering latent meanings and functions is an indefinite one, or rather one of infinite regress, with no guarantee of final solution. Progress in the solution of manifest problems, in light of this inevitable contradiction in social science, is generally understood to consist of learning more about a given problem without necessarily finding a

"final solution."

Social behavior is often viewed as irrational or dysfunctional when it does not or cannot attain its ostensible purpose. With the use of the concept of latent function, however, behavior can be seen to be functional indeed--although the function may be quite remote from its publicly stated or avowed purpose. The concept of latent function, as used here, may help to explain the paradox of the "discrepancy between the apparent, merely manifest function and the actual, which also includes the latent functions"--the unanticipated consequences of purposive social action.¹

By applying this analysis to the work of management consultants for business organizations, the author will attempt to demonstrate how latent functions surrounding the consultant intervention interact with the manifest functions (their solutions of manifestly stated objective presenting problems) to create outcomes which often differ from those manifestly intended and thus to produce unanticipated consequences, at least from the standpoint of the manifest statement of presenting problems and objectives.

Some of the most common and important behavior which underlies objective functions in organizations

¹Merton, p. 118.

is that of power acquisition. As described by Virginia Schein¹ organizations are political environments in which the acquisition of power by officials and executives is a key motive. Schein contends that the power acquisition behavior is quite functional in that it may be sought for sound, work-related reasons or for achieving individual or personal goals. Such power acquisition behavior seems unrelated to manifest functions because of the illusion that the organization is a rationally structured system built on a base of the division of labor, hierarchical flow of communications and formal authority operated by individuals working towards corporate objectives. Because of this illusion, deceptive behavior is common in organizations. Deceptive behavior is defined as that "designed to present a false impression or illusion (actions or appearances which present something which belies the reality of the situation)."²

Both individual and work-related forms of power acquisition behavior exist in business organizations but the extent to which both are deceptive varies with the nature of the organization and the kinds of power acquisition exhibited--personal or work-related.³

¹"Examining an Illusion: The Role of Deceptive Behaviors in Organizations," paper presented at the Wharton School of Business, Philadelphia, 1977 (Mimeographed).

²Virginia Schein, p. 2. ³Ibid., p. 5.

With Richard M. Cyert's concept of the different types of organizations,¹ the frequency of deceptive behavior and power acquisition behavior can be explained. Using Cyert's proposed division of organizations into types according to the amount of slack which prevails in the environment, Schein argues that deceptive behavior is most likely to occur in high-slack organizations. She defines her basic terms:

Low-slack systems are those operating in highly competitive environments which require rapid and non-routine decision making upon the part of its members and a high level of productive energy and work outcomes in order to deal effectively with this environment. High-slack systems, on the other hand, are those operating in a reasonably stable environment requiring rather routine functioning and the maintenance of day-to-day activities in order to continue to operate in an effective manner. The record industry versus the insurance industry reflect the differences between low- and high-slack systems.²

The organization selected for this study is an example of a high-slack organization.

Schein proposes that there is more personal power acquisition behavior than work-related power acquisition behavior in high-slack systems, while there is less

¹Richard M. Cyert and James E. March, A Behavioral Theory of the Firm (Englewood Cliffs, N.J.: Prentice-Hall, 1964).

²Virginia Schein, p. 6.

personal and more work-related power acquisition behavior in low-slack systems.

In essence, vigorous competition in the environment will prevent managers from manipulating their activities in order to achieve their own personal ends and require more work-related behaviors; whereas the absence of such competitive conditions permits managers to pursue their own¹ goals without obvious disruption of the system.

Schein further states that deceptive or covert strategies and tactics are more characteristic of personal power acquisition behavior and, therefore, they are more pervasive in high-slack systems which have non-competitive environments that allow time for such activities.

In examining a high-slack organization in the case study to follow, the author will examine the effect of deceptive behavior on the consultant-client relationship.

The relationship between deception and personal power acquisition comes from the very nature of behavior which is designed to achieve personal, not work-related outcomes. The illusion of the objective image of the company is used, however, to mask behavior designed to achieve personal objectives that are unrelated or even opposed to company operations. This requires the deceptive actor to use official expressions of

¹Virginia Schein, p. 6.

organizationally-related sets of intent and means to overlay his own covert or personally-oriented intents and means. This overt mask hides the covert intents and allows the individual to "carry out personal intents incongruent with organizational objectives."¹

Schein describes the (latent) functions which the deceptive behavior serves and explains how they may not necessarily be dysfunctional in their consequences for the organization, or at least for some individuals in it.

While such covert intents and means of achieving personal outcomes, such as status and promotion, have been viewed as dysfunctional within organizations, these behaviors within high-slack systems might actually be quite functional. More than likely, in low competitive environments, even high level managerial jobs are somewhat routine, thereby prompting the need for excitement through "political warfare." As part of this warfare, deception and intrigue add interest to the otherwise routine and even-keel environment in which they are operating. Similarly, within organizations characterized by a stagnant, tenure-based promotion system, covert tactics designed to take over another subunit may, if successful, provide satisfying rewards during the long intervals between organizational rewards.²

¹Virginia Schein, p. 7.

²Ibid., p. 9.

The political warfare also serves to foster the illusion that the organization is active, exciting and competitive. Even in low-slack organizations, there is deceptive behavior, although it is less common. Here, too, the deceptive behavior serves a purpose for the organization at large.

What seems to be occurring in low-slack systems is an organizationally-based deception as to how one operates effectively in the system Fast action and rapid decision making may require circumventing the formal systems so as to deal effectively with environmental demands. Hence, behaviors designed to develop power outside of one's formal authority so as to operate effectively--behaviors such as the development of influential contacts, trading favors, coalition formations, etc., become¹ useful strategies for effective work performance.

Behavior becomes deceptive to the extent that significant members of the organization delude themselves as to the way things really get done and fail to acknowledge the methods managers use to circumvent the system to get things done within it. The concepts of latent function and deceptive behavior will be used in the case study that follows to show how the management consultant operates in the organization, how the consultant and the outcome of consultancy are affected by these political activities in the organization, and the unanticipated consequences that occur for the organization.

¹Virginia Schein, p. 10.

Other factors which affect the amount of slack and the way the organization functions are its structure and size. "Different sizes require different structures, different policies, different strategies, and different behaviors," according to Peter Drucker.¹ Although social organizations are too complex for neat quantitative formulae for size, "mass" always increases much faster than "surface."² The law of surface and mass is borrowed from geometry where the "surface of an object increases with the square of its diameter, while the mass increases with the diameter's cube."³

As a result, there are sizes which "require a structure that is appropriate to performance and function, and sizes in which the structure needed to support the mass is inadequate or inappropriate and becomes an impediment. . . . There are organizations that are simply too big to function Beyond a certain point the complexity becomes more than structure, no matter how designed, can support."⁴

¹Peter Drucker, Management Tasks, Responsibilities and Practices (New York: Harper & Row, 1974), p. 638.

²Ibid., p. 639.

³Ibid.

⁴Ibid.

Drucker feels that size has a major effect on the strategy that the organization employs and vice versa. This is further complicated by the fact that the "big business" may actually be a confederation of fair-sized or even of small businesses, each with its own strategies and its own markets."¹ In this case, the organization needs more than one strategy. The decentralized organization to be analyzed in the case study epitomizes this structure.

Size and complexity are primarily upper management's problems, in Drucker's view, because only they are involved in making the decisions related to size and structure of the organization.

Size and structure are also affected by the growth of the organization. While the organization is expanding it may be able to support a huge or complex structure. When the growth stops, however, that same structure may become inappropriate for the mass. Similarly, where the personnel in the organization have increased disproportionately to its structure and function, this contributes to high slack because there are more people doing the same or less work.

Another aspect of an organization's structure is the functions it serves. William Greenwood develops

¹Ibid., p. 641.

the concept of "functionalized staff as referring to functional authority or organization.¹ He believes that this provides the benefits of decentralization and centralization at the same time. Where there are geographically decentralized subunits which duplicate the basic operations, the necessary standardization and uniformity is achieved by having high-level staff personnel formulate policies and, sometimes, procedures. The subunits are decentralized except that they are responsible to the functionalized staff in the central organization.² Line and staff titles and authority are usually similar but when there is a conflict between the two groups (line and staff), line supercedes staff authority until the conflict is resolved at higher levels of the organization. The organization which will be analyzed in the case study exemplifies the centralized and decentralized structure that Greenwood describes.

Another way of viewing the structure and function of an organization is in terms of social form with:

- a. a set of individuals in offices,
- b. individual responsibility for definite tasks--functional activities--which are parts of a division of labor,
- c. an organizational goal to which the activities of the staff contribute, and

¹William T. Greenwood, Management and Organizational Theories (Cincinnati: South-Western Publishing, 1965, p. 451.

²Ibid.

d. a stable system of coordinative relationships, i.e., a structure.¹

Robert Weiss defines an office as "a position in the organizational structure in regard to which role prescriptions exist" ² The office also has a title, salary scale and formal specification of duties. The tasks, or functional activities of the organization which contribute to the organizational goals are allocated to offices and then become the responsibility of the individual who occupies the office.

The executives of the organization are expected to identify actively with the organization's goals although they do not set the goals any more than other members, according to Weiss. He states that even when leaders leave, the organization maintains its direction. He feels that high-ranking executives have a special role in relation to organizational goals in that they are "responsible for the development of a program, a plan of action for the organization," as the means to implement goals.³

¹Robert S. Weiss, "A Structure-Function Approach to Organization," in Management and Organizational Behavior Theories, ed. William T. Greenwood (Cincinnati: South-Western Publishing, 1965), p. 545.

²Ibid. ³Ibid., p. 546.

Weiss sees the organizational structure as an overall system of "coordinative relationships" which is relatively stable and changes only slowly over a period of time. If an individual leaves the organization or the office, his replacement will still have most of the same relationships with the co-workers remaining. In Weiss's view the structure reflects the organization's division of labor and its method of operation.¹

Organizational and Management Theory

Traditional management theory emphasized the formal nature and the process of management which emphasized the exact legal and rigid delineation of functions and principles into such refined functions as planning, organizing and controlling. Criticism of traditional theory was mainly concerned about its lack of responsiveness to the human or "people" issues. Much of the criticism comes from the behavioral scientists who claim that by following traditional management theory and goals we are creating "undesirable hierarchies of authority whose organizational structures are based primarily on principles of specialization and division of labor and processes."² Since these are dehumanizing,

¹Ibid., p. 547.

²William T. Greenwood, Management and Organizational Theories (Cincinnati: South-Western Publishing, 1965), p. 7.

this leads to a conflict between the individual and the organization because it is a mistake to think of persons in totally economic terms.

Chris Argyris is one of the critics of traditional theory. He suggests that:

The formal organization and the administrative control system . . . may be viewed as parts of a grand strategy to organize human effort to achieve specific objectives or intended consequences; that this strategy is based on such principles of administration as specialization of work, chain of command, unity of direction and span of control; that the strategy creates a complex of organizational imperatives that tend to require individuals to experience dependence and submissiveness and to utilize few of their relatively peripheral abilities.¹

Argyris claims that many of the problems that organizations complain about, such as apathy, turnover, emphasis on material rewards, are unintentionally created by the organization itself. The strategies the organization uses deny the individual's need for self-actualization and direct them toward dependence, subordination and alienation. These unintended consequences are detrimental to both the individual and the organization.

To Argyris, organizations are open systems continually

¹Chris Argyris, "The Integration of the Individual and the Organization," in George B. Strother, ed., Social Science Approaches to Business Behavior (Homewood, Ill.: Dorsey Press, 1962), p. 58.

influenced by and influencing their environment. An organization of any human or social type is:

1. a plurality of parts
2. maintaining themselves through their inter-relatedness
3. achieving specific objectives
4. . . . adapting to the external environment, thereby
5. maintaining their interrelated state of the parts.¹

He does not explicitly maintain a distinction between latent and manifest functions but assumes the existence of manifest functions in maintaining specific (organizational) objectives. Latent functions, we infer, are the failure or ineffectiveness in maintaining organizational goals, integration and an adaptive relationship to its environment.

The way to examine an organization, according to Argyris, is to look at how it is functioning in terms of the science of values (axiology). An axiologically good organization fulfills the essential properties of its definition (above).

The only way to improve organizational strategies so that they serve both the individual and the organization (and Argyris is not too optimistic that this is possible)

¹Argyris, Individual and Organization, p. 61.

is to move towards the axiologically good organization. This, in our terms, would be the achievement of unity between manifest and latent function.

Axiologically Good and Not-Good Organization¹

<u>Not-Good Organization</u>	<u>Good Organization</u>
I One part (subset of parts control the whole)	The whole is created and controlled through inter-relationships of all parts
II Awareness of plurality of parts	Awareness of pattern of parts
III Unable to influence its internally-oriented core activities	Able to influence internally-oriented core activities
IV Unable to influence its externally-oriented core activities	Able to influence externally-oriented core activities
V Ineffective problem solving	Effective problem solving
VI Nature of core activities influenced by the present	Nature of core activities influenced by the past, present and future

According to Argyris, individual mental health as it is currently defined by psychologists is consonant with his axiologically good organization. The healthy individual strives to be self-responsible, self-motivated, decrease compulsive and defensive behavior, etc. Individuals who are not in an environment which allows for healthy

¹Argyris, Individual and Organization, p. 61.

functioning can cause deterioration of the organization by apathy; defensiveness which can lead the organization to become rigid and inflexible and thus unable to meet competitive challenges of the present socio-economic system.¹ Thus Argyris axiologically assumes that the healthy individual and healthy organization are axiologically intertwined.

For Argyris, the organizational structure is a series of strategies to achieve specific objectives. The best strategy will, therefore, optimize activities to achieve the organization's objectives, maintain the organization and help it adapt to the environment. Individual mental health and psychology are subsumed under organizational objectives.

Argyris believes that the pyramidal structure of the past needs to be modified because its theory assumes that individual self-actualization is not relevant to effectiveness, whereas Argyris' model asserts it to be critical. In the future, there is a need to use varied strategies to allow for the best one under various conditions or types of decisions. Argyris

¹Argyris, Individual and Organization, p. 75.

believes, however, that it is not possible to create an organization where the individual's needs and organizational demands are completely consonant; but we should move towards the best form of compromise/¹ Yet, for him the ultimate criteria of effectiveness is always organizational objectives.

Fremont Kast agrees that there is a conflict between the organization structure and the satisfaction of the needs of individual workers. The American economic system has been very successful, by and large, in meeting basic physiological and safety, but not higher needs. While major firms have substantially met Maslow's lower order needs, there is a tendency to undervalue the higher level needs. "These have assumed a much more important position in our motivation structure than they would in a society of scarcity."²

In satisfying workers' lower order needs so well, management has produced unintended consequences and has lost its conventional ability to control the motivation of workers. Overcoming scarcity was (in 1965) an insufficient incentive for workers, since scarcity

¹Argyris, 1962, p. 79.

²Fremont E. Kast, "Motivating the Organization Man," in William T. Greenwood (ed.), Management and Organizational Behavior Theories (Cincinnati: South-Western Publishing, 1965), p. 798.

no longer existed. Thus, needs are pushed to higher levels.

Moreover, it has unwittingly organized its work in ways which do not provide the conditions which will allow these new needs to be satisfied. As a result, many of the workers' new needs for membership, status and growth become thwarted and so-called human relations experts are hired to deal with these thwarted needs which management has unwittingly produced in the first place.¹

Kast does not feel, however, that management should direct its efforts toward satisfying these second order needs in order to increase satisfaction and productivity. Kast believes that such a direction would place the organization in a position of responsibility and authority which may be in conflict with concepts of a democratic society.

The assumption that the business organization should be able to satisfy all of the needs of its participants and still accomplish its goals is in direct conflict with the requirements of organized behavior. . . . Fulfillment of these (higher order needs) cannot be provided directly by management, but are the result of influences such as the informal work group, the employee's outside professional relationships, home life, social activities--in fact, his entire socio-cultural environment.²

If Kast is correct, the increasing attention to managed motivation to achieve organizational goals, as suggested by Argyris, would make the organization the sole determiner of employee motivation and behavior, the complete conditioner of the individual.

¹Ibid. ²Kast, p. 799.

Robert Dubin also does not see the organization as being able to fulfill all of an individual's needs. He believes that people have certain central life interests at any given time which are focused in one or, at most, several institutional settings.

Work, for probably the majority of workers, and even extending into the ranks of management, may represent an institutional setting that is not a central life interest Self-realization may, however, be a matter of indifference to people for whom work is not a central life interest. Their self-realization comes in other institutional settings outside the productive institution.¹

According to Dubin, there is no reason to try to alter this, and it would be futile, because the organization is still able to elicit required performance from workers without appealing to higher (and more encapsulating) need levels.

William Kornhauser examines the conflict between the organization and a particular group of employees--professionals (largely scientists and engineers). Kornhauser thinks that this conflict should be studied carefully because a profession is itself a corporate body and not a mere aggregate of individuals. He saw, in 1962, a growing trend for professionals to become

¹Robert A. Dubin, "Person and Organization," in Management and Organizational Behavior Theories, ed. William T. Greenwood (Cincinnati: South-Western Publishing Co., 1965), p. 487.

salaried employees within business organizations rather than being self-employed as they traditionally had been. By examining how professionals function within the organization, the conflict that is created between the two roles is explained.¹

Kornhauser delineates the requirements of professional standards--standards of excellence--encompassing:

1. Expertise--specialized knowledge and skill gained from prolonged education.
2. Autonomy--qualified experts are the best judge of work and should be free to do so.
3. Commitment--development and exercise of expertise is a life-long career and carries its own rewards.
4. Responsibility--power conferred by expertise entails a responsibility to society to be carried out in its best interests.²

As the professional works more and more within the organization, two opposed trends are emerging; 1) organizations are increasingly governed by professional standards and 2) professionals are increasingly subjected to bureaucratic control. Thus, tension is constantly created between the demands of the organizational role and the professional role. The built-in strains revolve around goals for professional work;

¹William Kornhauser, Scientists in Industry, (Berkeley, Ca.: University of California Press, 1962).

²Ibid., p. 1.

controls for professional work; and incentives and influences of professional work. The following chart summarizes the tensions (see Chart 1).

Kornhauser felt that the constant tensions between the requirements of the organization and professional standards result in a more effective organizational structure. This is largely the outcome of the expansion of professional services more and more into industry and the professional's dependence on industry's resources. Yet, while Kornhauser argues against the complete integration of the employee within the organization, he saw the conflict as occurring between the manifest goals of two kinds of organizations, and the resolution in more effective organizational behavior. In such an analysis, what we have called latent functions are simply the by-products of unsolved problems. The struggle is between two sets of public roles, not between individuals or within individuals. Individuals as individuals are not relevant in this analysis, except as disturbers or deviants to role-defined behavior.

Alvin Gouldner has another way of looking at the strains between organizational and professional roles. He refers to Merton's "cosmopolitans" and "locals" as the bearers of two types of latent social roles

CHART 1.

ORGANIZATIONAL AND PROFESSIONAL ROLES

	<u>Organizational Role</u>	<u>Professional Role</u>
Goals	Short Run -- immediate results	In-depth research-- exhaustive testing
Control	Bureaucracy -- management	Autonomy - colleague
Incentive	Organizational advancement -- administrative duties	Professional success-- professional activities
Influence	Executive authority-- legitimacy from mandate attached to office	Expert authority -- legitimacy based on competence

Source: Kornhauser, p. 12.

in organizations.¹ There may be differences between the two in reference groups and in values that conflict with those prescribed by their organization. These roles involve three variables: 1) loyalty to the organization; 2) commitment to professional skills and values; and 3) reference group orientation.

Cosmopolitans are those who are low on loyalty to the employing organization, high on commitment to specialized role skills, and likely to use an outer reference group orientation. Locals are those who are high on loyalty to the employing organization, low on commitment to specialized role skills and likely to use an inner group orientation.²

Thus, a local would be the "company man" or a professional who has taken on the values and goals of the organization above his professional values, while the cosmopolitan would be the professional who maintains professional standards and is oriented to outside values. Here too, latent functions and meanings are the product of competing manifest functions.

Loren Baritz, in his book Servants of Power,³ sees the same pressures applied by organizations to social scientists. Whether employed or on a consultant

¹Alvin W. Gouldner, "Cosmopolitans and Locals: Toward an Analysis of Latent Social Roles, I," Administrative Science Quarterly (December 1957).

²Gouldner, p. 290.

³(Middletown, Conn.: Wesleyan University Press, 1960).

basis, Baritz states strongly that social scientists have succumbed to organizational demands to the detriment of their professional standards. He feels that social scientists have been all too willing, in the name of objectivity, to go along with industry's demands. Baritz fears that the body of knowledge that has been developed in the social sciences will be used for the economic gain of business without consideration for individuals.

Baritz believes that the ability to control human behavior through complex and subtle means is a powerful tool that has been sold to business by the social scientists.

Especially through the use of group pressures has management shoved its people into line Through motivation studies, through counseling, through selection devices calculated to hire only certain types of people, through attitude surveys, communication, role-playing and all the rest in their bag of schemes, social scientists slowly moved toward a science of behavior. Thus management was given a slick new approach to its problems of control.

Authority gave way to manipulation and workers could no longer be sure they were being exploited. . . . Many industrial social scientists have put themselves on auction . . . and the¹ industrial elite have bought their services.

Baritz also believes that the social scientist has lost his professionalism without realizing it.

¹Baritz, p. 209.

"Because he accepted the norms of the elite dominant in his society (industry), he was prevented from functioning critically, and was compelled by his own ideology and the power of America's managers to supply the techniques helpful to managerial goals."¹

Baritz states that their very position in industry forced the technician role on the industrial social scientist because they were hired by management to solve specific problems and thus had to produce according to their employers' needs.

Matthew Radom, on the other hand, disagrees completely with Baritz about the function of social scientists in industry.² He conducted a study of 462 social scientists employed by business and found that they felt they were not compromising their professionalism. The social scientists in his study felt that they maintained their autonomy to a large extent. Radom also challenged Baritz's claim that the social scientist is exploited by industry. He contends that because social scientists work closely with executives and top management, unlike the physical scientists, they

¹Ibid., p. 194.

²Matthew Radom, The Social Scientist in American Industry (New Brunswick, N.J.: Rutgers University Press, 1970).

contribute to the decision making process, thereby being better able to accept the resultant organizational goals. By influencing the organization's goals, they are able to make them compatible with their professional goals.

Radom also disagrees with the idea that professionals in private enterprise are concerned with colleague authority. His findings show that they look to their immediate supervisor for approval and success rather than to their colleagues or peers outside or inside the organization.

He asked the social scientists in his survey how they felt about Baritz's statement that they are paid servants of industry. He found no evidence to support Baritz's contention that the social scientists are willing to do industry's bidding in that those in the survey disagreed with Baritz's statement. It should be noted, however, that the evidence Radom presents is based solely on self-perception and attitude surveys --self-reports. It may well be that the social scientists he studied are either not aware that they are accommodating to their employers, or it may be that they do not want to admit, even to themselves, such a position; such admission would be a violation of their manifest professional standards. The pressures for compromise may be subtle and easy to rationalize. On the other

hand, it is possible that Baritz exaggerates and that the contributions of social scientists in industry are generally helpful. In this controversy there are no simple answers; however, the case study which will be presented offers some evidence which favors Baritz.

Radom seems to be saying that the conflict between the individually internalized professional goals and organizational goals is not inevitable. By making a contribution to the organizational goals, Radom feels, the social scientists are able to control their work environment and make the organizational goals congruent with their professional standards. They have the best of all possible worlds.

Social Science Theories

Adapted by Management Consultants

Major theories adapted by management consultants with social science approaches will be examined as to the basic theory, pertinent research and how they are adapted by management consultants. There are several theories that are used by management consultants, primarily among those consultants with the social science approach who are involved in management development and training. These theories form the basis of many management training programs which are designed and sold by consultants to clients in industry.

Abraham Maslow, a psychologist, proposed the theory that every person is striving to satisfy certain needs that can be classified into five levels based on a priority hierarchy:

1. Basic needs--physiological
2. Safety and security needs
3. Love and belongingness needs
4. Esteem and status needs, and
5. Self-actualization.

According to Maslow, when the lower needs are satisfied, the person is then motivated by higher level needs. Self-actualization is only attainable after the other, lower level needs are relatively satisfied.

Maslow's theory of needs has been adapted by social scientists who work as consultants as a means of stimulating the motivation of workers in business. Since management is highly interested in motivation leading to increased productivity, Maslow became quite popular beginning in the 1950's when the emphasis turned from monetary to other types of incentives. Maslow was not theorizing from experience in the world of work, however, nor was he concerned with the variety of ethnic groups that are now found in business. His theories are however, still used, but sometimes somewhat modified by consultants who develop their own management training programs as the basis for motivating employees.

Frederick Herzberg was one of the social scientists and consultants to take Maslow's needs hierarchy and apply it to the work setting. According to Herzberg¹ and his research, people are not satisfied or motivated on their jobs unless they have the opportunity to satisfy higher level needs. These opportunities are provided by the content of the work itself (if it is interesting), responsibility, challenge and the opportunity for advancement. Other factors, such as pay, working conditions and co-workers, do not really motivate, according to

¹Frederick Herzberg, The Motivation to Work, 2nd ed. (New York: Wiley, 1959).

Herzberg. These other factors keep people from being more dissatisfied with their jobs.

Both Maslow's and Herzberg's motivation theories are taught by consultants in management training sessions on motivation. In addition, consultants have taught their theories as an explanation of the motivation which accompanies leadership style when designing their own programs to sell to clients. Herzberg himself has been a consultant to industry where he developed a whole system called job enrichment for restructuring jobs to fit his motivation theory. His system has been implemented in large companies including a major utility.

Another motivation theory that has been used by consultants is the social motives theory of McClelland. David McClelland, in his research at Harvard University, identified three social motives as being especially important in the work environment: the need for achievement, the need for power, and the need for affiliation. All are related to managerial effectiveness. Initially he proposed that effective managers had a profile that was high on need for achievement only. Now, however, he has established that other profiles are also effective. For example, an effective manager may be high on power and achievement needs.

Much of the organizational climate work that is done by prominent management consultants is based on McClelland's concepts of social motives. Organizational climate is the employee's perception of the work environment. McClelland's organizational climate surveys differ from other organizational surveys in that they are based on those factors that are related to effective performance, while such climate surveys as Likert's are based on measures related to job satisfaction. Organization climate studies have become accepted ways of trying to evaluate motivation and increase organizational effectiveness. They are often used by consultants as part of a "management audit" to help assess where organization problems are.

Disciples of McClelland who had worked with him at Harvard have started their own consulting firms and have applied his theories to industrial settings. These firms use social motive theories as the basis for their organizational climate surveys, motivation workshops and other management training programs which are sold to their business clients. For example, motivation workshops may include lectures explaining McClelland's motivation theory, exercises in how to recognize these motives in subordinates, and action plans for using these ideas on the job.

Another area where social science theory has affected the work of management consultants has been in the influence of psychoanalytic theory on management training. Since much of management training is done in small groups, there are many psychoanalytic influences stemming from Freudian theory applied to group behavior. Freudian theories are used to encompass both individual and group functioning. The group focus used by these consultants includes group exercises, group dynamics and leadership styles.

One of the rationales for the extensive use of group work by management consultants who conduct workshops is that positive influences are believed to be gained from group work based on the psychoanalytic concept of the family, the first group in the individual's development. Family groupings are assumed to be the prototype for later group relations so that a person is assumed to bring unconscious and conscious emotional attitudes to whatever group situation he is in. The number of groups a person is involved with expands as he develops, including the work group, but his orientation to others changes very little.

Groups can promote many positive effects, but they can also induce emotional regression. When properly used by the consultant, this can further the individual's

growth or learning (this is the basis for sensitivity sessions or T groups) Leadership training conducted by consultants attempts this. For example, in a permissive or supportive climate, the individual might be led to experience less anxiety and less need to cling unduly to his defensive patterns. He may become more receptive to new ideas or experiences and influences prompted by other members of the group. This is especially necessary when the consultant is trying to promote attitude changes in workshops.

One exercise that makes use of the group is that called the Fallout Shelter. This exercise might be used as part of a Equal Employment Opportunity (EEO) program which has been requested by a client. As part of the EEO workshop, the consultant might use this exercise to make participant managers more aware of their unconscious prejudices, their norms and values. The exercise is designed to make conscious and unconscious prejudices and stereotypes the object of self-consciousness and evaluation. Participants are told that they are fallout shelter wardens and they must choose six people out of ten survivors to enter the fallout shelter. Each trainee first makes his own choices and then the group works to achieve a group consensus. In addition

to the examination of how groups function in influencing individuals to change their choices (peer pressure, compromise, etc.) the discussion of why certain people are excluded from the shelter brings out the unconscious prejudices and assumptions held by the respective group members. There may be a lack of identification with particular ethnic groups or scapegoating of others because of the trainee's own frustrations. They may use defense mechanisms or projections, or they may dislike others for what they are not but would like to be.

Another reason for spending time in small groups during workshops is that through the development of group feelings, an opportunity for personal growth is provided. In an atmosphere of support and trust, the energy used in unnecessary defenses and inhibitions can be redirected toward ego development. The group, it is argued, encourages growth and stimulates the accumulation and release of blocked psychic energy.

Because cohesive groups are believed to work together better, both in the workshop and on the job, consultants try to foster group cohesiveness by providing opportunities in the group for: a) promoting group member identification by competition with other groups, establishing identification against rivals; b) working

on a common task or sharing common interests, promoting identification; and c) transference which may resolve emotional dependency especially in relation to authority through leader-member relationships.

In the group situation, individual narcissism extends to the group from pride in self to pride in group. The need for protection or support is fulfilled by group members. Group relations are influenced by the individual's ego development, and group composition, norms and climate. Groups are also encouraged by the consultant conducting team building activities and management training workshops to promote receptivity to new ideas and to give managers insight into their relationships with workers on their jobs.

There are many psychoanalytic influences in the leadership workshops conducted by management consultants. One of the unconscious processes that Freud emphasized in groups is that of transference. Transference, the displacement of parental image onto a person in the current environment, may be strong when repressed drives seek expression. Instead of remembering the past, the individual unconsciously tries to relive his experiences in a more satisfactory manner. This is part of emotional dependency and is especially frequent in relation to authority. Its expression is likely

to emerge in a group setting, particularly in relation to the leader. It is important for the manager to understand the leader of a work group on his job.. In a group the "individual is brought under conditions which allow him to throw off the repressions of his unconscious instinctual impulses."¹ In the workshop, consultants discuss leadership styles that are used by managers in terms of dependence, creativity, initiative, and the emotional maturity of workers as members of the group. The leader is viewed as an important figure in the group for many reasons, including one cited by Freud:

The individual gives up his ego ideal and substitutes for it the group ideal as embodied in the leader. . . . In many individuals the separation between the ego and the ego ideal is not very far advanced; the two still coincide readily; the ego has often preserved its earlier narcissistic self-complacency. The selection of the leader² is very much facilitated by this circumstance.

Although Freudian theory is not explicitly taught during the workshops, the implication and effects of his theories are very much present in leadership style materials. As the different leadership styles are

¹Sigmund Freud, Group Psychology and the Analysis of the Ego, edited by John Strachey (New York: Norton & Company, 1959), p. 6.

²Ibid., p. 61.

presented and explained in lectures and group sessions, the effects on the group members are pointed out.

Dependency of subordinates or group members is a common complaint made by managers to the management consultant. The reasons for dependency, according to the psychoanalytic theories are that, along with identifications and transferences to the leader, there may be a displacement of ego and superego functions onto the authority figure (leader or supervisor). This encourages emotional dependency and susceptibility to group influence. Research is cited to demonstrate the influence of the authority figure: the supervisor is always seen as a parental, i.e., authority figure no matter what his age. The degree of group dependence may vary according to: 1) the prestige of the leader, 2) the kind of group setting (democratic or authoritarian, 3) the type of leadership available, and 4) the individual personality.¹

The need to be able to choose the most appropriate leadership style for a particular situation or group is stressed during the workshops. Where there is a prevalence of authoritarian style, the disadvantages of its constant use are explained in terms of the

¹Saul Scheidlinger, Psychoanalysis and Group Behavior: A Study in Freudian Group Psychology (New York: Norton & Company, 1952), p. 89.

dependency of group members and lack of opportunity for development. With continual authoritarian leadership group members, it is argued, lose their individuality because they must conform. No variation in responses (criticism or disagreement) is permitted, discouraging creativity. Individuals with weak ego development may actually seek out autocratic leaders because they want to satisfy their dependency needs. These issues are brought out during the workshop because it is believed to be helpful if the supervisor is aware of these possibilities so that he can either avoid or understand problems that might arise.

Theoretical Discussion

The development of modern technology and administration in its scientific, technical, legal, administrative, organizational, financial, sales and marketing, and personnel ramifications, has become so complex, specialized and technical on industry-wide national and international levels, that no one business firm is likely to have all the scientific knowledge or the specialized knowledge of the specific sphere of operations to cope with the vast variety of internal and external "environmental" problems that an individual company faces in the course of its routine operations. Moreover, these routine operations are subject to "deroutinization" as a result of technological change, economic competition, legislation and other external and internal changes within or around specific firms. Included are industry-wide changes in the way companies are managed.

Consulting firms based on specific specializations in one or more aspects of industrial or corporate management are likely to have--or to promise--specific, specialized knowledge, techniques, information and training in these areas. The consulting firm is likely to have industry-wide experience in an area or aspect of management, while the firm, focusing upon its routine

operations, may have a more narrow focus, and may be less sensitive, in the short run, to changes and developments in industry as a whole. Moreover, concern with specific problems and internal differences that underlie "presenting problems" may limit the firm's sense of objectivity about those problems. The management consulting firm may thus be asked to provide not only specific technical and administrative solutions to technical problems, but it may be asked to provide to the firms that employ them a sense of "objectivity" based on industry-wide experience. Moreover, it may be asked, at least tacitly, to adjudicate differences of opinion or conflicts within the business organization.

The consulting firm achieves entry via the consulting assignment on the basis of a presenting problem, which we have noted may be of many orders: technology, administration and required knowledge or need. The definition of the presenting problem is made by particular executives of the organization's management who have the authority to request or initiate the employment of consultants by subcontracting to an outside consulting firm. The presenting problem may be due to both actual, objective, manifest problems of the organization, or to underlying, latent problems that may not be apparent

to those who define the presenting problem. These may be disguised from the consulting firm or from some other significant members of management and its board of directors. The consulting firm, in accepting the assignment, may accept the problem on its manifest level or seek to ascertain if there is another problem at the latent level that is the source of the organization's immediate need.

Manifest problems may include:

1. means of cutting costs or increasing productivity, including technological and capital development
2. means of streamlining the administration of internal operations, including fixing managerial accountability
3. increasing management and employee morale
4. providing executive and managerial training
5. complying with newly created laws
6. defining new goals for the corporation and devising new plans to achieve these goals
7. recruiting executives to operate new functions and replacing executives who are departing either through retirement, turnover or lack of ability.

The latent problems may be entirely based upon

or entangled with the manifest presenting problems, or may be entirely different. These latent problems may include:

1. The attempt of one group within management to gain greater influence or control over the organization, using a consulting firm's recommendation as a device for gaining such ascendancy. This includes the adoption of new techniques to which only one group has or may have access.
2. The attempt to purge the organization of personnel who employ outmoded practices, policies and techniques.
3. The top elite may attempt to resolve conflicts and differences within the executive elite by obtaining an "objective" judgement from outside experts--the consulting firm.
4. The top executives who define the presenting problem may use management consulting to forestall criticism of the firm both from dissenters within the organization or from outsiders, especially government agencies.
5. Management may use consultants to delay the solution of an otherwise pressing problem or to establish the claim that no problem exists.
6. Management may use consultants to advance an image of the organization as modern, up-to-date

and in the managerial "swim" even though no manifest problems exist.

This discussion of problems is based upon the fact that most corporations, like most other social organizations, are complex, divided and often marked by conflict and a continuous struggle for control, mobility, positions, prestige and other personal and group advantages. The struggle usually affects all manifest, technical and objective operations of the organization and is sometimes--but not always--inseparable from these operations.

The consulting firm is thus most often asked to deal with both manifest and latent problems but it deals with them in the manifest level. This is to say that the consulting firm will usually be asked to present its findings, recommendations, report or diagnosis, and its implementation scheme in terms of manifest and objective statements of the problem. Yet it must face the possibility that the presenting problems are unwittingly or wittingly designed to cover up latent problems. In this latter case, the consulting firm presents the manifest "objectives" as solutions to hidden, latent problems that are disguised in objective presentation.

In some cases, if the problems are purely technical,

these findings may in fact only apply to manifest technical issues; but even when consequences of the recommendations and implementation are technical changes, those personnel who are not equipped to adapt to technical changes are likely to resist them, and those who feel they can adjust to them or even supervise their introduction (or are above them) will be likely to accept or push for their adoption.

The consulting firm that is aware of these complications, it is hypothesized, will have to develop strategies for handling them. In the process of accepting or rejecting an assignment they may at some level be aware of possible imperfections in the definition of the presenting problem, and may reject assignments on the basis of their manifest unreality. The consulting firm, on the other hand, may be aware that the problem presented by the client is not what is really needed; yet the client may not be willing to do anything other than what they state is needed. For example, the consultant may be called in and asked to conduct a management training program because the client feels this will reduce turnover among supervisors. The consultant may see that the real problem is that the client is not competitive in its salary scales. Unless the client is willing to review their salary administration policies,

the consultant may turn down the assignment, or he may accept the assignment in order to re-educate the client.

Consultants may accept the presenting problem and, as a deliberate decision, confine themselves to it, even if they sense that the problem is manifestly unreal. They may, alternatively, accept the assignment and attempt to modify images of the presenting problem either in the process of negotiation over the definition of the presenting problem, or they may attempt to redefine the problem in the course of their work.

Once the assignment has been accepted and the consulting firm gains additional information by exposure to the organization and other executives, it may permit its recommendations to be influenced by its study and experience in the organization, and its relative co-optation by various factions within the organization. It may also be influenced by a desire to avoid conflict with one or more parties or factions; a desire to continue its relationship with the firm in the future, regardless of the present assignment; or it may fail to perceive the underlying, latent problems.

Its acceptance of the assignment may also be based on a lack of sufficient technical and managerial knowledge to deal with the problems or lack of time and personnel or funds to permit a realistic study.

It is recognized that the consultant must, at least on a public level, present his work in terms of some statement of manifest, "objective" managerial science, since his training in managerial science and his claim to objective expertise are the basis of his influence.

As a result of all these dynamics, it is hypothesized that the final recommendations or implementations usually reflect latent meanings that are apparently related to managerial theory or social sciences. At times, however, the presentation of findings will be based on other than the stated manifest problems that were presented to initiate the work and will be accepted.

At still other times, the presentation of findings other than those based on presenting problems will generate a whole new series of problems, conflicts and troubles that were not anticipated in the original problems.

Sometimes the mere presentation of recommendations may generate new problems and conflicts, and at other times the attempt to implement recommendations may reveal new, unanticipated problems that may be more serious than the original presenting problems. These four ways that "latent" meanings intrude upon

manifest presenting problems, constitute the specific focus of the study. This study is thus a study of the politics of management consulting, of the pressures and conflicts which affect a consulting firm while it works in the organization and which often influence its recommendations. It is also a study of the unanticipated consequences that ensue from management consulting.

In summary then, these two chapters have given a brief history and background of the development of management consulting, a review of the literature which presents the theoretical framework for the consultant's relationship to the business organization, and a theoretical discussion of the politics of management consulting.

This study will henceforth focus on the manifest (intended or apparent) and latent (unintended or covert) effects of consultants on the organization for which they are employed. The heuristic hypothesis is that although the consultant is hired for specific problems, in "solving" these problems he often aggravates other problems in the organization or produces new ones.

The theoretical discussion examines the possible ways that the consultant can create as many problems as he solves in the organization. The focus is on

the covert behavior between the management consultant and members of the client organization since there is a tendency for the consultant to be influenced by the organization's managers even though he may attempt to use his professional knowledge to change the organization. Managers involved in factional intrigue within the organization attempt to co-opt the consultant and draw him into their partisan activities.

The theoretical framework takes into consideration the political behavior which managers engage in and which often affects the consultant's intervention. The organizational and management theory section describes the conflict created between the individual and the organizational goals. This conflict extends to the social scientist, whether he works for the organization as a regular employee or as a consultant. There is conflict too, between the consultant as he tries to carry out his professional assignment and the goals of the manager who runs the operations of the organization. The political behavior that is often generated as a result of these conflicts may, we hypothesize, affect the outcomes of the consultancy.

Social science theories, often used by management consultants, give the organization new techniques with

which to manage their employees. With the growth of social science theories of management, theories of motivation and leadership have had tremendous effects on organizations. Many of the techniques borrowed from the social sciences are employed in management training programs which are designed and conducted by management consultants.

PART II.
METHODOLOGY

CHAPTER 3. RESEARCH

Research Questions

In order to determine the way in which manifest and latent functions operate in the interaction between management consultants and their client organizations, the following questions will be broached through a case study approach:

1. Why is the management consultant called in? What are the internal and external pressures bearing on the organization that result in the necessity for calling in the consultant? To what extent do these pressures shape management's definition and presentation of the manifest presenting problems?
2. To what extent are the manifest and latent problems explored by the consultant? What resistance to his exploration is encountered within the organization? What are the internal politics which affect the consultant?

3. What is the impact of the management consultant on the organization? With reference to the presenting problems, what is the result of the consultant's intervention in terms of the manifest and latent functions? To what extent are changes implemented and to what extent are the consultant's recommendations influenced by the organization's politics?

Research Model

The gathering of data and the analysis of the case study will be based on the following model.

The background on the organization section includes the history and development of the organization that is examined in the case study. It details the structure and nature of the company and the utilities industry. Its location and size are given as well as significant events occurring over a ten-year period.

The presenting problems, as given by company management to the consultant at the time of entry into the organization, are described, along with the consultant's specific assignment. The manifest and latent functions which serve to form and define the presenting problems will be discussed in this context. Once the assignment is undertaken, the role of social structure and latent functions in confirming, redefining and implementing solutions to the presenting problems will also be the object of investigation. This will include the social and political pressures bearing on problem definition and re-definition; and the processes of co-optation, conflict and compromise involved in problem resolution will also be explored. The process of diagnosis will

be seen as a continuously moving response to presenting problems, theory, manifest experience and objective realities, and latent structural pressures.

The response of the organization as a whole to the solutions of presenting and subsequent problems as presented by the consulting firm will be assessed. This will include a discussion of the way the solutions are accepted or rejected and any conflict that might be engendered by them. There will also be a discussion of the new problems that appear to be caused by conflict over accepting the findings of the consultant and by the implementation of the findings themselves.

Method

The case study method will be used to explore the politics of management consulting in a particular organization. The case study will present in detail, following the outline of the proposed model, an examination of how several consultants functioned in this organization. The extent to which similar processes are present or whether each consultant functions in unique ways will be noted in the final chapter.

In concluding, the study will present the basis for a theory of "politics of management consulting," and of the relationship between manifest theory and practice in the ambiguous jungle of the business organization.

It will also suggest how latent functions and motivations affect the application of theory and science in complex social structures, and how objective social reality is always modified by subjective factors.

Sources of Data

The following sources of data have been used:

Field data was drawn from the observations and diaries of the author as he worked within the organization as a management trainer, internal consultant and advisor to executive personnel. These observations will be presented in the course of the case study and the discussion describing in specifics how management consultants operated in the organization with respect to techniques or processes and manifest and latent functions.

Background data was derived from newspapers, journals, government publications, reports of consultant firms, and reports of the organization itself. These sources include the Hearings of the Equal Employment Opportunity Commission, the Bureau of Labor Statistics and reports of major consultant firms. The data provide background on the company and the external and internal pressures bearing on organizations which have affected their use of management consultants.

Additional data has been provided by books and journal articles which provide current research and theoretical background on management consulting, social science theories and organizational behavior. It should be noted that there is only a small amount of literature

written about management consulting that pertains to this case study. The literature cited here represents the current body of sources.

PART III.
THE CASE STUDIED

Part III will focus on a case study of a utility as it employed several management consultants to help manage its complex problems. Chapter 4 gives a description of the client organization in terms of the utilities industry and background on events and pressures which led to the hiring of five management consultants during a two-year period. Chapter 5 describes how each consultant was hired, the problems presented to them, the way they entered the company, as well as the style and approach the consultants used to handle their assignments. Outcomes of consultancy will be explained in terms of the manifest and latent effects on the company and in terms of the impact of social science theories the consultants utilized.

In the case study which will be examined, there are three areas of emphasis that the organization recognized as problems and decided to remedy. These areas will be presented as separate problems for the purpose of analysis but, in the main, undoubtedly the inability of responsible management to resolve problems and make decisions gave rise to the three presenting problems that will be addressed.

These problems are management style, race relations and finance. These problems are interrelated in that they all involve overall management of the company and reflect not only organizational policy but management practice as well.

Deficient management practices may result in a lack of long-range planning and poor decision making, both of which can lead to or aggravate financial difficulties. In addition, some of the financial problems the company faced were created by influences often beyond the company's control. For example, changes in accounting procedures required the approval of the Public Service Commission and changes in taxation would require passage of special laws by the State Legislature. State regulations requiring particular procedures for the company to borrow money and to float bonds were quite costly and not to the company's advantage. Other external constraints came from the State Power Pool regulations on the purchase and transmission of power, federal safety laws, Equal Employment Opportunity laws and the Public Service Commission. These had a strong influence on the way the company was run and on its inherently high costs in relation to other utilities.

Although the financial aspect of the company was a problem, it will not be treated to the same depth of analysis as the company's other problems. Since the focus of the case study will be on the relationship between the consultant and the client, the financial aspect will not be directly addressed because the author was not exposed to financial discussions and policy issues of the firm. Furthermore, it is the social science consultants who will be the primary object of analysis rather than technical consultants. The fixed procedures and budgetary constraints under which a utility operates force the company into standard financial practices.

CHAPTER 4. THE CLIENT ORGANIZATION

Description of the Client Company

The organization which will be examined in this case study is a privately owned east coast utility which provides gas, steam and electricity. It is not only one of the oldest dispensers of energy but also one of the largest in the country. It is the biggest utility in the nation in terms of electricity customers. It serves 8.9 million residents within an area of 660 square miles. It has an installed capacity of 8.6 million kilowatts. It is the largest privately owned gas-electricity utility in the United States. If it were classified as a corporation, it would rank in the top 50 of the Fortune 500.

This utility is the city's biggest real estate taxpayer, paying 8 percent of the city's real estate taxes.¹ The company has about 22,700 employees of whom 4,800 are management and 17,900 are hourly employees. The hourly employees are members of one of two labor unions: a few hundred belong to the International Brotherhood of Electrical Workers and the rest belong

¹New York Times, 31 March 1974, p. 1.

to a local of the Utility Workers of America. Some background and history of the company will give a general picture of its position in the utilities industry.

This company was founded in 1823 as one of the first gas companies in the country. Its electric operations go back to 1882 when it became one of the first electric utilities in the nation. It began supplying electricity for 400 lamps in offices in the city from Thomas A. Edison's original generating station.¹ The present name was adopted in 1936 after a series of mergers involving a number of small gas and electric companies in the metropolitan area. A steam company was merged in 1954, putting the company in the business of supplying steam to most of the large buildings in the city.²

The state affects the company through its general economic climate. For example, the amount of unemployment in the state, manpower availability, general economic trends affecting business, and any state policies toward the city all have consequences for the utility.

¹New York Times, 31 March 1974, p. 1.

²Moody's Public Utilities Manual (New York: Moody's Investor Service, 1975), p. 189.

Some of the state laws that affect the utility in its daily operations are state labor laws, state equal employment opportunity regulations, environmental and safety laws. Many of these areas also have city and federal requirements too. state laws affecting interest rates or regulating banks also affect the company in relation to its loans and the purchase or sale of its bonds.

The state is one of several agencies that have the greatest impact on the company because of its direct involvement through the Public Service Commission (PSC). To help better understand the financial condition of the company from 1967 to 1977 it will be necessary to explore the influence of state policies and the Public Service Commission.

The Public Service Commission was created by the state legislature. It is composed of a chairman who is designated by the governor, and five commissioners who are appointed by the governor with the consent of the state senate for six year terms. Only as recently as 1974, legislation was passed making the PSC bipartisan. Under the law, no more than three of its five commissioners are to be members of the same political party.¹

The Public Service Commission regulates public

¹New York Red Book (Albany, N.Y.: Williams Press, 1975), p. 849.

utilities operating in the state. There are some areas in which its authority is superceded by the Federal Power Commission but they are few in number. It has jurisdiction over rates, service and long-range planning of all electric, gas, steam, telephone and telegraph, and water works companies. It also licenses sites of electric and gas transmission lines. A special State Board on Electric Generation Siting and the Environment was created by the legislature in 1972 to provide one-step certification of environmental compatibility and public need of major steam-electric generation plants.¹

The PSC conducts investigations, holds public hearings and decides hundreds of cases each year. Federal regulation by the Federal Power Commission (FPC) is required for nuclear plants.

The PSC is given six major functions:

1. Determination of reasonable rates to be charged consumers.
2. Supervision of operations of utilities to assure safe, adequate and reliable operation and service.
3. Supervision and control over financing.
4. Certification of public need and environmental suitability of routes of construction, and operating plans for proposed electrical and gas transmission lines.

¹Ibid., p. 849.

5. Participation in administration of power plant legislation (in conjunction with the special Board above).

6. Promotion of long-term planning by utilities with concern for public safety, environment and conservation of natural resources.¹

¹Ibid.

Nature of the Organization

The company has a hierarchical structure typical of American business. Prior to 1969 the company was organized into department by function. When the new chairman took office in 1967 there was a total of twenty-three executives in the organization. There were twelve departments each with a vice-president reporting directly to the president (who, in turn, reported to the chairman). By 1977, the number of executives had increased to thirty-seven. In 1969 a major change occurred as the organization became decentralized. Six operating departments and five other departments were created bringing the total number to twenty-three departments. The six operating departments were divided according to geographical location. This decentralization epitomized what Drucker referred to when he wrote about big business being a confederation of smaller businesses, each with its own strategy.¹

The organization thereby became similar to what Greenwood describes as functionalized staff. It had geographically decentralized units and centralized control through the top levels of the hierarchy providing policies.²

¹Drucker, p. 641. ²Greenwood, p. 456.

Another level of management was created at the same time by appointing five executive vice presidents responsible for major areas of the company and having them report directly to the chairman. All department and division vice presidents then reported to an executive vice president. This imposition of a new level in the hierarchy made the structure even more like a pyramid and closer to the military structure. This also constituted another step in the chain of command and reduced the authority of the vice-presidents who were once decision makers and administrators, to only being administrators.

In the same year, the offices of the president and chairman were combined. This continued until 1973 when the president became vice-chairman and a new president was appointed. The president's position regained its autonomy and the executive vice-presidents again reported to the president.

In 1975 the vice-chairman and the president retired and another new president was appointed with the additional title of Chief Operating Officer. While maintaining direct supervision of the operating divisions, the new president appointed two assistant vice-presidents with staff functions. When one assistant vice-president left the organization, a senior vice-president of

operations was moved up to the staff position and relinquished his line responsibility.

Other changes in the organization during this time which are of interest are the expansion in 1969 of the General Auditor's office to include the mandate for examining the company's operations and recommending improvements, the establishment of a department of Environmental Affairs in 1970, which was combined in 1974 with the construction and engineering departments, and the increase in the Employee Relations department from a twelve-employee personnel office in 1970 to seventy-seven employees in 1975. During 1975 the company also hired over 500 new employees to work in the Customer Service department in an attempt to improve efficiency and restore its image through an intensive public relations campaign.

It is also worthy of mention that as late as 1968, the company's data processing system was outmoded. Because of this management was not provided with the information it needed for coordination and long-term planning.

The utility was typical of its industry in its occupational structure. The steam, gas and electric industries are basically made up of: 1) construction and installation of electrical services by underground

cables or overhead wires and maintenance of these services, 2) power generation (steam, electricity), and 3) distribution of gas, electricity and steam.

Most jobs fall into the two broad categories of: 1) power plant operations, and 2) transmission and distribution. In addition, there are clerical, professional and customer service positions.

Jobs in power plant operations involve observation, control and record-keeping functions of power generation equipment as well as maintenance and repair functions. There are boiler operators, turbine, auxiliary equipment and switch operators. In plants where these operations have been centralized or automated, control room operators perform these duties.

In the transmission and distribution areas, jobs are for load dispatchers, substation operators, linemen and troublemen, and gas main fitters.

The industry provides opportunities for on-the-job training and advancement in its craft positions. Entry into craft jobs is not as difficult in the utilities as it is in other industries, and its craftsmen are highly paid in comparison with those in many other industries. Generally, most positions are filled from within the company. The uniqueness of the skills required and the heavy dependence on in-house training

mean that relatively few workers are able to transfer skills acquired in the company to other industries for comparable salaries.

Historically, the utilities industry has had a low turnover rate and a reliance on employee referrals for recruiting new personnel. With the bulk of employees coming from Irish and Italian backgrounds, their referrals were from the same ethnic groups. At the time of the founding of the industry, most were located in the north and west of the nation. Since almost 90% of the country's blacks lived in the south at that time, there was very little employment of blacks by utilities. Until the loss of farm occupations caused a large migration of blacks to northern urban areas in the 1950's and 1960's these patterns had not changed appreciably.

Once the utility had created its basic technology, further increases in the demand for electricity could be met without an increase in the number of employees due to the growth of automatic controls and other types of mechanization. Although overall work could still provide ample employment, restrictions on maintenance and capital expenditures during the 1970's caused a job freeze in the company and a transfer of excess personnel to other departments, where possible.

The job freeze was exacerbated by the sale of two nuclear generating stations to the Power Authority of New York State in 1975 and the cost of producing power with old equipment led the company to cut back on its generation of power. They relied more and more on the purchase of power from elsewhere to be transmitted and distributed by the company to its customers.

In the clerical and office work areas, increased electronic data processing and computerized billing and record-keeping led to little or no new employment.

This utility can be classified as a high-slack organization. High-slack organizations or systems, as previously noted, are those operating within a reasonably stable environment requiring rather routine functioning and the maintenance of day-to-day activities in order to continue to operate in an effective manner.¹ Many of the jobs in the company are repetitive and routine. Even jobs which have higher educational requirements (such as engineers) actually demand little more than pushing buttons or watching dials. The company is known for its excessive personnel and duplication of effort at the management level. With increased

¹V. Schein, p. 5.

automation the company was now capable of delivering the same kilowatt power with fewer people. This contributed to the high slack in the company because there were more people producing the same or less.

The nature of the organization as a high-slack system was demonstrated when the bargaining unit went out on strike in 1968. Management, with the work force reduced to a third, was still able to maintain services. The outcome was what many had predicted--increased efficiency by trimming the fat or "deadwood."

It is also necessary to understand the nature of the company in terms of its management climate. This utility had a hierarchical structure that had both centralized and decentralized authority with power concentrated in the Chief Executive Officer--the chairman--and simultaneously decentralized into five divisions, each with its own vice-president. The military background of the chairman reinforced the hierarchical structure.

As Robert Jackall describes it, the key to the structure is the reporting system. This forms a feudal-like system of norms wherein each "subordinate owes a fealty to his immediate boss: he must not overcommit his boss; he must keep his boss from mistakes, especially

public ones; he must not circumvent his boss."¹ It is characteristic of this "feudal-like authority system that details are pushed down and credit is pushed up."² There are also negative sanctions for public criticism.

The great influence that the CEO has in his own company should also be noted. Jackall draws the analogy to a king: "his word is law; even his wishes and whims are taken as commands by his close subordinates"³ In this utility every effort is, indeed, made to please the chairman. One example of this is the high priority and money that was allocated to housekeeping (cleanliness of the plant) because the chairman liked things to be neat. Another example was the fifteen-hour days which many plant managers spent, not necessarily working but because they felt it wouldn't "look good" in case the chairman happened to come to their plant and they weren't there (the chairman was known for making surprise visits at odd hours).

¹Robert Jackall, "Moral Mazes: Bureaucracy and Managerial Work," paper presented at Williams College, Williamstown, Mass., 18 March 1982, p. 4. (Mimeographed.)

²Ibid., p. 5.

³Ibid., p. 6.

Background Leading to the Use of
Outside Consultants

Five years after World War II, the utility was in an expansionist phase. It was still merging with other small companies in the area; two companies in 1951; one in 1952; and a steam company in 1954. In 1956 the company planned \$650 million in a five-year expansion plan; in 1959 they planned \$1 billion for a five-year expansion program, with over ninety percent to be used for electric generating and distributing.¹ Electric rates were being reduced in areas where natural gas was being used.² By approving the mergers the Public Service Commission was also helping the company to avoid intervention by the Federal Power Commission. The FPC claimed jurisdiction because the parent company had planned to re-sell natural gas obtained through interstate commerce. The Public Service Commission had disapproved the same merger in 1945 because at that time the company had planned to raise the city's rates to make them the same as the county's. In 1959 the company purchased three power plants from the city

¹Wall Street Journal, 25 March 1959, p. 14.

²New York Times, 16 February 1951, p. 27.

subway system.¹

During this period, new facilities were being planned or built; in particular a new generating station was begun in one of the divisions.

The company's bond rating and rates are critical since they are the principal means of raising capital for the company. In the 1950's their bond rating was good and interest rates were low (around 5%). Credit was good also: fifteen banks in 1955 granted loans of \$100 million.² Again in 1958 they were granted \$100 million in credit for one year.³ The Public Service Commission authorized selling \$75 million worth of thirty-year refunding mortgage bonds; they sold in December of 1959 at 5.19%.⁴

The 1960's began the first hints of problems to follow with the start of the chain of increases in electric rates granted by the Public Service Commission. In January of 1960 a \$14 million annual increase was approved by the state for electricity rates in spite of opposition from other agencies.⁵ The Public Service

¹Wall Street Journal, 20 May 1959, p. 2.

²New York Times, 5 October 1955, p. 47.

³Ibid., 27 September 1958, p. 27.

⁴Wall Street Journal, 2 December 1959, p. 19.

⁵Ibid., 14 January 1960, p. 14.

Commission refused requests for a rehearing on rates by the Mayor, allowing the company to make interim boosts in electricity rates.¹

In 1961 the Public Service Commission awarded a rate increase of \$10.5 million while suggesting that the company increase its rates for large users (cities and railroads) and lower costs slightly to small users.² In 1963, the Public Service Commission was challenged in the State Appeals Court for the rate increase in electricity it had granted the year before; the court upheld the increase.³ Later, however, the PSC told the company to postpone its scheduled increase of five percent in electric rates.⁴ It also conducted an investigation to determine if the firm was charging too much for gas.⁵ As a result of its investigation, the PSC ordered the company to reduce gas rates by \$6.5 million annually.⁶

¹Ibid., 9 February 1960, p. 3.

²Wall Street Journal, 17 November 1961, p. 8.

³Ibid., 12 February 1963, p. 5.

⁴Ibid., 26 September 1963, p. 20.

⁵Ibid., 12 December 1963, p. 8.

⁶Ibid., 23 January 1964, p. 4.

Six months later the company was allowed a five percent hike in electric rates. In State Court the Court of Appeals heard a suit brought by the City Housing Authority to protest the five percent increase granted by the PSC. In their suit the Housing Authority claimed that customers were being charged for the purchase of the three subway power stations which had been purchased in 1959. They claimed that the company had paid a high price solely to eliminate city competition. The Appellate Division found no evidence of overpayment and refused to overturn the increase.¹ The increase continued to be fought in court and in 1966 the State Court of Appeals ordered the PSC to reconsider the rate increase.²

In July of the same year (1966), the company once again asked the PSC for a rise in rates because of higher taxes and inflation.³ When this met with strong opposition from the community, the company agreed to postpone the increase for sixty days. Promptly two months later they were permitted to raise electric and steam rates although they cut gas rates by 4%.⁴

¹New York Times, 28 November 1965, p. 72.

²Wall Street Journal, 29 April 1966, p. 8.

³Ibid., 29 July 1966, p. 8.

⁴Ibid., 23 November 1966, p. 10.

(At that time natural gas was plentiful and inexpensive; therefore it was being promoted for consumer use by reducing the rates.)

By 1967 the company was experiencing difficulties in several areas. A former undersecretary to a cabinet position was brought in as chairman to help change the company's image and, with his political influence, to help promote the construction of nuclear power plants which had been encountering opposition at the local level. An article in the Wall Street Journal at that time discussed, "Unhappy Utility: Bad Image, Inefficiency, Bloated Work Force Halt Firm's Progress; New Chairman Retires Aging Executives, Trims Costs, Defends High Power Rates."¹

The new chairman took over the problems of poor public relations, aging physical plant and mounting financial difficulties. The chairman, coming from a military background, placed others from military backgrounds in key administrative positions as he tried to get the company to become more "efficient."

The most dramatic problem of the 1960's involved the city-wide blackout in 1965. After that failure,

¹Wall Street Journal, 26 August 1968, p. 1.

concern mounted over future power needs. In 1969, shortly after the PSC began an investigation of why the company's largest plant was out of service, the company asked for a 15.3% increase in electric rates¹ claiming it had the lowest return (3.77%) of all major utilities (7.0%).² They also claimed that inflation, taxes, cost of wages, equipment and supplies, environmental costs, and higher interest rates necessitated a large increase. The Public Service Commission, in response to the request, temporarily stopped the increase and eventually approved only part of it, citing the company's failure to take advantage of Internal Revenue Service depreciation guidelines and its failure to provide adequate service.³ The Public Service Commission predicted possible shortages in the company's electric power supply by 1970.⁴

By the 1970's it was apparent to everyone and openly admitted that the company was in serious trouble. In July of 1970 the firm's stock closed at the lowest

¹Ibid., 22 August 1969, p. 15.

²New York Times, 7 September 1970, p. 18.

³Ibid.

⁴Wall Street Journal, 4 December 1969, p. 16.

point it had reached since 1949.¹ The company's requests for rate increases became more frequent. In 1970 they were granted an increase of \$90 million in electric rates by the PSC. This was less than they had requested. In granting the increase, a PSC member blamed conservationists, in part, for the utility's financial need.²

The 1970's began a more active and influential role by conservationists and more restrictions because of environmental regulations. These were often quite costly. Pollution charges became more frequent and were enforced more stringently.³

For the first time in twelve years, the company asked for an increase in gas rates.⁴ Steam rates went up with the permission of the Public Service Commission.⁵

Although there were shortages of power in the city, blackouts or outages were averted by the purchase of power from other sources: Canada, the Atomic Energy Commission, and other utilities on the east coast.

¹New York Times, 30 July 1970, p. 22.

²Wall Street Journal, 18 June 1970, p. 18.

³Ibid., 14 October 1970, p. 3.

⁴Ibid., 21 September 1970, p. 20.

⁵Ibid., 18 December 1970, p. 10.

The company joined with other utilities in the state to form a power pool. According to the New York Times of September 7, 1970, for "all practical purposes the entire state has a single power system that is coordinated from . . . Power Pool Headquarters" ¹ At the same time, the company was being criticized for lack of planning of transmission line routes because they now had to turn down power offers for lack of transmission lines. ² Although the company received increases in electric rates, they did not receive as much as they had requested. ³

The year 1971 marked the start of a new advertising campaign. For the first time the company was asking customers to use less electricity. ⁴ This was necessary because of their lack of generating capacity and because of their pollution problems.

With the oil crisis of 1973 problems for the company multiplied. In addition to higher fuel prices,

¹Wall Street Journal, 18 December 1970, p. 10.

²New York Times, 7 September 1970, p. 18.

³Wall Street Journal, 29 November 1971, p. 10.

⁴Ibid., 4 May 1971, p. 17.

their credit rating was lowered by major rating agencies¹ so that they had difficulty selling their bonds. Several rate increases were granted by the PSC and permission was given to burn higher sulphur oil temporarily. In spite of this, the company was unable to maintain a good financial position.

Public relations was at a low. The Public Service Commission asserted that they were unresponsive to customer complaints (handling only 46% adequately).² Uncollectible unpaid accounts receivable became a greater problem. From 1967 to 1973, uncollected bills over six months old rose from \$2.2 million to \$34.4 million. In order to reduce this amount, the company expanded their accounting department and requested that the Public Service Commission allow them to charge interest on unpaid bills in the same way that retail stores do.³ The company claimed that the reasons for uncollected bills were "the large number of underprivileged and welfare customers as well as the poor bill-paying habits of many of its customers, and resentment over

¹Wall Street Journal, 1 February 1973, p. 23.

²Ibid., 28 February 1973, p. 19.

³New York Times, 1 April 1974, p. 51.

sharp rate increases."¹ Others pointed out that poor billing practices of the company and the large errors it made in bills also contributed to this dilemma.

At the end of 1973, the company was told by the state PSC to cut voltage by 3% to save fuel.² At the same time they were pleading for the PSC to quickly approve a rate increase of \$296.6 million yearly because of their "desperate" need.³

Although the Public Service Commission granted an immediate rate hike in February of 1974, a serious cash squeeze led to a suspension of the company's quarterly dividend for the first time in their history.⁴ According to state and regulatory officials, Wall Street analysts and former company employees, the company had some of the most serious financial and operating difficulties of any utility in the country. Internal operating and management problems, environmental concerns and energy shortages, inflation and high interest rates, a downturn in new business, and customer problems all combined to cause the situation. The

¹Ibid.

²Wall Street Journal, 26 December 1973, p. 10.

³Ibid., 31 December 1973, p. 6.

⁴New York Times, 24 April 1974, p. 1.

company had nearly reached its growth limit in terms of customers in its market.

With increasing capital needs to replace old and inefficient power units as well as to finance current operations, there were two alternatives: either raise rates or increase the amount of electricity consumed. Conservation requirements precluded the latter. The difficulty in selling bonds, with the highest rate in the country of 9.48, low rating by bond-rating agencies, and lack of investor confidence all contributed to the capital shortage.¹

In addition, only through a change in accounting procedures by the Public Service Commission in December 1973 for all the state's utilities, was the company able to have enough "net earnings available for interest legally to be allowed to issue its bonds. The state agency (PSC) permitted the utility to carry forward on its books the amount paid for its fuel until it could bill its customers for the money."²

On the other hand, the Public Service Commission required the company to use a method of financing which the company claimed was too costly. Under this

¹Ibid., 31 March 1974, p. 46.

²Ibid.

arrearage financing, the utility borrows on short-term from banks until it reaches its limits on short-term credit, then floats long-term bonds to pay back the banks. With high interest rates and the credit squeeze, this costs the company a great deal of money.¹

If the company cannot produce enough revenue the New York Times projected that the consequences would necessitate either "substantial tax abatements on state and city real estate tax or even outright government takeover of all or part of its operations."²

Some critics felt that the suspension of dividends was a tactic dictated by politics as well as economics. The company was willing to penalize its stockholders, according to the Economist, "to help persuade city and state that it must be helped."³ The company was asking not only for a rate increase but also for the "state to purchase two unfinished nuclear power plants, on which it has spent \$450 million, and to sell (the company) back the power. Unless the state provides such assistance, (the company) may eventually face bankruptcy."⁴

¹Ibid., 1 April 1974, p. 51.

²Ibid., 31 March 1974, p. 46.

³Economist, 27 April 1974, p. 251.

⁴Wall Street Journal, 27 April 1974, p. 65.

Professor George Cabot Lodge of the Harvard Business School, a recognized expert on this utility, proposed that since the company's difficulties were so vast it should be broken up by dividing it in half: the production, generating plants and new construction to be taken over by the state while distribution and marketing be retained by the company. Another proposal was that the company cut its dividend on common stock and obtain government subsidies either through tax abatements or state-guaranteed bonds up to the point of a tax exemption.¹ All solutions proposed involved the state in some way.

The company itself requested help from the state. Declaring that they faced bankruptcy,² they urged the state to buy their two unfinished nuclear plants. This required the passage of a special bill by the State Legislature. Under this plan, the State Power Authority would buy and complete the nuclear generating plants.³ While awaiting the proceeds from the sale, the PSC authorized an increase of bank loans to \$425 million in order to provide additional cash.⁴

¹New York Times, 1 April 1974, p. 51.

²Ibid., 10 May 1974, p. 1.

³Wall Street Journal, 17 May 1974, p. 5.

⁴Ibid., 12 September 1974, p. 27.

It is interesting to note that while in 1974 the company was pleading for the state to take over its plants, in 1967 the company had vehemently opposed any active government role. At that time there had been a proposed proposition to the State Constitution elaborating a state policy on public power. The proposition stated: "The development and expansion of public power in the state is a matter of important concern to the economic growth of the state and general welfare of the people, and provisions for such development and expansion shall be made by the state in such a manner and by such means as the legislature shall from time to time determine."¹ At a hearing held on the state's role in the development of power, spokesmen for the company and the six other investor-owned utilities in the state told the committee, "There is no further need whatever for further development and expansion of tax-exempt public power in the state."² Seven years later, the company reversed its policy by asking the state to take over its two nuclear generating plants.

¹"A State's Role in the Development of Power," Public Utilities Fortnightly, 80 (3 August 1967):53.

²Ibid.

An additional external pressure bearing down on the company came from the federal government. The utility was asked to testify before the United States Equal Employment Opportunity Commission (EEOC). The EEOC held special hearings on Utilization of Minority and Women Workers in the Public Utilities Industry on November 15, 1971 in Washington, D.C. At these hearings it was stated that the utilities lagged behind other major employers in the country in terms of their employment of minorities and women, both in the quality of jobs held and in numbers. In fact, the electrical power industry had the worst record of all industries.

In testifying at the hearings, the utility's Assistant Vice President of Employee Relations tried to show the company's good faith in its affirmative action efforts. The Assistant Vice President (AVP) testified that, "It is our objective to have all levels of management take aggressive measures to make our affirmative action program a living document producing greater employment and promotion opportunities for minority groups and women."¹

¹Hearings Before the Equal Employment Opportunity Commission on Utilization of Minority and Women Workers in the Public Utilities Industry (Washington, D.C.: Equal Employment Opportunity Commission, November 15, 1971), p. 16.

These series of events, lasting over a number of years and being much publicized, made it necessary for the company to employ a wide variety of management consultants. For example, it was obligated to bring in consultants to validate the AVP's testimony at the EEOC.

The late 1960's indicated the stress and strain within this utility which intensified over a ten-year period. It began in 1967 when the new chairman was appointed. His first official function was to retire some older executives in an attempt to make the organization more efficient. Ten years later, the company was still trying to rid itself of excessive personnel. A chronology of events suggests some of the utility's problems and its attempts to cope with them.

Chronology of Events, 1967 - 1977

- 1967 - A former government official is made chairman. He retires "aging" executives and tries to trim costs.
- 1968 - The bargaining unit goes out on strike. This is the first time in the history of the company that its management personnel assume all of the functions necessary to continue the utility's services.

- 1970 - The company's stock closes at lowest point in over two decades.
- JOBS '70s program begins.
- 1971 - The company receives first opinion and attitude survey of its management employees by hiring consultant OAS.
- The company testifies at the Equal Employment Opportunity Commission Hearings.
- 1973 - Hiring of the first minority in a middle management staff position with responsibility for diagnosing and suggesting solutions to organizational problems.
- The beginning of the company's management training programs.
- 1974 - The company suspends its stock dividend for the first time in its history.
- Consultant FLO is hired to develop selection and hiring criteria that would be non-discriminatory and valid for job performance.
- 1975 - Consultant BCF hired by the Public Service Commission to conduct a study of management operations.
- A study is conducted by the author on "Job Satisfaction of Black and White Managers" in the utility.

- 1975 - State Education Department, Office of Non-Collegiate Sponsored Instruction recommends that college credits be awarded to personnel completing company management training programs.
- 1976 - Consultant ABC hired to conduct leadership style workshops for middle managers.
- Consultant CRY hired to develop a Planning and Scheduling System.
 - Consultant BPA hired to help implement the CRY system as an organization development effort.
 - Assistant Vice President makes a statement about blacks which causes racial antagonism in the company.
 - The Chief Executive Officer is virtually help captive in his office by a group of minority employees.
 - An EEO suit is filed against the company by an internal consultant.
- 1977 - 211 management employees are fired.
- An EEO suit is filed by some of the fired managers charging the company with age discrimination.
 - Assistant Vice President is scapegoated and dismissed.

As can be seen from the chronology, this giant organization for over a decade was faced with a myriad of different problems and situations which had a tremendous impact on the organization. The problems and conflicts that arose over new demands, resistance to change and the insistence that social equality be demonstrated in the work world all caused the organization to focus more on the hiring of social scientists as consultants to work on different organizational issues created by these pressures.

For the purpose of this study, five detailed analyses will be made of the use of management consultants by the company. In each case, the consultant's entry into the organization, the problems as presented to the consultant, the consultant's approach and style, and the outcomes of the consultancy will be described.

The problems of the most sensitive nature, which involved consultants with the human relations background, were issues that included managers' motivation, self-identity and styles of leadership. These rather than the other stated problems (such as poor communication, no differential between pay of supervisors and union workers, and shift scheduling) were seen by the company as critical to the improvement of the organization.

The JOBS '70s Program

Problems engendered by the attitudes of the white male employees toward minorities and women in the company were given the lowest priority. The statement made by union and supervisory personnel that illustrated this feeling was that: "The electricity will still be produced and distributed--whether or not the company has women and minorities."

This matter of racial and sex bias came to light during the hiring and placement of minorities and women within the company through the JOBS '70s program (Job Opportunities in the Business Sector). The JOBS '70s program was a special program begun as a response to external pressures to hire minorities and women in business. However, many first-line supervisors and middle managers felt that newly hired minority employees were undermining the company and the integrity of the system since they felt that the new personnel did not have the basic qualifications for the jobs. Racial and sex prejudices were aggravated because the JOBS '70s applicants were recruited in a non-traditional fashion.

The JOBS '70s program as a federally-supported project recruited its applicants from the State Employment Service, the Manpower Career Agency, and the

state Central Labor Council. As stated before, previous new employees had been referrals from personnel already in the company. Thus, it was not unusual to have three generations of a family working in the company at one time. Employing husband and wife or father and son was common practice. It should be noted that at the same time that the author functioned as a staff trainer and internal consultant, his son was a worker in the bargaining unit. Some of the author's neighbors were also members of the company, all working at the same location.

The applicants in the JOBS program had to be certified as "disadvantaged." The connotations and stereotypes associated with this term also fed into the prejudices of existing employees.

There was a variety of skill levels brought in through this program--some workers were unskilled and uneducated (less than sixth grade), while others ran the gamut from high school dropouts, high school graduates to some who had completed one or two years of college.

The JOBS program provided a two-day intake process for job applicants in which descriptions and the realities of entry-level jobs were discussed. These jobs, production personnel and general utility mechanic,

(GUM), were two positions for which the JOBS '70s program trained people. These positions clearly required very little formal education, but they were unskilled jobs which led to higher skilled and higher paid craft positions.

After the intake process, the program provided thirteen weeks of basic education. It included: English as a second language; verbal and arithmetic skills; and vestibule training (a simulation of field conditions in the classroom).

The next phase of the program was twenty-six weeks of on-the-job training for the perfecting of skills. The training included basic electricity, gas operations, pipe fitting, rigging, cable pulling, power plant operations, pipe tapping, splicing, excavating, job safety, job set-up, equipment maintenance and repair of power plants. This was the first time that skills training had been centralized and taken out of the field. Prior to the JOBS program, training had always been done in the field with a more experienced employee demonstrating how to perform the job for which the unskilled employee had been hired.

In testifying before the EEOC Hearings in 1971, the Assistant Vice President of Employee Relations explained that the training provided for the minorities entering through the JOBS '70s program was aimed at

what the trainee would need to perform the job. Training was not needed to qualify the minorities for the job (since they were unskilled positions), but to ". . . provide our field forces with an employee better (emphasis added) qualified than those we employ through our normal employment procedures."¹ The company claimed that this was done specifically to enhance the acceptance of minorities by their supervisors. Supervisors, on the other hand, perceived the situation as just the opposite. To them the minorities were "less qualified" because they had not come in the "normal" way.

¹Hearings Before the EEOC, p. 18.

CHAPTER 5. CONSULTANT CASES

Consultant OAS

The first consultant during this period to enter the organization was a consulting firm from the mid-western United States. As specialists in attitude surveys they were well-known for their research on employee motivation. In 1971 they were brought into the company at the request of top management. Their assignment was to conduct a survey on the opinions and attitudes of management employees to find out whether the managers were dissatisfied with any areas in the company.

The Vice President of Employee Relations requested the survey because some lower level managers were talking about forming a supervisory union, even though it was illegal for managers to belong to a bargaining unit. Although these managers were small in number, the prospect of unionization of supervisors was a serious threat. The survey represented a way for top management to indicate concern about managers' feelings and

attitudes without losing control of the situation.

The attitude survey form was jointly developed by the company management and the professional staff of OAS. It was administered, in person by OAS staff members, to management employees of the company on April 27, 28, 29, and 30, 1971. A total of 3,991 managers of all levels at various locations in the company received the survey form. The survey form consisted of sets of statements to which degrees of satisfaction/dissatisfaction or agreement/disagreement can be shown by a check mark. The statements referred to a number of aspects of one's job, e.g., working conditions, benefits, wages, communication, supervision and management. These aspects were designed to "bring to light areas of dissatisfaction and discontent."¹

Of the five levels of management represented in the survey (3,991), the two reports of OAS covering first and second level managers and the survey of middle managers will be cited here in detail and referred to again later. On each table the weighted average for each item as well as the number of favorable and unfavorable written comments is given. For the first and second level supervisors (N=2,171) there were 10,100 comments (an average of 4.7 per person according to OAS). For middle managers (N=664), there were 3,918

¹OAS Report, p. 1.

comments (an average of 5.9 per person according to OAS).

It should be noted that the comments, results and tables presented here are those of OAS. It is difficult to draw sound conclusions since there is not enough information given by OAS.

A total of 2,171 first and second level supervisors completed the survey. OAS reported that overall, the first and second level supervisors were pleased with most aspects of the company. According to the OAS summary comments, the company benefits (such as vacation, holidays, life insurance, sick pay plan) and most aspects of their working conditions were also acceptable to them. Attitudes toward immediate supervision were generally positive. Top management was viewed as being concerned with problems of pollution, as committed to the preservation of the environment, and as responsive to the social and economic needs of the community (see Table 1). Most of the supervisors were proud of their association with the company, and with some reservations would recommend the company to their friends as a good place to work (Table 1). There was strong approval of annual performance reviews and they strongly supported the idea

that promotions should be made primarily on merit and not on the basis of seniority.

The OAS report related some dissatisfaction registered toward some aspects of the job, i.e., direction from more than one boss, having their superiors by-pass them by going directly to their subordinates, constantly changing priorities, too much overtime, too much paperwork, too little time allowed for planning, and too much pressure to produce (see Table 2). Disfavor was expressed toward the degree to which they were consulted before decisions were made concerning their area of responsibility, e.g., on hiring or transfers of personnel, on promotions, dismissals, and on new policies and procedures (see Table 3). Supervisors were unhappy with the advice and guidance they received from upper management, explanations on how to deal with the union, and backing from higher management on handling disciplinary problems (see Table 4). They were also somewhat dissatisfied with the specific help they got from middle management toward meeting their departmental goals and objectives (see Table 5). They would have liked to be better informed regarding anticipated changes that may have affected their work or that of their subordinates (see Table 6). Similarly, they would have liked more attention given to their recommendations on hiring and dismissals (see Table 7).

EXPLANATION FOR TABLES - OAS REPORT¹

"The survey questionnaire offered four responses alternatives on each item which are assigned numerical weights as follows:

Strongly favorable	+3
Mildly favorable	+1
Mildly unfavorable	-1
Strongly unfavorable	-3
No information	0

To arrive at the group average for a given item, the number of persons checking each alternative was multiplied by the corresponding numerical weight. These products were summed over the alternatives, and the total was divided by the number of people expressing an attitude to that particular item. Thus, the weighted averages also range from +3.0 to -3.0 and can be interpreted in terms of the above scale.

Special attention should be paid to averages which are enclosed in parentheses. These indicate that distribution of the responses of the group was bimodal; i.e., the group members tended to check the extremes of the scale. Generally, bimodality shows that the group is internally divided on its attitude, and the interpretation of a bimodal distribution should be approached with caution The number of favorable and unfavorable written comments is given for

¹OAS Report, 1971, p. 4.

each item, together with the weighted average for the entire management level discussed in this report. In addition the percentage of people responding to each item, excluding those indicating 'No information' is indicated for each tenure group and the entire level. These percentages are recorded under 'Response Rate.'

Participants were asked when they came to work for the company and were thus placed into tenure groups: 1) before 1953, 2) 1953-1967, and 3) 1968 or later. Weighted averages are given for each tenure group and for all groups combined (Total).

TABLE 1. FIRST AND SECOND LEVEL SUPERVISORS
OAS REPORT

Attitudes Toward Top Management				
To what extent do you agree that top management:		Number of Comments:		
		<u>Favorable</u>	<u>Unfavorable</u>	
<u>Item:</u>				
1.	Provides leadership and direction:	1	55	
2.	Is working together as a team?	0	19	
3.	Is forward looking and plans ahead?	0	4	
4.	Is interested in the welfare of employees?	0	5	
5.	Understands the problems of field employees?	0	10	
6.	Needs to visit job locations on a regular basis?	11	3	
7.	Has done a good job of dealing with the union?	0	57	
8.	Is concerned with problems of air and water pollution?	2	6	
9.	Is committed to the preservation of the environment?	0	2	
10.	Is responsive to the social and economic needs of the community?	0	4	
11.	Is interested in the overall good of the company?	0	6	
12.	Is as capable as the top management of other companies?	1	5	
General Comments		5	30	
Total		20	206	
<u>Weighted Average Tenure Group</u>				<u>Response Rate Tenure Group</u>
<u>Item</u>	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
1.	0.0	-0.1	0.3	0.2
2.	-0.2	-0.4	0.2	0.0
3.	0.2	0.1	0.7	0.5
4.	0.0	-0.2	0.3	0.2
5.	-0.6	-0.8	-0.3	-0.4
6.	1.5	1.1	1.1	1.1
7.	0.4	-0.4	0.3	0.2
8.	1.5	1.5	1.7	1.7
9.	1.3	1.4	1.6	1.6
10.	1.1	1.2	1.6	1.5
11.	1.4	1.2	1.5	1.4
12.	0.7	0.5	1.0	0.9
<u>Item</u>	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
1.	81	90	88	88
2.	80	86	85	85
3.	83	86	85	85
4.	83	86	85	85
5.	83	90	87	87
6.	71	80	80	79
7.	83	90	88	88
8.	67	83	84	83
9.	84	88	89	89
10.	80	86	88	87
11.	88	91	91	91
12.	78	81	81	81

Source: OAS Report, Supervisors, p.64.

TABLE 2. FIRST AND SECOND LEVEL SUPERVISORS
OAS REPORT

Attitudes Toward One's Job

How satisfied are you about your job
with regard to: Number of Comments:
 Favorable Unfavorable

Item:

13. Amount of direction given you by your boss.	8	42
14. Responsibility delegated to you.	0	40
15. Authority given to you.	1	47
16. Direction from more than one boss.	0	35
17. Being by-passed by your superiors.	3	29
18. Assignment of priorities.	0	27
19. Coordination and cooperation by your subordinates.	5	51
20. Amount of time you have in which to do your work.	4	39
21. Amount of overtime you have to put in.	8	74
22. Amount of paperwork and reports required.	0	109
23. Amount of time for planning.	0	36
24. Pressure to produce.	6	72
25. Amount of challenge in your work relative to your skills.	5	23
26. Its contribution to total company operations.	9	6
Total	49	630

Weighted Average
Tenure GroupResponse Rate
Tenure Group

<u>Item</u>	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
13.	0.8	0.4	0.5	0.5	98	98	98	98
14.	0.7	0.7	0.7	0.7	99	99	98	98
15.	0.2	0.2	0.5	0.4	98	98	98	98
16.	0.1	-0.2	0.0	-0.1	95	96	95	95
17.	-0.2	-0.2	0.0	0.0	90	91	92	91
18.	0.0	-0.02	0.0	0.0	97	95	91	92
19.	0.9	0.5	0.6	0.6	94	97	97	97
20.	0.4	-0.1	0.2	0.2	97	99	98	98
21.	0.1	-0.3	-0.1	-0.1	90	95	93	93
22.	-0.1	-0.6	-0.4	-0.4	95	99	99	98
23.	-0.1	-0.5	-0.2	-0.3	97	97	97	96
24.	0.2	-0.5	-0.3	-0.3	95	98	98	97
25.	0.1	0.9	0.9	0.9	97	99	98	98
26.	0.6	1.1	1.2	1.2	97	97	97	96

Source: OAS Report, Supervisors, p. 20.

TABLE 3. FIRST AND SECOND LEVEL SUPERVISORS
OAS REPORT

Attitudes Toward Extent One Is Consulted

Item	How satisfied are you with the extent to which you are <u>consulted</u> :	Number of Comments:	
		<u>Favorable</u>	<u>Unfavorable</u>
27. By your immediate supervisor.		6	58
28. By managers above your immediate supervisor.		0	43
29. On hires or transfers into your unit.		0	59
30. On work assignments given your people.		0	20
31. On promotions or transfers for your people.		0	53
32. On pay increases for your people.		0	48
33. On dismissals or transfers out of your unit.		0	33
34. On new policies or procedures or changes to existing ones.		0	32
35. On problems in your area of responsibility.		0	13
Total		6	359

Item	Weighted Average Tenure Group				Response Rate Tenure Group			
	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
27.	0.6	0.4	0.5	0.5	94	98	99	98
28.	-0.2	-0.3	-0.1	-0.2	88	94	93	93
29.	0.3	-0.6	-0.6	-0.6	65	81	85	83
30.	0.9	0.4	0.5	0.5	83	90	94	93
31.	-0.5	-0.2	-0.1	-0.2	72	85	90	88
32.	0.0	0.1	0.2	0.2	73	79	84	82
33.	0.0	-0.2	-0.1	-0.1	65	82	82	81
34.	-0.3	-0.6	-0.2	-0.3	87	94	93	92
35.	0.1	0.0	0.2	0.1	92	98	97	97

Source: OAS Report, Supervisors, p. 27.

TABLE 4. FIRST AND SECOND LEVEL SUPERVISORS
OAS REPORT

Attitudes Toward Training and Support

To what extent are you satisfied or dissatisfied with:	Number of Comments:	
	<u>Favorable</u>	<u>Unfavorable</u>
<u>Item:</u>		
36. The orientation (explanation of responsibilities, authority, etc.) given to new management employees.	3	44
37. The training given you for your present job.	2	26
38. The training given you for previous jobs.	1	6
39. The advice and guidance given on procedures, policies, union contract, and how to handle unfamiliar situations.	1	23
40. Explanations given by your immediate supervisor on how to deal with the union.	2	46
41. Backing you receive from higher management on handling disciplinary problems in the group you supervise.	3	65
42. Any retraining necessary to keep you up to date in modern methods and practices.	1	23
General Comments	2	71
Total	15	304

<u>Item</u>	<u>Weighted Average Tenure Group</u>				<u>Response Rate Tenure Group</u>			
	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
36.	-0.6	-0.8	-.02	-0.4	97	95	89	91
37.	-0.4	-0.1	0.3	0.2	92	98	95	95
38.	0.2	0.5	0.7	0.6	67	96	94	93
39.	-0.3	-0.9	-0.4	-0.5	97	97	95	95
40.	-0.2	-0.6	-0.3	-0.4	86	92	93	92
41.	0.2	(-0.5)	-0.5	(-0.4)	69	91	94	92
42.	-0.6	-0.7	-0.3	-0.4	85	96	91	92

Source: OAS Report, Supervisors, p. 48.

TABLE 5. FIRST AND SECOND LEVEL SUPERVISORS
OAS REPORT

Attitudes Toward Middle Management

To what extent:		Number of Comments:	
		<u>Favorable</u>	<u>Unfavorable</u>
<u>Item</u>			
43. Have the company's long-range goals and objectives been explained to you?	2		13
44. Do you participate with superiors in setting the goals, plans and objectives of your work group?	1		12
45. Does management give you what you need to meet your objectives?	0		45
46. Does your manager develop corrective action to meet your objectives?	2		10
47. Is your department accomplishing its objectives?	0		25
48. Are you shown or told how well your department or group is doing?	2		27
General Comments	1		7
Total	8		139

<u>Item</u>	<u>Weighted Average Tenure Group</u>				<u>Response Rate Tenure Group</u>			
	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
43.	-0.4	0.1	0.2	0.1	91	96	96	96
44.	0.1	0.0	-0.1	(0.0)	93	91	89	89
45.	-0.1	-0.6	-0.3	-0.4	92	96	95	95
46.	0.3	0.0	0.1	0.1	92	93	94	93
47.	0.5	0.4	0.6	0.6	94	97	97	97
48.	-0.2	-0.4	0.0	-0.1	91	93	94	93

Source: OAS Report, Supervisors, p. 53.

TABLE 6. FIRST AND SECOND LEVEL SUPERVISORS
OAS REPORT

Attitudes Toward Downward Communications

How well are you kept informed regarding: Number of Comments:
 Favorable Unfavorable

Item

49. Activities and changes in the division in which you work.	0	15
50. Important new procedures and policies that affect your work.	0	8
51. New Equipment.	1	22
52. General company matters.	0	1
53. Personnel changes.	1	21
54. Anticipated changes that may affect your work or your subordinates.	0	9
55. Emergency situations inside or outside the company that may affect company operations.	0	5
General Comments	1	52
Total	3	133

Weighted Average
Tenure Group

Response Rate
Tenure Group

<u>Item</u>	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
49.	-0.4	-0.2	0.1	0.0	98	99	98	98
50.	0.3	0.1	0.3	0.2	97	99	99	98
51.	0.0	-0.3	-0.2	-0.2	86	91	88	89
52.	0.0	-0.2	0.1	0.0	94	98	95	96
53.	0.2	-0.2	0.0	0.0	94	97	95	95
54.	-0.4	-0.5	-0.3	-0.3	91	97	96	96
55.	-0.2	-0.1	0.1	0.1	81	92	90	90

Source: OAS Report, Supervisors, p. 51.

TABLE 7. FIRST AND SECOND LEVEL SUPERVISORS
OAS REPORT

Attitudes Toward Extent to Which Attention is
Given to One's Recommendations

How satisfied are you with the attention given to your recommendations: Number of Comments:
Favorable Unfavorable

Item

56. By your immediate supervisor.	0	26
57. By managers above your immediate supervisor.	0	10
58. On hires or transfers into your unit.	0	12
59. On work assignments given your people.	1	5
60. On promotions or transfers for your people.	0	23
61. On pay increases for your people.	0	26
62. On dismissals or transfers of your people.	0	26
63. On new policies or changes to existing ones.	1	15
64. On ways to improve existing work procedures.	0	4
65. To correct problems in your area.	1	16

Weighted Average
Tenure Group

Response Rate
Tenure Group

<u>Item</u>	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)	1 (N=86)	2 (N=466)	3 (N=1601)	Total (N=2171)
56.	1.2	0.9	0.9	0.9	98	98	98	98
57.	0.2	0.1	0.3	0.3	85	94	90	90
58.	0.3	-0.4	-0.2	-0.2	62	66	69	68
59.	1.1	0.5	0.6	0.6	72	86	91	89
60.	0.4	-0.1	0.1	0.0	63	74	77	76
61.	0.4	-0.1	0.2	0.2	58	58	66	64
62.	0.3	-0.3	0.0	-0.1	57	70	70	70
63.	0.3	-0.2	0.1	0.0	83	92	87	88
64.	0.2	0.1	0.3	0.3	93	98	95	96
65.	0.2	0.0	0.2	0.2	92	99	96	96

Source: OAS Report, Supervisors, p. 33.

Several other areas of dissatisfaction were aspects of their pay--the differential between their annual pay and that of those reporting to them was small or non-existent. They were also dissatisfied with the system of payment for overtime, and the basis on which pay increases were granted. Negative attitudes were also expressed about the number of workers skilled enough to do a good job, the general quality of new union employees, and the morale of employees compared to what it was five years before.

Comments from the supervisors indicated that they did not feel free to express their opinions about issues related to their jobs. These items included decisions on hiring, transfers and promotions of subordinates, and matters related to their own personal growth and advancement (see Table 8).

The group of middle managers surveyed included the titles of Director, Manager and Superintendent. There were a total of 664 middle management employees completing the survey.

Middle managers expressed highly favorable attitudes about their understanding of company benefits, about the friendly and co-operative people they work with, their belief that concern for air pollution

and preservation of the environment was an integral part of their jobs. They wanted to have their performance reviewed annually in a personal interview and they felt strongly that promotions should be made primarily on merit (see Table 9).

Moderately favorable attitudes were expressed toward most aspects of their immediate supervision (see Table 10), most of the benefits provided by the company, job safety, most working conditions, and their freedom to express themselves concerning hiring, dismissals and new policies (see Table 11). They agreed that top management was concerned with the preservation of the environment and problems of pollution, and was responsive to the social and economic needs of the community (see Table 12). They felt that most of the people they worked with were sincerely interested in their jobs and worked hard. Most were proud of their association with the company.

Serious dissatisfaction was registered about the quality of union workers and top management's handling of union problems (see Table 12). Middle managers felt strongly that promotions should not be made on the basis of seniority.

Dissatisfaction was also expressed that there was too much overtime and with the system for paying overtime. There was also dissatisfaction strongly

TABLE 9. MIDDLE MANAGERS
OAS REPORT

Attitude Toward Promotion Opportunities

To what extent do you agree with the following: Number of Comments:
 Favorable Unfavorable

Item:

1. If an opening for which you are qualified did develop, you would be fairly considered for it.	0	22
2. If you were to be interviewed for an opening but not accepted, you would be informed as to the reasons why.	0	6
3. Overall, the opportunities for personal growth and development in the company seem fairly good.	0	16
4. Promotions should be made primarily on merit.	0	17
5. Promotions should be made primarily on seniority.	0	3
6. Most union members would take a supervisory job if it were offered to them.	0	14
7. Most management employees would assume more responsibility if it was offered to them.	0	30

<u>Item</u>	<u>Weighted Average Tenure Group</u>				<u>Response Rate Tenure Group</u>			
	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)
1.	0.9	0.5	0.7	0.7	90	97	94	94
2.	0.4	-0.1	0.7	0.4	86	92	92	91
3.	1.0	0.3	0.7	0.6	93	99	99	98
4.	2.5	2.3	2.2	2.3	99	98	100	99
5.	-2.2	-2.3	-1.8	-2.0	98	99	99	99
6.	-0.1	-0.2	0.3	0.2	74	92	97	92
7.	0.8	0.6	1.0	0.9	95	99	98	98

Source: OAS Report, Middle Managers, p. 55.

TABLE 10. MIDDLE MANAGERS
OAS REPORT

Attitudes Toward Immediate Supervisors

To what extent do you agree with the following statements about your immediate supervisor?		Number of Comments:	
		<u>Favorable</u>	<u>Unfavorable</u>
<u>Item</u>			
8.	He plans and runs everything well; stays on top of everything he should.	0	1
9.	He knows our kind of work and problems.	0	2
10.	He has the confidence of his superiors; gets backing from his superiors.	0	10
11.	He explains clearly just what he wants you to do.	0	2
12.	He tries hard to get good work; wants a good job.	0	1
13.	He should hold more group meetings to keep us better informed.	5	11
14.	He treats everyone fairly; does not play favorites.	0	3
15.	He listens to what you have to say; you can talk to him.	0	5
16.	He honestly wants your ideas and opinions about possible improvements in your area of responsibility.	1	1
17.	He lets you know what he really thinks of your work.	0	2
18.	He treats you like a human being; thinks about your feelings.	0	3
19.	He emphasizes the need for quality work.	0	1
20.	The effect of his supervision makes you want to do your job better.	0	6
General Comments:		4	19
Total		10	67

<u>Item</u>	<u>Weighted Average Tenure Group</u>				<u>Response Rate Tenure Group</u>			
	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)
8.	0.8	1.0	1.3	1.2	99	99	99	99
9.	1.3	1.1	1.2	1.2	100	100	100	100
10.	0.8	0.7	1.1	1.0	96	97	92	94
11.	0.7	0.8	1.1	1.0	100	99	100	99
12.	2.1	1.8	1.8	1.8	98	99	99	99
13.	0.2	0.2	0.5	0.4	96	98	97	97
14.	1.0	1.2	1.2	1.1	93	98	97	97

TABLE 10. (Continued)

<u>Item</u>	<u>Weighted Average Tenure Group</u>				<u>Response Rate Tenure Group</u>			
	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)
15.	1.4	1.4	1.5	1.5	100	99	99	99
16.	1.4	1.4	1.5	1.5	99	99	98	99
17.	0.7	0.8	1.1	1.0	96	98	98	97
18.	1.2	1.1	1.4	1.3	97	98	98	98
19.	1.7	1.5	1.6	1.6	99	99	98	99
20.	1.1	0.8	1.2	1.1	97	97	98	97

Source: OAS Report, Middle Managers, p. 58.

TABLE 11. MIDDLE MANAGERS
OAS REPORT

Attitudes Toward Extent to Which One
Feels Free to Express Himself

Within reason do you feel free to express yourself: Number of Comments:
 Favorable Unfavorable

Item

21. To your immediate supervisor.	7	3
22. To managers above your immediate supervisor.	0	10
23. On work assignments given your people.	0	1
24. On decisions on promotions, transfers, for your people.	0	5
25. On recommending pay increases for your people.	0	6
26. On hires into your area.	0	6
27. On dismissals of your people.	0	3
28. On new policies or procedures or changes to existing ones.	0	5
29. On matters pertaining to your future, such as personal goals, promotional opportunities, educational needs, etc.	0	7

Weighted Average
Tenure Group

Response Rate
Tenure Group

<u>Item</u>	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)
21.	1.9	1.8	2.1	2.0	97	100	99	99
22.	(0.7)	0.6	1.4	1.1	90	95	96	95
23.	1.7	1.6	1.9	1.8	87	95	96	94
24.	1.7	1.6	1.6	1.6	88	95	95	94
25.	1.7	1.7	1.6	1.6	82	93	91	90
26.	1.8	1.5	1.4	1.5	82	93	88	88
27.	1.5	1.7	1.5	1.6	81	91	85	86
28.	1.1	0.7	1.3	1.1	95	98	97	97
29.	1.1	1.2	1.5	1.4	96	99	99	98

Source: OAS Report, Middle Managers, p. 29.

TABLE 12. MIDDLE MANAGERS
OAS REPORT

Attitudes Toward Top Management

To what extent do you agree that top management:		Number of Comments:	
		<u>Favorable</u>	<u>Unfavorable</u>
<u>Item</u>			
30.	Provides leadership and direction?		
31.	Is working together as a team?	0	13
32.	Is forward looking and plans ahead?	0	3
33.	Is interested in the welfare of employees?	1	7
34.	Understands the problems of field employees?	0	7
35.	Needs to visit job locations on a regular basis?	0	3
36.	Has done a good job of dealing with the union?	0	36
37.	Is concerned with problems of air and water pollution?	0	9
38.	Is committed to the preservation of the environment?	0	2
39.	Is responsive to the social and economic needs of the community?	1	12
40.	Is interested in the overall good of the company?	0	2
41.	Is as capable as the top management of other companies?	0	10
General Comments:		3	16
Total		5	158

Weighted Average <u>Tenure Group</u>				Response Rate <u>Tenure Group</u>				
<u>Item</u>	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)
30.	0.2	0.4	0.4	0.1	96	98	94	95
31.	-0.5	-0.8	0.0	-0.3	91	96	90	92
32.	0.4	0.2	0.8	0.5	96	95	93	94
33.	0.7	0.1	0.6	0.5	93	96	95	95
34.	-0.4	-1.0	-0.1	-0.4	68	80	80	79
35.	1.2	1.2	1.0	1.1	78	89	87	86
36.	-0.4	-0.7	0.3	0.0	78	93	90	89
37.	1.6	1.9	2.0	1.9	98	95	96	96
38.	1.5	1.7	1.9	1.8	96	95	96	96
39.	1.7	1.5	1.8	1.7	93	96	96	96
40.	1.6	1.0	1.5	1.4	98	97	94	96
41.	0.5	-0.2	0.8	0.5	95	90	86	88

Source: OAS Report, Middle Managers, p. 62.

indicated about the lack of responsibility delegated to them, and the limited authority given them to do their jobs. They also felt that there was too little backup from management on decisions that they made. Dissatisfaction was expressed that there was too much paperwork and report writing required, with too little time for planning (see Table 13). They felt that they were not consulted enough about their subordinates in terms of hiring, transfers and dismissals (see Table 14). They were also dissatisfied about the amount of clerical and technical help available, and the ability of top management to understand the problems of field employees. Another area where they voiced dissatisfaction was with the degree to which the company promoted from within. They also felt that most managers would not assume more responsibility if it were offered to them (see Table 9).

Presumably, OAS representatives met with the company's top management prior to issuing their final report. This allowed the company the opportunity to modify or at least soften any results found unfavorable, or at least to influence the way in which the findings were presented.

In reporting the results of the surveys, OAS simply gave the weighted averages of responses to their questions, the frequency of comments, and an overall

TABLE 13. MIDDLE MANAGERS
OAS REPORT

Attitude Toward One's Job

How satisfied are you about your job
with regard to: Number of Comments:
 Favorable Unfavorable

Item

42. Amount of direction given you by your boss.	1	18
43. Responsibility delegated to you.	3	27
44. Authority given to you.	0	20
45. Direction from more than one boss.	1	28
46. Being by-passed by your superiors.	1	12
47. Assignment of priorities.	0	18
48. Coordination and cooperation by your subordinates.	0	12
49. Amount of time you have in which to do your work.	0	13
50. Amount of overtime you have to put in.	0	30
51. Amount of paperwork and reports required.	2	42
52. Amount of time for planning.	0	30
53. Pressure to produce.	0	22
54. Amount of challenge in your work relative to your skills.	2	6
55. Its contribution to total company operations.	0	8
Total:	10	286

Weighted Average
Tenure Group

Response Rate
Tenure Group

<u>Item</u>	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)
42.	0.4	0.5	1.0	0.6	99	99	99	99
43.	0.7	0.8	1.2	1.0	99	99	99	99
44.	0.3	0.2	0.9	0.6	100	99	99	99
45.	(0.3)	-0.3	0.6	0.3	95	91	93	93
46.	0.0	-0.1	0.1	0.1	88	92	95	93
47.	0.0	-0.2	0.6	0.3	97	98	94	96
48.	1.5	1.3	1.4	1.4	97	98	97	97
49.	0.4	-0.2	0.4	0.3	100	99	98	99
50.	0.3	-0.6	0.4	0.1	96	98	94	95
51.	0.1	-0.6	-0.1	-0.2	98	99	99	99
52.	-0.5	-1.1	-0.1	-0.4	98	99	99	99
53.	0.3	-0.3	0.1	0.1	99	97	99	98
54.	0.9	0.8	1.2	1.0	99	99	99	99
55.	1.2	1.3	1.5	1.4	98	99	98	98

Source: OAS Report, Middle Managers, p. 19.

TABLE 14. MIDDLE MANAGERS
OAS REPORT

Attitude Toward Extent To Which
One is Consulted

Item	How satisfied are you with the extent to which you are consulted:	Number of Comments:	
		<u>Favorable</u>	<u>Unfavorable</u>
56. By your immediate supervisor.		5	6
57. By managers above your immediate supervisor.		0	14
58. On hires or transfers into your unit.		0	15
59. On work assignments given to your people.		0	7
60. On promotions or transfers for your people.		0	9
61. On pay increases for your people.		0	26
62. On dismissals or transfers out of your unit.		0	9
63. On new policies or procedures or changes to existing ones.		0	17
64. On problems in your area of responsibility.		0	4

Item	Weighted Average <u>Tenure Group</u>				Response Rate <u>Tenure Group</u>			
	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)	1 (N=91)	2 (N=164)	3 (N=407)	Total (N=664)
56.	0.8	0.6	0.9	0.9	97	98	97	97
57.	(0.0)	-0.4	0.3	0.1	90	92	93	93
58.	0.7	0.4	0.1	0.2	84	90	92	91
59.	0.8	0.6	0.9	0.8	89	93	96	94
60.	0.8	0.4	0.5	0.5	84	93	95	93
61.	0.7	-0.1	0.3	0.3	86	94	94	93
62.	0.8	0.5	0.5	0.5	80	87	91	89
63.	0.2	-0.4	0.2	0.1	93	98	95	96
64.	0.6	0.4	0.8	0.7	97	98	98	98

Source: OAS Report, Middle Managers, p. 26.

summary for each level of management. They made no attempt to interpret or comment on the data. Presumably their assignment did not include the request to make recommendations about their findings since there were not indicated in their reports.

The OAS report was filed away and was not circulated within the company. This may have been because top management was not really interested in what the managers thought or it may have been because they knew the report did not represent the true opinions of supervisors.

In 1973, two years after the company testified at the Equal Employment Opportunity Hearings, it hired its first visible minority member for a middle management staff position. I was hired as an internal consultant and management trainer to implement the company's training programs which were just being started by the Director of Training and Development and the Manager of Management and Professional Development. These in-house programs were designed and conducted by the company's staff of management trainers.

The in-house management training programs began with two workshops for first and second line supervisors, called Management Skills Training, Phase I

and Phase II. The Phase I workshop was designed to assist supervisors in developing the basic managerial skills required to perform their jobs. The objectives of the program, taken from the participants' manual, were "to improve performance as managers by:

1. Making participants aware of the nature and process of management;
2. Making participants more conscious of their roles as managers;
3. Assisting participants to gain confidence in their roles as managers;
4. Encouraging participants to solve their own problems instead of 'taking them to the boss';
5. Helping participants to be more aware of motivating people to achieve higher production;
6. Helping participants to improve their ability to communicate, up and down 'the line' and across the organization;
7. Making participants more aware of the necessity to plan and properly control their work;
8. Making participants more aware of the importance of achieving maximum use of available time."

The workshop was a five-day program that covered management philosophy, problem solving, leadership styles, employee motivation, labor relations,

communications and self-awareness. The course was conducted as a workshop with short lectures, simulations, role playing, group discussions and subgroup exercises.

The first day included a warm-up exercise, a case study on the responsibilities of a supervisor, the transition from worker to management, discussions about situations taken from the supervisors' own experiences, an introduction to the management process, and a group game on planning.

The second day covered principles of time management, a case study on problem solving, followed by group exercises in defining and solving problems. This was followed by a short lecture on leadership styles and a role play involving small groups each demonstrating a different leadership style.

The third day was devoted to lectures, questions and discussions about the Occupational Health and Safety Act (OSHA) and Industrial Relations in the company. During this session supervisors could discuss any disciplinary or union problems they were having.

On the fourth day, communications and group dynamics were the topics. Several communications exercises and films were used to provide an overview of how communications affects a supervisor and his work group. Another topic covered on the fourth day was motivation. A brainstorming technique, where everyone contributes

a response, was used as an introduction to a discussion, brief lecture and films on Maslow's and Herzberg's theories of motivating workers. A group game illustrating McClelland's concept of need for achievement motivation was also used.

The fifth day was devoted to an examination and feedback for each individual about how other people see them as they worked in small groups. Lastly, each person developed three objectives to be accomplished as a manager back on his job using the principles or techniques learned in the workshop.

The Phase II workshop was also a five-day program, designed to assist supervisors in identifying basic managerial responsibilities required for effective performance in a supervisory capacity. The course consisted of a combination of lectures on managerial responsibilities with exercises, role playing, and group discussion. There was an emphasis on topics such as equal employment opportunity (EEO), alcoholism and drug use as problems with subordinates, salary administration, problem solving, listening skills and decision making.

Day 1 of the Phase II workshop covered another approach to problem solving using Lewin's Force Field Analysis in small groups to solve supervisors' job

problems. Day 2 consisted of an expansion of communications focusing on the listening techniques. This included a discussion of why it is important for a supervisor to be a good listener, and exercises using listening skills. Another exercise employed a maze technique to examine situations that arise from the employees' differing norms and values. Role plays were also used to give participants practice in how to handle such situations.

Day 3 included lectures and discussions about salary administration, performance appraisal and company benefits. The fourth day covered EEO laws and the company's Affirmative Action program. Discussion groups, exercises and films were used to demonstrate various points about stereotypic thinking and prejudice. On the same day, there was also a discussion of problem employees such as workers who drink or take drugs on the job. Supervisors were given some information about alcoholism and drugs and the procedures to be followed in the company if such problems arose.

Lastly, the fifth day included team feedback for the small groups who had worked together throughout the five days, and action planning in which targets were set to apply what was learned in the workshops to their own jobs.

During the Management Skills workshops there was ample opportunity for the supervisors to express their feelings and attitudes about the company and their jobs. It was through these workshops that some complaints of company management personnel came to the attention of upper management. The trainers reported that the supervisors were dissatisfied with some aspects of their jobs. This was evidenced by many supervisors saying that they wished they could go back to the union of form their own supervisory union (supervisory unions were illegal in the utility). They said that some union employees turned down promotions because they didn't want to be in management. They complained that their bosses undermined their authority by failing to keep them informed, by going directly to their subordinates to give assignments without their knowledge, and by overturning decisions they made. They complained that their bosses failed to delegate authority but blamed them when something went wrong. Related to this were similar complaints about the strict, autocratic style that their bosses used. The supervisors were not allowed to participate in decision making and were told to "do it or else." (This undoubtedly was exacerbated by the military background of those in top management.) They were especially angry that

they "didn't get any backup" on discipline that they meted out to subordinates. Often subordinates who had been laid off without pay were reinstated with pay by the manager or director, much to the supervisor's embarrassment.

Another complaint that was often heard was that the new union employees were no longer any good. This complaint was frequently made about the JOBS '70s employees. Supervisors told stories about JOBS '70s employees who had tried to hit a supervisor with an axe, who were drug addicts, who didn't follow company rules, etc. They complained that minorities and women got special treatment which was unfair to regular employees; for example, JOBS employees couldn't be fired no matter what they did, and they couldn't do the job for which they were hired. These complaints did not reflect the reality of the situation; they reflected the supervisors' feelings and attitudes toward the minorities.

Some of the JOBS '70s employees were high school graduates and some had a year or two of college. It was not true that these employees could not be fired or disciplined if necessary. There were a few supervisors who spoke favorably about their experiences with JOBS subordinates, in contradiction to the other supervisors who said they were all bad.

It should be noted that although these dissatisfactions expressed by supervisors were not apparent in the OAS survey, it is possible that they did not feel free in the survey to express negative opinions because of the implicit sanctions against critical comments, while in the informal atmosphere of the training self-expression was encouraged. The small group exercises often elicited confidential remarks from the participants about their jobs and trainers often served as counselors for the participants with any problems they had.

Special workshops were also designed for middle managers--a four-part program called the "Management of Managers." This program was designed to provide those with previous experience in management with an opportunity to apply relevant theory to practical situations. The program consisted of four parts: Communications (2 days); Conflict Management (3 days); Motivation (1 day); and Problem Solving (2 days). The program emphasized utilization of conflict as a management tool; problem solving and decision making at an advanced management level; communications and motivation as factors in productivity. Instruction was accomplished through lectures, exercises, role playing, audio-visual aids, task force assignments,

and individual counseling and follow-up. A typical program outlined below is a description of the communications segment.

The communications part of the Management of Managers program was designed to improve the communication skills of the participants by presenting in dramatic form the impact of communication on our working lives. The workshop began with the participants' definition of what communication is and the diagramming of the flow of communication from sender to receiver. The many forms of communication such as speaking, writing and symbols, as well as the classification into verbal and non-verbal communication were explained and demonstrated.

To stimulate discussion on the complexity of communication within an organizational structure, a film was shown illustrating tribal loyalties (caring more about your department or section than the overall organization good); frames of reference (looking at the same item from your own perspective which may give it a different meaning than for someone else); and insufficient feedback (lack of information sharing or the message not being sent to the right person).

The communication process was charted during this session and the importance of getting the desired

results was emphasized. The five components to effective interpersonal communication were given and each demonstrated with an exercise. For example, self disclosure was illustrated by the Animal Game, and listening was demonstrated with a game based on Carl Rogers' recapitulation techniques.

A part of the workshop was also devoted to perception and the transmission of information. Illustrations of some perceptual phenomena were used with small group exercises. Another part of the program concentrated on barriers to communication and ways to improve communication on the job. These skills were observed in a group exercise and practiced in simulations of on-the-job situations between superior and subordinate.

These in-house management training programs were evaluated by the State Education Department's Office on Non-Collegiate Sponsored Instruction. The evaluating committee recommended that college credits be awarded by local colleges to managers completing company management training programs after an extensive examination of the program content. A manager could earn up to 15 college credits by taking company programs. This was helpful not only to the employees who were trying to get their college degrees, but also to the company because in addition to the prestige of having

their programs approved, it saved them the money for reimbursing credits under their tuition aid program.

Consultant FLO

Consultant FLO was hired by the company in 1974 as a response to several problems. One of the problems was the complaints by union and management employees about the JOBS '70s program. The complaints had been made that new minority and women employees hired through this program were not qualified to handle jobs at the entry level. These complaints had surfaced during the in-house supervisory training workshops, especially among first and second level supervisors. To recapitulate, supervisors complained that the JOBS employees were not performing their jobs, that they were shown favoritism because they were minorities, and that the "couldn't be touched" because they were part of this program. They also complained that these new employees were ex-convicts or drug addicts and, in general, were not fit to be company employees. Even though this was not true (some were college students), the supervisors perceived them that way and felt that the new employees were causing poor morale among the other union workers. Employees from all levels of the company felt that the hiring of minorities and women through these special programs was undermining the spirit of the company and the integrity of the system since it seemed to

them that the new employees did not have the basic qualifications for the job. This was the reaction they reported of the long-term employees even though entry level jobs required no skills, and even though the minorities were receiving special training prior to starting the job. Previously entry level employees has not had formal training before the job but had learned by on-the-job training.

The Vice President of Employee Relations felt that management had to address this issue among the employees and the best way to do so would be to bring in an impartial party who was a professional at developing criteria to validate the company's selection criteria.

Other problems related to hiring minorities and women had also come up during the EEOC hearings in 1971. At that time, the company had been asked about its hiring practices and, particularly, about tests given to entry level applicants. The Assistant Vice President of Employee Relations had testified that the company had stopped using all pre-employment tests for entry level positions. He explained that "we recently issued a corporate policy signed by the president which struck out all tests which were not validated and required that no test could be administered without the approval of the vice president of employee

relations and then only after we did validate it.¹ Undoubtedly, concern about validating tests was intensified by the 1971 case of Griggs vs. Duke Power which came before the United States Supreme Court. In this case the Court ruled that job requirements, such as general intelligence tests or a high school education, which have a disparate effect on groups protected by Title VII of the Civil Rights Act of 1964, are prima facie proof of discrimination. The burden of proof is then on the employer to show that the requirements are job-related and justified by business necessity. All tests must comply with the EEOC Guidelines on Testing and Selecting Employees.²

The discontinuation of pre-employment testing, in part, had given rise to complaints about the new employees being unqualified. There were a few tests given after employment as "part of a validation program in which we are attempting to determine whether the tests are valid to the performance requirements of the job . . ."³

Thus, the Griggs case had a great impact on

¹EEOC Hearings, p. 21.

²Richard Peres, Dealing With Employment Discrimination (New York: McGraw-Hill, 1974), p. 54.

³EEOC Hearings, p. 20.

selection and hiring procedures, especially in the utilities industry. The EEOC Guidelines "prohibit any job qualifications or selection standards which disproportionately screen out individuals in groups protected by Title VII unless they 1) can be significantly related to job performance, and 2) no alternate non-discriminatory standards can be developed to meet requirements shown to be justified by 'business necessity.'"¹ Validation of requirements is necessary where existing selection procedures have a statistically adverse effect on protected groups.

Validation is a very specific technical and complex process. . . . The Guidelines require, if feasible, criterion related validation. This is a technical term to describe a study which proves that those who score high on a particular test or selection standard generally turn out to be successful on the job, while those who score low usually turn out to be unsuccessful If such a study is not feasible, the Guidelines require evidence of content validity --that is, that the test is an actual sample of the work to be done, or construct validity-- that the test or other standard measures some characteristic clearly needed for the particular job.²

Although the company had begun an attempt to validate its selection process, as mentioned back in the EEOC Hearings in 1971, it was not until 1974 that they contracted with FLO to develop selection

¹Affirmative Action and Equal Employment: A Guidebook for Employers, Vol. 1 (Washington, D.C.: EEOC, 1974), p. 35.

²Ibid., p. 36.

criteria for them. It appears that the FLO consulting program, to be discussed below, was primarily an attempt to comply with the demands of the Griggs case and the Affirmative Action and Equal Employment Opportunity acts while still addressing the issues raised by supervisory and middle management complaints. Top management was in a squeeze. At one level they were subject to federal prosecution for job discrimination, and at another level they were threatened with the withdrawal of front line supervisory and middle management support. They attempted to resolve the problem by employing a consultant who could provide credibility to the managers while satisfying the requirements of the law.

Consultant FLO, like most of the consultants who worked there, was brought into the company by middle management with the sanction of top management, i.e., the Director of Employment hired FLO with the sanction of the Vice President of Employee Relations. FLO was selected because of their knowledge of the specialty field of selection criteria and because the president of the consulting firm had a reputation as an expert--he had been an important witness testifying about employment selection criteria for the EEOC in

one of its major cases against AT&T. Although there were many witnesses in the lengthy trial, presumably FLO was influential since the EEOC was successful and FLO was one of the few experts in validation of employment criteria.

The problem presented to the consultant was that the company did not have validated selection criteria that would provide them with "qualified new employees capable of satisfactorily performing and advancing the company."¹ The assignment for the consultant was to develop objective, valid selection criteria for hiring employees for entry level positions. They were also asked to conduct a seminar on interviewing techniques to teach middle management how to interview prospective employees without using "unwitting or subtle discriminatory procedures."²

In response to their assignment, FLO prepared an "Administrative Manual" that explained their approach and how they developed the instruments to be used in the fair selection of employees. The manual included an explanation of what a trait is, how to identify unique traits and levels, how to determine trait measures and threshold points, and how to specify

¹The Company Affirmative Action Report, 1973.

²Ibid.

whether an applicant possesses the desired traits.

A condensed explanation of FLO's program is given below, with additional material included in the Appendix. The approach used by FLO is a method of identifying threshold levels and degrees of those traits that are essential to the satisfactory performance of the unique functions of a job.

The first part of FLO's program involved establishing a method of identifying the level and degree of selected traits that were necessary for satisfactory performance of each job, depending on the specific functions of that job. The purpose of the program was to focus on those traits, out of the entire human repertoire, which are relevant to effective job performance. A trait is defined as "a persisting characteristic of a person by which he can be distinguished from another person."¹ These include many types of characteristics from "style of behavior" (e.g., initiative), "process" (e.g., oral expression), to "information content" (arithmetic skills). The more specific the trait is the less likely there will be errors in applying it to life situations but the narrower the range where it can be applied. An example of a specific trait would be "filing skills." (For additional material see Appendix A.)

¹FLO Administrative Manual, p. 19.

In order to identify the unique traits necessary for jobs and the levels required, a team of analysts in the company was trained by FLO. All jobs in the company were arranged in a career plan matrix and the key jobs to be analyzed were identified. The key entry level jobs in the company were analyzed where the incumbents were hired from the outside and then promoted to higher levels.

To determine the appropriate levels of traits associated with the key entry jobs there were three steps: 1) deciding which of the traits were relevant for performance of each specific job function, 2) determining the level of that trait as "required for barely acceptable performance," and 3) determining the level of those traits "required for superior performance."¹ For each specific job function, the team of five analysts individually rated each of the 33 traits (previously selected by FLO as pertinent to company jobs) as to relevancy and level. A consensus of the five analysts was required for the trait to be included for that job function.

The second phase of the program developed job-related instruments to measure whether an applicant

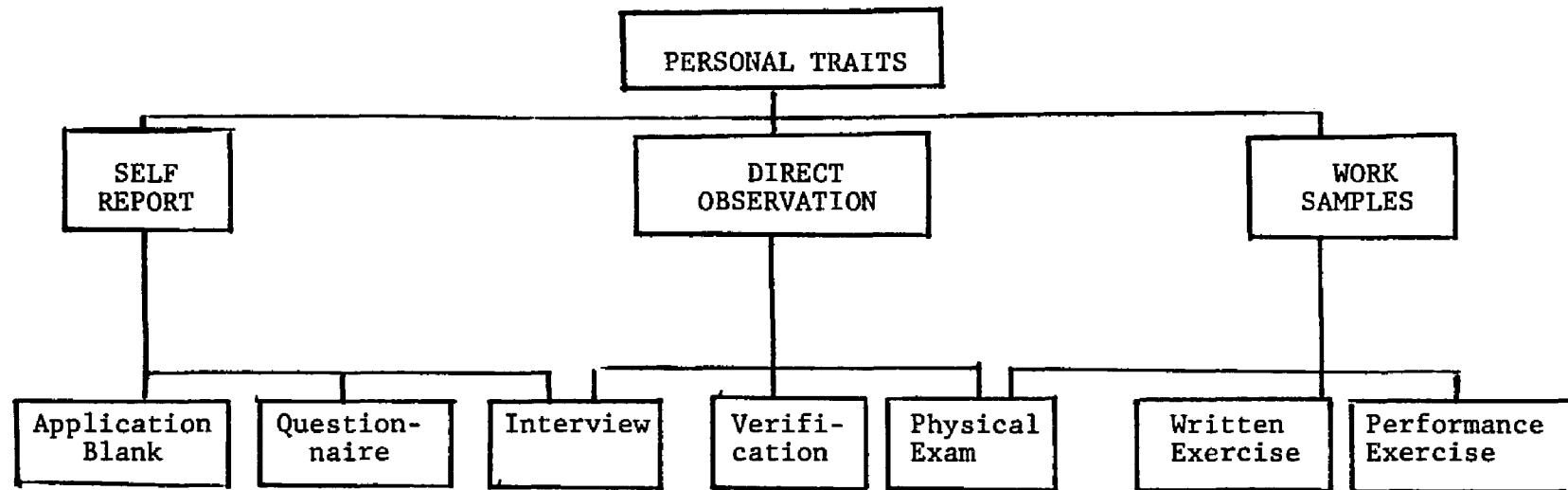
¹FLO Administrative Manual, p. 33.

had the traits relevant to effective performance for that job. This was a difficult task and this is where FLO's system and expertise were assumed to be most useful.

In measuring the traits, three sources of information were used in the FLO system. The first was "self-report." This is information that the individual gives about his own behavior. Often this information is sufficient to enable an inference to be drawn about whether or not he possesses the traits. Self-report measures include the application form, the questionnaire, and the interview. The second measure is the direct observation of the individual's behavior or the observation of others who have seen his behavior, in order to determine whether or not he has the traits. Direct observation measures are the interview, verifications from others who have observed the behavior, and a physical examination. The third measure is to obtain representative samples of his behavior by having the individual perform in situations that call for the traits required. Behavioral or work samples include the physical exam, written exercises and performance exercises. For a diagram of the sources of trait data refer to Diagram 3. (See Appendix B for additional material on identifying traits and levels.)

DIAGRAM 3.

SOURCES OF HUMAN TRAIT DATA



Source: FLO Administrative Manual, p. 61.

Phase 3 of the program involved the process of trying to confirm and validate the instruments used to measure the traits for a specific job. The method for doing this is the use of threshold points to determine an applicant's possession of a required trait. In this way, the selection instrument is validated because it is demonstrated that the instrument "measures a relevant trait and clearly distinguishes ineffective, effective and superior performance on a specific job function . . ."¹ The emphasis is entirely on "construct validity" (does it measure the trait) and "concurrent validity" (is the trait measured possessed by effective job performers) and not on "predictive validity" (does the trait measured predict performance in the future), which is harder to demonstrate.

In this program three threshold points were specified which gave the relationship of an applicant's traits to the performance of a specific job function. A "marginal" threshold point identifies the point below which the person does not have "the minimum level of the trait required for barely acceptable job performance" and above which he may have the minimum level of the trait. The "barely acceptable" threshold is the point "above which the person clearly possesses the minimum level of the trait required for barely

¹Ibid., p. 72.

acceptable job performance "¹ The "superior" threshold is the point above which the person clearly has either the minimum level required for superior performance or a superior degree of proficiency for the "barely acceptable" performance level.. (See Appendix C for material on determining trait measures.)

Threshold points are established for each trait by trying the instrument used for measuring the trait on current employees and correlating the measures with their performance. If it shows validity it is then used to confirm the tentative threshold points on a sample of applicants.

In the Trait Specification part of the program, each of the thirty-three traits, their levels, functions and measurement techniques are defined. These thirty-three traits, identified as being applicable for company jobs, range from simple physical traits related to job performance, to complex social and psychological traits. Physical traits might include strength, vision and agility, for example. Trait number 2, Stamina, for instance, is defined as:

The job involves such bodily activities as standing, walking or using physical energy

¹FLO Administrative Manual, p. 76.

for continuous periods. The key here is the consumption of physical energy leading to fatigue.¹

Some mental traits are perception, concentration, memory and problem solving. Examples of learned traits are numerical computation, oral expression, planning, craft knowledge and skills. Motivational traits are such things as adaptability to change, pressure or discomfort, and dependability, initiative, and aspiration. Social and psychological traits include personal appearance, tolerance, influence and cooperation.

For each trait, examples are listed of tasks that require various levels and degrees of the trait and sample jobs that might require these tasks. Also are listed sources of measurement that the interviewer would use to determine the various amounts of the trait that the applicant possesses, i.e., interview, application form, physical exam, etc. (See Appendix D for a sample Trait Specification chart.)

After some months of development, the FLO program was implemented and continued to be used for several years. The FLO system was successful in satisfying the EEO laws and, thereby, relieving for a while the

¹FLO Administrative Manual, p. 94.

pressures from the EEOC about discrimination in hiring practices. It was also successful in getting the approval of supervisors for the new employees who were hired using the FLO system. There were no major complaints as a result of the program being used.

Consultant BCF

After the oil crisis of 1973 caused rates to increase rapidly, adverse newspaper publicity about management inefficiencies, mounting customer complaints about charges and service, and the suspension of the company's dividends in 1974, it appeared that something was needed to restore public and private confidence in the utility. The Public Service Commission in 1975, therefore, directed that a study be made of the company's management and operations by a firm of independent management consultants. The Public Service Commission itself selected the firm to be hired. It chose one of the world's largest and most eminent consulting firms, BCF, to conduct the study. BCF, a northeastern company, was known and respected as one of the best consultant groups not only by the business community, but also by the consultant community. They employed about 600 professionals within the firm, two-thirds of them with doctorates in their field.

BCF's assignment, as determined by the PSC, was to conduct a study of the company's management and operations in two phases: a diagnostic phase, and a follow-up phase. In the diagnostic phase they were

to assess the company's problems and report their findings and recommendations. The demand for the consultant was thus not generated internally. It was required by outside regulators. Management could only comply with the demands. Since the company wanted the PSC to look favorably on their requests for rate increases, which came up several times a year, it was in their interest to cooperate fully (at least to appear to do so) with the consultant. This meant, however, that it was the PSC who selected the consultant and who gave the consultant their assignment. Any attempt on the part of the company to negotiate their mission might be viewed as an attempt to restrict their independence. For similar reasons, BCF was told to submit their findings directly to the PSC, with a copy to the company's top management.

Since the company operated in a hierarchical framework, it was inevitable that the employment of a consultant for such an all-inclusive study get sanctioned from the top. Top management, therefore, was the direct contact for the initial entry of the consultant. Although they entered the company through top management, BCF worked with all levels of management in conducting their study and interviews.

The problem presented to the consultant by the PSC was to conduct a study or management audit of the company's overall management and operations. Their assignment was to identify potential areas of opportunity for improvement. BCF was to conduct a diagnostic phase of the study and then return for follow-up as the PSC saw fit. Since BCF was conducting a management audit, they did not need to have the company present them with the problems; they went in to explore for themselves and make their own diagnosis.

BCF used a combined people and task approach with, however, an emphasis on people, as Ganesh described the approach.¹ This meant that their style had an emphasis on individuals and groups and a concern for employees' feelings and the relationships that they had with the consultant. They believed that people's perceptions were important to getting the job done. There also was an emphasis on cooperation and open communication generated by trust relationships rather than authority.

BCF interviewed individual managers throughout the organization. In order to get broad-based data, interviews were done in a "vertical slice." This meant taking a representative sample of each level of management

¹Ganesh, p. 7.

from first line supervisor to vice president and of each major department and division in the company, and, in some cases, the president and chairman.

BCF adopted the role of the professional consultants in their interaction with employees. They came in with the reputation of being experts in management and did not try to curry favor or endorsement from the groups with whom they worked. Yet they were concerned about gaining information and gathering the opinions of others in the company. They were cooperative while maintaining a distance. Ganesh's description, using the imagery of a catalyst, fits BCF quite well:

 Their involvement is often used to send a piece of information through the system where the system cannot send the piece of information by itself I don't have any particular sense of membership in that company or any close attachment but I know, and they know, that I'm always available for whatever kind of activity they want and that I know them well enough that if there is anything important then it might be well for them to call me on it So I'm an available resource.¹

As a result of their study, BCF issued a report to the Public Service Commission with a copy to the chairman (Chief Executive Officer) of the company. In the report they gave their findings about the management and operations of the company.

¹Ganesh, p. 6.

A long-term effort at improvement, BCF felt, was beyond the direct control of company management and was "dependent on the cooperation of state and city governments and influential citizen groups. . . ."¹ BCF recognized that progress in company performance was related to "fundamental new problems confronting all public utility managements, particularly those . . . whose revenues arise primarily from supplying electric service (The company) is faced not only by the industry-wide challenges but also has to cope with a set of special problems stemming from its own particular location, service area, existing physical facilities and prior management history."²

BCF reported that, "In the face of these circumstances the company's management has proven itself adept at dealing with the company's operating problems, particularly those amenable to technological/engineering solutions."³

Some of the areas mentioned in the report that required improvements were the company's management style, training and development for managers, and cost reduction.

¹BCF Report, p. 4.

²Ibid. ³Ibid.

One item which BCF saw as an opportunity for improvement within the company's control, was in the area of efficiency and cost reduction. Specifically, BCF stated that considerable savings could be made by a reduction in the supervisory and management staff.¹ By examining company records, BCF determined that the company was top-heavy in management; i.e., there were too many managers for number of workers supervised. Overall, the company's management to worker ratio was one manager for every four workers--unusually high for most industries.

Technically, BCF found the utility to be doing as well as could be expected with the limited capital and high costs built into their system; e.g., aging physical plants. BCF recommended that a basic change in management style be made to improve the performance of the company. This required setting overall corporate goals and the regular development of short and long term plans. It also required "more focused and clear-cut objectives throughout the company and then measuring performance against the agreed-upon objectives." This, it was expected, would lead to "far-reaching improvements in management effectiveness" and ultimately, "to improved financial and operating performance of the company."²

¹BCF Report, p. 39. ²Ibid., p. 5.

An issue about management style was that the company had a number of its top executives who came from military backgrounds. BCF found that it was, indeed, drawing too much from a military source for its recruitment of managers. This also intensified the problem of developing managers with broad-based management experience, since most of management's present experience was of a military nature. BCF specifically noted that:

It is worth acknowledging here the frequent comments (and implied criticism) that have been made regarding the number of former military men brought in. The number is obviously, in relative terms, high. Given the need for immediate action, it is understandable that the Chairman would look for management resources among those groups with which he had prior contacts and experience, e.g., the government and the military establishment.¹

Although BCF did not state that this was detrimental per se, they did "question the desirability of too much concentration of any one type of background, training and experience especially if it compounds an already existing imbalance. . . ." ²

Some management consultants, BCF among them, have adopted the theory that a healthy organization has many management styles working as complements in the company. This is in keeping with the leadership research that shows that no one style is suitable for

¹BCF Report, p. 43. ²Ibid.

all situations. The variety of styles also helps avoid "groupthink" which may lead to poor decision making because of the loss of critical thinking. Irving Janis describes the symptoms of groupthink exhibited as shared stereotypes, rationalizations, the illusion of invulnerability, unanimity and direct pressure applied to anyone who speaks out with doubts.¹ In their specific recommendations, BCF recommended that "top management . . . initiate a modification in its management style."²

This recommendation was based on the disadvantages of the autocratic style which is epitomized in the military. With this style, the superior tells the subordinate what to do and the subordinate must comply without questioning. The subordinate does not participate in the decision-making process and must adhere strictly, without deviation from standard policies. Disobedience or deviation from instructions can, and usually does, produce severe reaction from the superiors in the form of punishment, often without regard to the seriousness of the infraction. Jackall refers to the effects that an organizational restructuring can have when a new person is named Chief Executive

¹Irving Janis, Victims of Groupthink (Boston: Houghton Mifflin, 1972).

²BCF Report, Recommendations, p. 9.

Officer--as was the case when the new chairman began in this company. He states that the crucial feature is that the "shakeup rearranges the fealty structure . . . placing those in power who mesh with the CEO in style and public image.¹ Thus, the managers' desire to get promoted causes them to accommodate to whatever is officially sanctioned. This tends, in the autocratic style, to stifle innovation and initiative which are vital to the company in coping with changes and external pressures.

Another area where the company was found lacking was in the development of its management staff. Company managers were found to be technically strong but weak in their overall management ability. This was because most managers in the company had come up through the ranks, sometimes within one department. This, naturally, had limited their exposure and experience as managers. It was not unusual for someone to be promoted from union to management with no management training at all. In addition, BCF found that lower level managers were not being given the chance to grow and develop because their supervisors were not delegating authority

¹Jackall, p. 8.

or allowing participation in decision making (these are other aspects of the autocratic management style). BCF recommended "initiation of a personnel development program aimed at improving the managerial skills of . . . staff at both the executive and supervisory levels. At the same time, attention should be given to the re-evaluation and clarification of the roles of managerial position, including the associated level of decision-making authority."¹

Another reason why development of internal management talent was critical was that the company lacked "broadly-based general management talent."² This came about because officers who had been in the company in 1967, at the time the current chairman took office, retired by 1973. Other experienced personnel also retired during that period. This unusual depletion of top management stemmed from the mergers without layoffs which were occurring during the company's expansionist period. This created a "hump" in the normal age distribution curve. For a number of years, therefore, people were not promoted to high level management positions until they reached an advanced age.

¹BCF Report, Recommendations, p. 11.

²BCF Report, p. 6.

Furthermore, the reduction of the mandatory retirement age from sixty-eight to sixty-five in 1967 accelerated the loss. Attempts to hire outside managers with broad utility experience were only partly successful because many were not willing to move to the city or to undertake the task of working with the well-known problems of the company.¹ As an additional aid in the development of management, BCF recommended the establishment of an internal consulting capability.

Management development programs were also necessary because many company managers had a great deal of technical knowledge but little experience in general management. Management training in the company had only recently been initiated. Such development was also needed in response to complaints from lower level managers that they were not being consulted about decisions that affected them or allowed to participate in the decision-making process.

These finding substantiated the criticisms of leadership style and management that had been made by both internal (lower management) and external (customers, government agencies and the PSC) forces, and on which the news media had focused sharply.

The implications of the BCF report were felt in several areas. Initially, the report prompted the

¹Comments by the Company on the BCF Report, p. 23.

company to issue its own report commenting on the BCF findings and recommendations. They said that they did not understand some of the "broad general recommendations" and conclusions; for example, the one on management style. Accordingly, they held a meeting with BCF representatives, with members of the PSC sitting in as observers, to "seek enlightenment" from BCF. The company was not satisfied, however, with the responses to their questions. They asked for information to support the observations, recommendations and comments in the BCF report. They claimed that the BCF representatives were unable to supply them with the necessary information; BCF had agreed to get it for them as soon as they could. According to the vice president, BCF reneged on this promise by telling them that "it would be undesirable for them to supply us information in support of their conclusions,"¹ even though the company claimed to be seeking only information that would permit them to understand, evaluate and respond to the report.

The company complained that because their relationship with BCF was not the "typical process of management consulting," in that the BCF findings were not reviewed by the company while still in draft form,

¹Comments by the Company on the BCF Report, pp. 12-13.

"as would normally be the case," this placed a great limitation on the process. This arrangement was established by the PSC and accepted by the company and the consultant to establish the independence and impartiality of the report.¹ The company believed, however, that this limitation placed a "special duty on the consultants to verify their findings and support their recommendations by full investigation at all appropriate levels of management and to refrain from indulging in conjectural assumptions and unsupported conclusions."² They felt that BCF failed to do this. The company appeared to be dissatisfied with BCF's work and resistant to some of its findings; yet the influence that the report would have with the PSC required at least some acquiescence.

Two years later, the BCF report was still having an indirect impact, as it contributed to the firing of 211 managers in March of 1977. Many people in the company felt that the Assistant Vice President of Employee Relations, in response to the complaints of inefficiency and to external pressures to take action, and feeling justified by the BCF report that had indicated that the company was top-heavy in management, decided to fire 211 managers. This was historic because

¹BCF Report, p. 2.

²Comments by the Company, p. 14.

the company had always been a secure place to work, similar to the civil service in that once you worked there for a while you could not get fired, except under extreme circumstances. Employees usually came to the company directly out of school and worked their way up the corporate ladder until retirement. Even during times when cut-backs in personnel had been necessary, traditionally they were accomplished by attrition rather than by layoffs. Sometimes this resulted in employees who were not performing well being retained on the job, aggravating the "deadwood" problem and the "slack" organization of the company.

Some employees felt that this drastic action was taken by the Assistant Vice President to demonstrate to the public and the PSC that the company was taking action to solve their management problems (in this case, excessive management personnel). It was also felt that the decision to fire the 211 was influenced by the company's desire to try to quell the outraged voices that generally arise when a request for a rate increase was impending before the PSC, as it was in 1976. The company, it was alleged, thought that it would make their case look better if they could show that they "trimmed" their management staff.

The immediate impact of the firing, however, was disastrous. The morale in the company was severely

damaged because those managers who remained on the job felt their security threatened. Rumors were rampant. Some department were left without an administrator to coordinate and give them direction. In addition, an Equal Employment Opportunity class action suit was filed by some of those fired charging the company with age discrimination under the Age Discrimination in Employment Act of 1967. This act specifies that it is unlawful for an employer to "fail or refuse to hire or to discharge any individual or otherwise discriminate against any individual with respect to his compensation, terms, conditions or privileges of employment because of such individual's age."¹

The age discrimination charges, which have still not been adjudicated, came about because of the way in which the managers to be fired were selected. Two months prior to the firings, every department had been told to identify through performance ratings the best managers in their area. The rationale given at the time for doing this was that it was an effort to reward the top 5% in performance and potential by giving them special training opportunities. Later, when department heads were told to identify their bottom 5%, no directive was given on how to select them. Thus, objective criteria

¹Peres, p. 285.

based on performance were not used in identifying poor managers and the criteria that were used were not consistent across departments. Some departments used seniority, some used performance and some made their decisions on the basis of expedience or individual preferences. The only consistent characteristic of those selected as "bottoms" was overwhelmingly--age. Preferences served to overrepresent older managers on the bottoms list. Yet more than 75% of this group had received the top performance rating on their annual review. The older managers therefore filed an age discrimination suit claiming they were illegally terminated on the basis of age.

Lastly, another consequence of the BCF findings was that the company felt a need to bring in additional consultants to help provide management development programs and to improve its management. This accounted for several consultants brought into the organization in the mid-1970's, such as consultants ABC, CRY, and BPA.

Job Satisfaction Study

That upper management saw the value of using social scientists to help the organization is evidenced

by the number of consultants being employed during this period. This is evidenced again in 1975, when the author was allowed to conduct an internal study with the company's managers. The report was entitled, "Job Satisfaction of Black and White Managers." The author was permitted to conduct the study on company time with clerical support. Most important, however, was the Director's endorsement of the survey (sanctioned also by the Assistant Vice President of Employee Relations) by sending out a letter to the participants on his own letterhead.

The job satisfaction study was based on the hypotheses that:

1. blacks would show less satisfaction than whites in comparable positions as measured by lower scores in the five areas on the Job Description Index (JDI), and
2. that pay, which to Herzberg is a hygiene factor, is a motivator for blacks. This will be indicated by low scores on the pay question of the JDI and the prestige question of the Need Satisfaction Questionnaire (NSQ). This may be because whites have more social outlets in a work situation and therefore pay becomes secondary rather than primary.

Altogether 328 managers (164 black and 164 white) were matched by job title and surveyed by inter-office mail. Since in this company the same job title means the same pay level, the subjects were matched on an

economic level. All black male personnel (213) in managerial positions were identified. Of that number, 149 were in supervisory positions at Level 1 and 64 in management positions that were non-supervisory (Level 2). Level 1 job titles ranged from Foreman to Deputy Assistant to Chairman of the Board. (See Table 15 for ethnic breakdown.)

It should be noted that there were only 213 black managers out of 4,800 management personnel in the company. This is neither an indication nor a disclaimer that discrimination was prevalent in this company. There were several possible factors contributing to the small number of blacks in management:

1. It takes 10-15 years for anyone to be promoted from union to management in this company and blacks had not been in the company in large numbers for that length of time.

2. Blacks were not brought into management directly when they were hired from outside the company. Few blacks entered the company in managerial positions.

Some positions held by blacks had to be excluded because of the inability to match them with white counterparts (e.g., Equal Employment Opportunity Officer and Deputy Assistant to the Chairman). Otherwise, whites had to be matched according to the distribution

TABLE 15. ETHNIC BREAKDOWN OF EMPLOYEES IN THE UTILITY
1975

<u>Ethnic Group</u>	<u>Number (%)</u>
Black	3,799 (15.1%)
Oriental	272 (1.1%)
American Indian	14 (.06%)
Spanish Surnamed	1,479 (5.9%)
Female	3,081 (12.3%)
Total:	8,645 (34.5%)

Source: The Company's Affirmative Action Report,
1975.

of blacks in supervisory and managerial positions because there were relatively few blacks in these higher positions. Of the original 213 blacks in management, questionnaires were sent to 164 black and 164 white matching subjects. Oriental, Puerto Rican and American Indian employees were not included in the study because the company's EEO report revealed that their number in management positions was too small for use in research. The survey was likewise restricted to males because there was an insufficient number of females in management positions of higher levels.

Questionnaires were distributed with the cooperation of the company. Subjects were asked to participate but it was not made mandatory. Anonymity and confidentiality were assured to participants. Questionnaires were numbered for matching purposes, but because of the desire to increase participation by protecting the subjects' identity, no attempt at follow-up was made. Information regarding sex, race and job title were obtained from the EEO report and payroll records.

The questionnaire consisted of the following parts:

1. The Job Description Inventory (JDI). Subjects responded "yes," "no," or "don't know" on their satisfaction/dissatisfaction with five areas of their job: work, supervision, pay, promotional

opportunities, and co-workers. A high score indicated more satisfaction; a low score more dissatisfaction.

2. Need Satisfaction Questionnaire (NSQ). The purpose of this questionnaire was to indirectly assess the satisfaction/dissatisfaction of managers. The 15 areas of questions represented characteristics of management positions that related to Maslow's Need Hierarchy. Subjects rated the 15 areas of need satisfaction/dissatisfaction on their job on a scale of 1 (low) to 7 (high) for three dimensions: "How much is there now?"; "How much should there be?"; and "How important is this to me?" Scores were based on the difference between the rating for "now" and "should be." The most satisfied subjects would have a low score (or 0) and the most dissatisfied would have a high score (or 7).

3. Background Data. The questionnaire also included questions about marital status, age, education, length of time in management, and nationality of parents.

A total of 118 subjects returned their questionnaires; 48 black and 70 white. Statistical comparison of the two groups showed no significant differences in the various levels of job satisfaction between blacks and whites on any of the questions (see Tables 16 and 17). This did not support either of the two hypotheses

TABLE 16. JOB SATISFACTION STUDY - JOB DESCRIPTION
INDEX

MEANS FOR WHITES AND BLACKS COMPARED BY
t-TEST¹ FOR FIVE AREAS OF JOB.

<u>JDI Area</u>	<u>Maximum</u> ²	<u>Black</u> (N=48)	<u>Means</u> <u>White</u> (N=70)	<u>Differences</u>
WORK	54	36.4	39.4	2.00
SUPERVISION	54	43.08	39.75	3.33
PAY	24	10.48	10.14	.34
PROMOTIONS	27	13.54	11.08	2.46
CO-WORKERS	51	37.95	37.68	.27

¹All t-Test were Not Significant (df=120, $\alpha=.05$).

²A high score indicates more satisfaction.

TABLE 17. JOB SATISFACTION STUDY - NEED
 SATISFACTION QUESTIONNAIRE
 MEANS OF DIFFERENCE SCORES¹ FOR WHITES
 AND BLACKS COMPARED BY t-TEST²

	Black (N=48)	White (N=70)	<u>Difference</u>
Self Esteem	1.73	1.79	-.06
Authority	1.98	1.64	.34
Personal Growth	2.04	2.25	-.21
Prestige Within Dept.	1.76	1.64	.12
Security	1.65	1.63	.02
Independent Thought	1.47	1.23	.24
Self-Fulfillment	1.76	1.65	.11
Accomplishment	1.33	1.44	-.11
Help Others	1.16	1.07	.09
Prestige Outside Dept.	1.12	1.49	-.37
Set Company Goals	2.08	1.52	.56
Set Methods and Proc.	2.02	1.96	.06
Being Informed	2.16	2.43	-.27
Friendships	.92	.74	.18
Pressure	1.91	1.54	.37

¹ Difference scores obtained by subtracting how much "now" from "should be." Thus, a high score shows more dissatisfaction.

²All t-Tests are Not Significant (df=120, $\alpha=.05$).

which predicted that blacks would be more dissatisfied than whites, and that pay would be a motivator for blacks.

Although no statistically significant differences between blacks and whites were found in any area, it is interesting to note how the overall group felt about this company. In general, a high level of satisfaction among managers was reported. There was no more than two points between the highest and lowest ratings which means that the differences between the most and least satisfying items were very small. The following areas of the NSQ were rated most important by the combined sample of blacks and whites (N=118).

Being informed 6.6

Accomplishment &

Security of Position 6.5

Opportunity to help

others &

Self-fulfillment 6.4

7.0 is the highest rating possible.

Overall, the group said there should be more opportunity to set company goals and methods, and to exert their authority. The most dissatisfaction on

the NSQ as measured by the difference between "now" and "should be" ratings, were in the categories of "Being Informed" and "Personal Growth." On the JDI, both samples were most dissatisfied with the items listed under the area of Promotions and Pay. They felt they were underpaid and that promotions were not regular, were not made on ability and there was little opportunity for advancement. Although this study added to the findings of the consultants, by and large, the results show less dissatisfaction than had surfaced in the management workshops. It is possible that the respondents in this study did not believe the assurances of anonymity since the study was conducted in-house.

It should also be noted that since the questionnaires were sent out over the department director's signature, they were also returned to him. This may have inhibited candor or participation in the study. This would have made them afraid to participate at all, or to express their real dissatisfactions.

Jackall explains how the desire to get promoted in the corporation can indirectly inhibit public disagreement or criticism. Criticism goes against the norms of the fealty system which demands loyalty and

conformity. "The sanction against such criticism is so strong that it constitutes . . . a suppression of professional debate."¹

There was some indication that their fears were not allayed because some of the questionnaires were returned blank with comments remarking on their suspicion that their identity was not protected. Some managers also commented privately to the author that there was a great deal of suspicion and fear among the managers about the survey. In addition, it is possible that there was some self-selection in those included in the results; the more dissatisfied managers may have been too disillusioned to bother returning the questionnaire. This was also mentioned by some of the managers in private; that they were tired of being surveyed when nothing was done about their complaints.

Although the differences were small in the areas where blacks and whites responded differently, it is interesting to note some unusual trends.

In examining the items in the NSQ, the first column of Table 18 lists those items where blacks rated higher than whites in each category, i.e., "How much

¹Jackall, p. 21.

is there now," "how much should there be" and "how important is it." In addition, the dissatisfaction scores (which are gotten by subtracting the "now" from the "should be" score) where blacks show more dissatisfaction than whites are also listed in Column 1. For example, in Column 1 blacks rated the opportunity for personal growth "now" .20 higher than whites as a group. They felt there "should be" .62 more opportunity to set company goals. Column 1 also shows that blacks felt more strongly (.86) that the opportunity to set company goals is important than did whites. On the other hand, there was no difference between the amount whites so it is not listed on the table under "now." The last heading in Column 1 is the Dissatisfaction score ("should be" minus "now"). Only those items where blacks had more dissatisfaction scores than whites are listed in this heading. For instance, blacks were more dissatisfied (.24) with the opportunity for independent thought than were whites.

Column 2, on the other hand, lists those items that whites rated higher. Whites felt there is .46 more opportunity to exert their authority now than blacks, for example. The only category where whites

felt there should be more of an item than blacks, was the item of "how much pressure should there be on your job." Whites felt there should be .78 more pressure than blacks. Blacks felt they have more opportunity for personal growth and are more informed than whites (see Table 18). This does not seem to mesh with the reality of the situation. Blacks also report that they felt their job gives them more prestige outside their department than do whites. This may be because in their reference group (the black community) others may not have achieved as much as they have.

Looking at the items on the JDI, whites are more negative than blacks about work, their supervision, their pay and promotional opportunities (see Table 19). For example, on Table 19 under the category "Work," Column 2 shows that whites felt their job is more frustrating (the white mean rating is .67 lower than the mean for blacks with the lower score indicating dissatisfaction), routine, boring and tiresome. The black group found the job less fascinating or creative than whites. Although both groups were dissatisfied with Pay in general, whites were more dissatisfied than blacks about pay providing luxuries (rated .24 lower than blacks) and felt that their pay is bad, insecure and less than they deserve. This seems contrary to

TABLE 18. NEED SATISFACTION QUESTIONNAIRE
COMPARISON OF DIFFERENCES* BETWEEN BLACKS AND WHITES ON RATINGS
FOR NOW, SHOULD BE, IMPORTANCE AND DISSATISFACTION SCORES.

	<u>Column 1</u>	<u>Column 2</u>
	<u>Blacks Greater than Whites</u>	<u>Whites Greater than Blacks</u>
NOW	Personal Growth (.20)** Prestige Outside Dept. (.35) Opportunity to Help Others (.17) Being Informed (.23)	Authority (.46) Independent Thought (.23) Self Fulfillment (.17) Pressure (.56)
SHOULD BE	Security (.16) Accomplishment (.20) Opportunity to Help Others (.25) Set Company Goals (.62) Friendships (.32)	Pressure (.78)
IMPORTANCE	Authority (.20) Personal Growth (.25) Prestige Within Dept. (.17) Set Company Goals (.86) Set Company Meth. and Proced. (.43) Friendships (.58)	Independent Thought (.21) Self Fulfillment (.22)
DISSATISFACTION (SHOULD BE - NOW SCORE)	Authority (.34) Independent Thought (.24) Set Company Goals (.56) Friendships (.18) Pressure (.37) (Should be less than is now)	Personal Growth (.21) Prestige Outside Dept. (.37) Being Informed

*Ratings of .15 or more are listed

**Decimals represent the difference in mean ratings
between blacks and whites.

TABLE 19. JOB DESCRIPTION INDEX
COMPARISON OF DIFFERENCES* BETWEEN BLACKS
AND WHITES

<u>Blacks Greater Dissatisfaction</u> <u>than Whites</u>	<u>Whites Greater Dissatisfaction</u> <u>than Blacks</u>
WORK	
Fascinating (.53)**	Satisfying (.16)
Creative (.25)	Good (.16)
Simple (.47)	Frustrating (.67)
	Routine (.19)
	Boring (.22)
	Tiresome (.61)
	On Your Feet (.25)
	Endless (.20)
SUPERVISION	
Praises Good Work (.35)	Leaves Me on My Own (.52)
Tactful (.31)	Impolite (.47)
Influential (.65)	Hard to Please (.48)
Up-to-Date (.24)	Quick Tempered (.82)
	Annoying (.25)
	Stubborn (.60)
PAY	
(None)	Provides Luxuries (.24)
	Bad (.23)
	Insecure (.22)
	Less than I Deserve (.26)
PROMOTION	
On Ability (.19)	Opportunity Somewhat Limited (.24)
Good Chance (.46)	Unfair Policy (.22)
Regular (.51)	Infrequent Promotions (.53)
CO-WORKERS	
Stimulating (.18)	Smart (.18)
Fast (.31)	Stupid (.28)
No privacy (.22)	Lazy (.23)
Narrow Interests (.34)	

*Only differences of .15 or more between black mean and white mean scores are listed.

**Decimals represent the difference between mean rating of blacks and whites.

what one might expect. It might show that since blacks have been excluded from management positions for so long they are now more satisfied with merely having made it into management. Their expectations may be lower than whites'.

It is also interesting to note that there were no black managers in the survey who were under the age of 25, while 6% of the whites were in that age group. The largest number of blacks, however, had been in management only 3-5 years, while the majority of whites had been in management longer. Another interesting finding was that concerning education: 62% of the blacks had better than a high school diploma (some college or more), while only 51% of the whites had gone further than high school.

In all, then, the group had few complaints and there were not many differences between blacks and whites. Where there were differences, they were small. These small differences were found in the area of opportunity to set company goals and authority, where blacks showed more dissatisfaction, and prestige outside the department and opportunity for personal growth, where whites indicated more dissatisfaction.

Consultant ABC

The complaints about the company's excessively autocratic leadership style had come to the attention of management from several sources. The first attitude survey conducted by OAS in 1971 reported that some managers felt that they were not consulted about decisions that affected them and their subordinates. During the company's management training workshops complaints had also surfaced in which lower level managers said that their bosses did not ask for their input on decisions, did not allow them to make their own decisions, and were punitive when they made mistakes. In addition, they felt that the opportunities for growth and promotion were limited. These problems of managerial style were somewhat confirmed by the BCF report which, however, did not document the complaint in detail. BCF recommended that the company "initiate a modification in its management style"¹ which tended to be predominantly military.

One of the alleged consequences of the autocratic

¹BCF Report, Recommendations, p. 9.

style is the lack of opportunities for the continuous development of managers because lower level managers are not allowed to participate in decision making and must go up the chain of command for decisions. This can be a problem in an emergency when an immediate decision must be made; yet even here the manager is likely to wait for his superior to tell him what to do. Situations like this had occurred too often in the company. For example, during the 1965 blackout delayed action on the part of those in the control room caused the blackout to spread throughout the city.

The lack of sufficient management development was also cited by BCF as a problem. Managers often lacked the experience for promotions because they were barely permitted to do their own jobs, let alone learn others. This was because superiors did not usually trust subordinates to make important decisions. In addition, the autocratic style can restrict decision making and inhibit creativity. With changes occurring rapidly, the company now felt it needed another style of leadership that would be more suitable to the accommodation of change.

Thus, when consultant ABC presented his program, the company embraced it as an opportunity to address the recommendations for more management training and the problem of leadership styles at the same time,

since ABC had a workshop on leadership styles for managers.

Consultant ABC's initial contact with the company occurred at a national training meeting where the president of ABC was conducting a workshop. The workshop was about leadership styles--identifying non-productive behavior and behavior that is appropriate to a variety of situations. A company trainer attended the workshop, was impressed with what he saw, and thereafter sought out the consultant. At first the company trainer confided in the consultant about some problems that he thought were occurring in the company: lack of direction in the company, in-house fighting between several groups in the department, and the problems that were caused by the Assistant Vice President's style. ABC's president gave the trainer some strategies to try and said that he thought the company would benefit from the type of management workshop his consultant firm could provide. The consultant was also able to help the trainer with a personal problem. This served to establish a personal relationship between the two. Shortly thereafter the consultant was invited to meet the director and the Assistant Vice President of Employee Relations. The presentation he made about his program on leadership styles was warmly received and soon after

the consultant was hired.

Top management felt that its leadership style program would only be exacerbated by the influx of minorities and women because the minorities would be antagonistic to the underutilizations and concentrations¹ which the company had been enforcing. Concentrations in some jobs and departments reflected stereotypes of these ethnic groups in the society at large. For example, the motor pool in the company at that time was entirely male and almost entirely black while the construction department was the province of Italian Americans. The Irish Americans comprised the various electrical units in the company.

It should be noted that these ethnic monopolies over certain positions in the company had not been initially formed on the basis of usurpation, but was due to the fact that certain ethnic immigrants historically were available for such work and because of their prior training and experience in the country

¹Underutilization is defined as "having fewer minorities or women in a particular job category than would reasonably be expected by their presence in the relevant labor market. It also means employing persons in jobs that do not make adequate use of their skills and training. Concentration means more of a particular group in a job category or department than would reasonably be expected by their presence in the workforce." (Affirmative Action and Equal Employment, 1974, pp. 23-24.)

of their origin, as well as in the city at large. The Irish were available for leadership positions in the company because they came from an English-speaking country and, therefore, their transition was not as difficult as it would be for other groups who did not speak English.¹ The Irish also preceded the other ethnic groups in the company. This and other advantages enabled them to move into operations positions that required reading of gauges and recording of numbers.

Consequently, ABC was brought into the company to help reduce the existing friction and that which was anticipated when blacks and other minorities were to be upgraded under affirmative action requirements. The Assistant Vice President decided that the consultant could help the company moderate its leadership style by showing managers the rewards of other leadership styles in specific situations.

ABC's assignment was to train and certify the company's internal trainers to teach a standardized, leadership style workshop that ABC had designed.

¹Dr. Bernard Anderson, of the University of Pennsylvania, points out these and other characteristics of jobs in the utilities in his book entitled, The Negro in the Utilities Industry (Philadelphia: University of Pennsylvania Press, 1970).

Certification meant that ABC would teach the company's trainers how to conduct their workshop and then would license them as official ABC instructors who were empowered to teach the ABC training program in any company. ABC would conduct the first workshops with company trainers as observers and then coach the company trainers as they did it the first time themselves. At first there was some resistance on the part of the company trainers to the consultant because the trainers had serious reservations about the ethics of ABC's program. They felt the program was psychologically manipulating managers. ABC was able to overcome the initial resistance through the licensing procedure which would enhance the trainers' professionalism. ABC also related to the trainers as colleagues--fellow "cosmopolitans" who had mutual professional goals. This further enhanced their acceptance by the staff.

ABC's services centered around a few workshops which were all based on the same model. Built on Maslow's Need Hierarchy, the workshops emphasized the impact of secondary needs (esteem, belongingness, independence, etc.) on behavior. When these secondary needs became operational, after primary needs for pay and fringe benefits had been essentially met, they gave rise to specific motives, i.e., drives to satisfy needs. Behavior is the manifestation of these motives.

The consultant's adaptation of Maslow's Need Hierarchy schema was used to evaluate and systematically chart situational behavior by examining four factors in managerial interactions between manager and peer, manager and subordinate, and manager and superior.

1. The communications dimension deals with the giving and receiving of information, ideas and viewpoints between the manager and the other person in the interaction. It includes how the manager goes about probing or getting information (e.g., the purpose of the interaction). Observers also look for how the manager explains the benefits, sets the tone for the interaction, and how he presents ideas; e.g., if he listens to the other person. Whether or not understanding and commitment are reached is also important.

2. The second dimension deals with how the manager handles disagreements and emotions. Observers look at what the manager does about differences of opinion, disagreements about facts and how he deals with negative and positive feelings (i.e., how the feelings are expressed, or how they are suppressed by the other person or the manager). Whether the manager

probes and explores differences and whether they are acknowledged, analyzed or resolved in mutually acceptable ways, are other aspects of this dimension.

3. The motivation and benefits dimension includes the manager's use of benefit statements to the other person and how effectively commitment is generated by having the other person understand "what's in it for me" if they achieve job goals. Observers look to see how committed the other person is to the job goal; is the link made between tangible goals, the rewards of a job, and personal needs, intangibles such as esteem, affiliation, security? How the manager probes and explores personal needs and whether understanding and commitment to job goals is actually generated, is also noted.

4. The final resolution of the interaction is the fourth dimension. This includes looking at the end result of the interaction in terms of understanding, commitment and mutuality. This dimension also includes an examination of how problems are settled and plans developed for their solution, and how satisfactory these end results are and whether there is a high level of commitment to accomplish the solution. Whether or not the outcome of the interaction is a benefit to the organization, the manager and the other person is also examined.

The charting of the four stages is done in terms of an analytic model--a grid which indicates combinations of dominance-submission and hostility-warmth.

Dominance in this context means the exercise of one's personal control or influence: asserting oneself, striving to make an impact on the way others think or behave, taking charge, and leading and moving others to action.

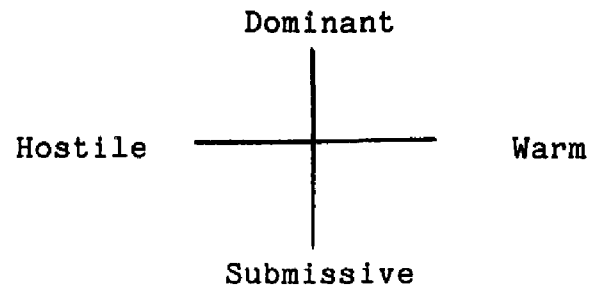
Submission is following the lead of others without first asserting one's own ideas, ready compliance, little or no attempt to influence the course to be followed.

Hostility is defined as self-centeredness and a lack of regard for others by being insensitive and unresponsive to others' needs, feelings and ideas.

Warmth means regard for others, trust and open-mindedness by being sensitive and responsive to others' needs, feelings and ideas.

Each combination gives rise to certain generalized assumptions about the behavior of others. The behavior in the interactions is classified and plotted on a grid formed by the cross-classification of two dimensions on a graph, dominant-submissive and hostile-warm.

The Behavioral Grid



Each combination of the behavioral grid is hypothesized as corresponding to underlying personality needs and motives. There are four basic patterns of managerial behavior:

1. The dominant-hostile rarely involves subordinates in planning and is a strong believer in the tight organization of work and very close supervision of subordinates. This behavior makes a demanding leader who uses one-way communication (tells what to do and how to do it) and motivates by fear.

2. The submissive-hostile relies on his superior for planning and follows policies and procedures strictly. He sees himself as a caretaker and downplays his role as leader. He offers little communication and does not attempt to motivate others. The overall approach is "don't make waves."

3. Submissive-warm behavior undertakes planning that is general and provides few details. This type

of behavior maintains loose organization and relies on good will to get the job done. He expects high morale to produce good work automatically and believes that optimism and encouragement get good results. He is highly sociable and tries to motivate by "love."

4. The dominant-warm manager consults with others in planning when appropriate, is pragmatic in organizing work--if it works it will be used. He tries to develop subordinates and allows them to control themselves wherever possible--but he sets more structure for those who need it. He tries to guide subordinates to exercise their full potential. He fosters two-way communication and motivates others by allowing individual needs to be met in fulfilling job goals.

Strategies for handling the different types of behavior in productive ways are presented to managers in the workshop. Strategies are ways of getting the job done while appealing to the individual's needs. For example, a strategy for dealing with dominant-hostile behavior (with needs for independence and esteem) might begin with the following interaction:

1. Show businesslike warmth but minimize small talk;
2. State the purpose and benefits to subordinate.
Appeal to intangible needs of independence and esteem. Offer tangible benefits such as status, position, title, if possible;

3. Probe the subordinate's reaction and willingness to proceed by use of open-ended questions;
4. Expect early disagreements, negative emotions and flat assertions;
5. Deal with the subordinate's concerns first;
6. Draw out and allow the expression of negative emotions from the subordinate;
7. Summarize disagreements and flat assertions.

The workshop itself relies on small groups by having sub-groups of five participants work together throughout the week. The small groups practice using the strategies for each combination of the grid by role playing. Each person has a chance to play the role of manager in a variety of interactions simulating job situations. Someone else plays the role of the other person (subordinate, peer or superior) while others in the group observe and analyze the behavior that they see and place it into the four quadrants of the grid. They are also given the opportunity to role play a conflict situation taken from their own job. The role playing is video-taped and played back for discussion. In this way, the small groups work together for the five days of the workshop (including two evenings) and develop a close relationship. At

the end of the week, each manager has to sit silently while the other small-group members describe him with adjectives placed in the appropriate quadrants of the grid. So, in addition to practicing different leadership styles through role play, each member of the group gets feedback from his peers as to how they see him in terms of the behavioral grid model. Presumably, the discussion allows the manager to see himself as others see him, to become aware of his own behavior and more conscious of the needs of others. It also allows him to perfect his techniques of dealing with others.

ABC's style was people-oriented as described by Ganesh. This involved an emphasis on individuals and groups and not on structure. It stressed concern for others' feelings and the relationships that individuals have with each other and the consultant. The people-oriented approach focuses on personal relationships as the most important aspect of a well-functioning organization. The emphasis is on getting along with others, upon trust and upon open communication.

ABC demonstrated their people approach by the way the firm's president entered the company. The president of ABC was able to come into the company by

establishing a personal relationship with one of the company's management trainers. The relationship began at the training conference where the two met and was continued by telephone. The trainer confided personal problems to the consultant and their relationship continued along personal lines. Even after ABC entered the company, the president continued to establish personal relationships with company members who confided information on problems that they felt were detrimental to the organization.

For example, ABC's president was told about the situation with the new Assistant Vice President of Employee Relations who had caused difficulty for the company by some ill-chosen words to minority vendors. He had suggested that no one else in the company could take his job, including blacks. This became a source of embarrassment to his immediate superior, the vice president, as well as to the Chairman of the Board. The vice president wished to retaliate for the pressure he was getting from groups within the company and from outraged minority groups outside the company. Knowing that the Assistant Vice President was the sort of individual who would behave in a hasty fashion and "let the chips fall where they may" and in accordance

with his pattern on the behavioral grid as advised by ABC's president, the AVP was given the responsibility for firing the excessive personnel. After the firing of the 211 (as described earlier) created a furor in the company, the AVP was then asked to resign. In this way, top management in the company was able to use the knowledge learned from the consultant for its own internal political aims. Such information is usually not presented to an outside consultant. It may well be that the president used personal charm, influence and contacts, including personal advice to gain official entry into a company. The manager may have responded to the charm and advice to employ him for official activities that were primarily related to his personal characteristics.

ABC also demonstrated their people approach by working with individuals and groups in their training sessions. Throughout their relationships, they stressed the need for being candid and trusting others. This approach reflected the fact that the founder of ABC was a clinical psychologist.

Prior to the entry of this consultant, all departments had been asked to identify their top 5% of managers (as noted above). The company proposed that ABC's program be given as a special reward for those identified

as the most promising managers. When the program was introduced, departments were told that only the "cream of the crop" could attend. In addition, department heads were told that the program was so special that no interruptions during the training sessions would be allowed. This, in principle, would make the top 5% into a recognized elite. What in fact occurred, however, was that during an ABC workshop of middle managers a manager was called out of the program by his supervisor and told that he was being demoted. This was in direct contradiction to the policy of sending the top 5% to the session and that of not interrupting the program while it was in progress.

Another outcome, totally unintended, was that the implementation of the instructor training for the workshops was a precipitating factor leading to an EEO suit being filed.

The ABC program was supposed to be stimulating managers to use other styles of management rather than relying on the autocratic and hierarchical style as had been traditionally done. However, the very fact of making it into an elite program tended to confirm the hierarchical tendencies in the organization. In the way it adopted a "democratic" model of managerial training the company negated it. Once having done so they violated their own policy by eliminating senior

managers. The policy of choosing only the elite for training apparently came into conflict with the policy of training for "democratic" management. The head of the management training section had told the training staff that they must participate in the ABC instructor training. When one of the trainers was unable to attend the first session, the individual was threatened with the loss of his job. The democratic ideology was again being implemented in an arbitrary manner. When this autocratic style was brought to the attention of management as being contrary to the ABC teachings, the section head responded, "the ABC theory is fine, but you know how it is out there in the real world." Higher management sustained the training head. As a result, the trainer who did not participate was penalized by having a promotion that had already been promised in writing, withheld. Shortly thereafter he filed an EEO suit charging the company with discrimination for denying him the promotion.

The firing of the 211 managers occurred about seven months later and the head of the management training section was one of those fired. In spite of the fact that he had the top rating on his performance review, he was told that his "management style" was not suitable for the company. As was described earlier, this led to the filing of an EEO suit charging the

company with age discrimination. In addition, since the position of section head was not filled, there was no one to give direction, make decisions or provide stimulation for the section. Within the year, all but one member of the section had resigned. The ABC program continued for another few months and then was discontinued. There were no apparent changes in the leadership or management style in the company.

Consultant CRY

Another area where consultants were used was in the Construction and Maintenance department in one of the company divisions. The use of the consultant began with the need to have a hard, objective, financial policy. In 1974 the company had begun to experience a serious shortage of capital and no growth in sales. By 1976 the decision was made to spend no money on construction or repairs except those needed to maintain service; i.e., if something broke it would be repaired. This resulted in less work for the construction department. Some of its personnel were transferred to other departments or placed on other assignments. In this climate, consultant CRY was introduced in 1976. Another reason for bringing CRY into the company was to try to satisfy a recommendation of the BCF report that mentioned the need to develop a system to record and report working time.

CRY entered the organization through a contact on the middle management level, a division director. CRY employed the son of another director (the Training and Development department) as one of its staff consultants. It was through this personal contact that the relationship to the company was established.

The head of CRY was a well-known political figure having been a gubernatorial candidate. Thus, CRY was selected, not on the basis of experience or expertise, but because of a personal relationship and the political contacts it offered. CRY also had visibility and prestige because of its reputation for successful work in one large corporation.

The problem directed to the consultant was defined and evaluated by middle management, first by the division director and later by the training director. The managers who hired CRY were the same ones who presented the problem to them. The problem, as mentioned in the BCF report, was that there was no formal, recorded system for reporting work and time to upper management so that they could be informed about work progress. At the end of each day, field workers would tell their supervisor what was done or the problems they had encountered. Beyond the informal, verbal report, upper management had no way to tell how long a job should take or how much time (or money) was being spent on a job. This information was needed so that better planning could be undertaken for the long range. In addition, there were no controls or master plan against which work could be checked and monitored. The consultant's assignment was to develop a planning and scheduling system for this department.

Although CRY entered the organization with a personal contact, their approach and style in working in the department was very much that of task orientation. This meant that they were not concerned about the relationships with employees but were concerned with the task itself and the organization of work. They emphasized getting the job done and looked at the reporting system as the key to maintaining efficiency. They approached the problem as a deficiency in the overall system in which information and controls were needed to insure responsibility. They did not consider the effect that the system would have on the people working there.

They saw themselves as experts who were hired because of their knowledge in developing reporting and control systems. When they came into the department, they felt no need to establish personal relationships with department members. Since they had the sanction of upper management, they had the leverage to get the information they needed for their assignment without developing any rapport with the employees. In the time they spent in the company, little of it was spent eliciting opinions and input from any of the people affected by their system.

The manifest outcome was the development of a Planning and Scheduling system that allowed for the reporting of work and short term scheduling. The System reported the amount of work done, time spent on each project and by each employee, and provided periodic printouts of what had been accomplished weekly compared to overall monthly and six-month plans.

Another result of CRY's system was that a committee was formed made up of members of various departments who would be involved with implementing the system. In spite of the committee, CRY left the department with many problems in the implementation of the system. CRY had done no implementation or training for using its system. No one knew how to use the forms or understood what the numbers meant. Resentment was rampant because of the increase in paperwork which the system entailed, especially among the field workers. The mechanics of the forms themselves were beyond the level of many of the employees. Many did not have the mathematical skills to compute the averages in decimals as was required. In addition, the system was seen as threatening because in the situation where their jobs were not secure due to the shortage of work, they were now required to report in their time on paper and to account for every hour of their work day.

Comparisons were also to be made among employees as to the amount of work they were accomplishing. Standards had been established for the amount of time a job should take. Each area also had an average that represented the "normal" amount of work to be produced. If an employee's average was too low, the supervisor was expected to do something to improve the worker's output. The workers feared that their jobs might be in jeopardy; if their statistics did not look good, they might get fired. The system itself exacerbated the already low morale in the department.

As far as productivity, although the author was not present when the system was in operation, results from other companies who used the CRY System have been published. Business Week reports that although the system results in an immediate productivity increase after installing the system, later on productivity plummets "as workers rebel against what they believe is a tyrannical approach to production quotas." Although CRY insists that the system is an effective tool, "other consultants complain that some of CRY's former clients have been so turned off by the experience with the technique that they have now closed their doors to virtually all consultants."¹

¹Business Week, 1979, p. 104.

The company, meanwhile, continued to use outside consultants for the implementation of the CRY system and to address the morale and climate problems created by CRY. Consultant BPA, a completely people-oriented, organization development group, was hired to improve morale and to help the internal staff implement the system of planning and scheduling in a more "democratic" way.

PART IV.
CONCLUSION

CHAPTER 6. SUMMARY AND DISCUSSION

Summary

A basic theory underlying modern organizations is that in order to succeed they must act in rational and effective ways. This analysis of the various management consultants hired to aid the organization in realizing its goals suggests that many actions related to the consultancy do not contribute to the solution of the overall problems of the organization. Further, many of the results of the consultancy created side effects, or latent effects, which differ in consequence from the original statements of manifest goals.

There is also the issue of the consultant's role with respect to the client organization. Although the management consultant is employed to provide an objective viewpoint on the client's problem, the consultant must also be loyal to his own employer, the consulting firm, in which he is encouraged to continually generate new business. Without necessarily being dishonest, management consultants may act in such ways that, inadvertently, problems are not resolved. The consultant may not be aware of the entire situation within the organization or the internal politics which will affect the solution that is implemented. It is

also possible that because of the social science problems in which the management consultant specializes, which are by nature complex, there are no simple clear-cut solutions. It is easier to obtain closure on problems brought to consultants dealing with time and motion studies, production engineering and quality control because of the quantifiable nature of the solutions, or other clear-cut criteria of success or failure. For the social scientist entering industry, strategies and training approaches can legitimately lead to new complications and justify extended consultant involvement. The consultant can only attempt to apply social science theories that are generated by previous laboratory research to real situations on the assumption that their application will create the same effects produced in the laboratory.

As can be seen from the analysis of the management consultants in this case study, the management consultants in the client utility had either no impact or produced unintended consequences, usually of a negative type. In some instances tools or techniques based on social science theory have been taken by the client company and used for its own political purposes. Rather than being used to implement genuine changes, consultants have helped to enhance the company image,

pacify dissenters within the company, and to satisfy or put off external agencies who were exerting pressures on the company. This study has examined these realities underlying management consulting and its political manifestations.

This chapter as a conclusion will provide a brief recapitulation of the workings of five management consultants presented in the case study as well as a discussion of the implications of the theories of Merton, Schein, Argyris, Baritz and Ganesh on the effectiveness of the consultants.

As organizations have grown and changed within their complex environments, they increasingly turned to industrial experts to broaden their competence and expertise. Yet the external consultants sometimes create more problems than they solve in the organizations that engage them. An in-depth study of the five consultants within one company was undertaken to determine whether or not and how or how not they benefitted or injured the client organization, and to examine the unintended consequences of their intervention.

Although management consulting began in relatively narrow and specific areas within a small number of industries, it has broadened and become widespread. Management consulting originated in industry as an application and outgrowth of engineering and technical knowledge. Frederick Taylor, one of the first management consultants, began with the intention of increasing productivity in the steel industry, and Lillian Gilbreth combined the interest in efficiency with the human aspects of workers. Time and motion studies were done with little attention to any other worker needs. Hugo Munsterberger provided organizational assistance by testing for worker selection to assure that the worker would be able to perform the desired task.

Elton Mayo again considered issues of worker productivity in conducting the Hawthorne experiments. For him the solution lay in paying greater attention to the workers' social needs.

Chester Barnard referred to the necessity of communicating and getting the cooperation of the employees, as the employees' needs came to be recognized more and more as contributing to productivity. The emphasis changed, therefore, from the "scientific management" approach of the authoritarian or hierarchical management with tangible incentives as the way to achieve organizational goals, to the more indirect participative management approaches which emphasized the social-psychological needs of employees to achieve organizational goals.

The Human Relations approach was the epitome of the emphasis on worker needs as it stressed motivation, leadership and worker participation to achieve good morale and thereby increase productivity. Although the idea that a happy worker is a more productive worker was eventually discredited, the influence of the human relations school remained.

The concern with motivation expanded into many theories, some emphasizing job satisfaction. Herzberg's and Maslow's theories were used to examine workers' secondary needs as a means to improve productivity.

Many companies employed Herzberg's techniques to give workers more responsibility in attempts to increase output.

Along with the emphasis on motivation, came the realization among management consultants that a different type of leadership style was required to elicit the most from workers in a participative management style. The authoritarian or hierarchical style did not allow workers to participate so the democratic or shared authority came into favor. Because research has shown that no one style is effective in all situations, the democratic style is no longer exclusively considered to be the best. It is interesting to note, however, that most companies have not made this transition to style flexibility and are still using one style consistently. Such was the case in the client organization cited in the case study. In that company the predominant leadership style was autocratic or hierarchical, stemming in part from the military background of many of the company's top executives.

In this case, the use of consultants to change management's style of leadership was not successful in making an impact on the company's functioning. The major technique used by consultants in trying to change leadership style is the management training workshop. Although research on the effectiveness of

leadership training has shown it to be of questionable value (that is, no definitive effects have been demonstrated), it should be noted that management consultants, and companies with their own trainers, still employ this technique at great expense. In the case study, it can be seen that while consultants were hired to bring new management techniques to the company, in effect, the organization was not willing to permit changes in the company functioning.

In the relatively small amount of literature written about management consultants, the consensus is that management consultants are used in industry as change agents, diagnosticians, or problem solvers. The main attraction of the consultant is that he offers objectivity by virtue of being an outsider, or expertise that the organization does not have itself. It is also recognized that the consultant can provide a third-party view or mediate a political situation within the company.

Criticism of consultants usually centers around complaints that they overcharge clients, that they lose their objectivity by becoming involved in the company, and that the consultant firm is self-serving rather than having the client's interests foremost.

Suggestions to help reduce the likelihood of developing problems with consultants emphasize the

need to be specific in the statement of written commitment as to what the consultant will do and how they will do it. Yet these suggestions deal only with the manifest problems in the consultant's relationship with the client. There is little mention of the various underlying, latent problems and the hidden motives that cause clients to hire consultants. As can be seen in the case study, in most of the relationships with the consultants, the presenting problem was merely tangentially related to the reasons the client was using management consultants.

William Reddin pointed out some of the common errors that consultants make in their relationships to client companies. In the case study cited, many of the errors listed by Reddin were illustrated. These include creating change overload, raising expectations, allowing inappropriate attachment, and losing professional detachment.

For example, in the case study the OAS survey raised the expectations of lower level managers that there would be changes; yet top management made none. CRY produced change overload by developing a system that the division was unprepared or unable to implement. ABC made the errors of inappropriate attachment and losing professional detachment by becoming personally involved with a few members of the company.

Ganesh emphasized the style of the consultant as a mediator on the effectiveness of his application of social science theory to organizations. He divided styles and approaches into two main categories: people-oriented and task-oriented. The people orientation has a human relations approach that values personal, interpersonal and group aspects while the task orientation has a systematic approach which values issues that affect the whole organization and patterns of work and systems.

Merton's concept of manifest and latent function is particularly relevant to this study. With this concept, behavior which would otherwise have been termed "irrational" since it does not contribute to overt or manifest goals, becomes more comprehensible as latent functions which are not publicly stated but which lead to unintended but observable consequences. Actual functions within an organization include the manifest as well as the latent functions. The problem here and elsewhere is to discern these latent functions and intentions.

Other types of latent functions include political activities within the organization in relation to personal or work-related motives of power acquisition. The resultant behavior is usually deceptive in that

it often cannot be publicly recognized and helps support the illusion that the organization is functioning in another fashion. These may contribute to organizational goals either by being work-related or by providing personal satisfaction to employees which induces them to stay in an otherwise boring environment. The acquisition of personal power as the basis of a latent function can be seen to flourish in the high-slack organization since there is little competition and plenty of time to spend on personal goals without disrupting the system.

The organization in the case study is a typical high-slack environment. It operated in a fairly stable environment and required routine functions even among management. Personal power acquisition was frequently seen in the company.

Classical theory of management builds on the bureaucratic model. This concern with functions and principles has been assailed as being unresponsive to human needs. Argyris claims that the organization itself, by concentrating solely on function, causes subordinate dependence and alienation. An organization that fails to encourage or support individual autonomy and motivation can ultimately lead to an inflexible or unresponsive organization.

Argyris describes a model of the organization which can serve both individual and organizational goals in terms of the science of values (axiology). The axiologically good organization is one in which there is an interrelationship between the parts of the organization, an awareness of a pattern created by the parts, an influence over internal activities, and external activities. There is effective problem solving and an awareness of past history and future events as well as present concerns in considering the goals and activities of the organization.

The case study presented here is an example of an axiologically not-good organization in that there is little apparent interrelationship between the parts. Even within departments, one section had no knowledge of what the other sections were doing. This was well illustrated by the Training and Development department where a consultant was called in to work with a division and the other sections knew nothing about it until one of their clients happened to mention it. The head of the department claimed that he maintained this lack of awareness between sections for organizational goals; he claimed it fostered a competitive atmosphere. In many cases, divisions within the company acted independently without regard for other divisions or departments.

Problem solving was not effective and there was a tendency to look at problems in the short term rather than considering long range effects. The axiologically not-good nature of the organization was also demonstrated by the emphasis on the hierarchical control rather than concern for the members who made up the various parts of the organization. There was no opportunity for autonomy or independence if one wanted to remain in favor with management.

Kast, while noting the conflict between organizational structure and worker satisfaction of needs, suggests that the organization should not deal with the individual's need for status, growth and independence to increase job satisfaction, since personal fulfillment comes from many sources in the socio-cultural environment, often outside of management's control. Dubin echoes a similar view when he observes that work may not be the central life interest of some employees. He feels that management should concentrate on other means of attaining productivity rather than appealing to higher order needs on the job.

William Kornhauser sees a conflict between professional demands and the demands of the organization. Each influences the other; the organization has become more influenced by professional standards

of expertise, autonomy and responsibility; the professional has become more subject to bureaucratic and organizational controls. On the other hand, there are built-in strains when a scientist works for an organization. The social scientist who enters the organization with a background in human relations and motivation theory may find conflict with hierarchical controls.

Alvin Gouldner, applying Merton's concept of manifest and latent to the roles of the professional, applied Merton's distinction between cosmopolitans and locals to management. The cosmopolitans maintain professional standards and lean toward outside values. The locals place the values and goals of the organization above those of their profession. In terms of the case study, one might expect that the company, partially because of its inbreeding, might be composed largely of locals, while the consultants would at least begin with a more cosmopolitan view. This outlook served to create bonds between the consultants with a cosmopolitan perspective and those members of the company who also shared the professional view. This relationship of one professional to another, in some instances, helped the consultant to be more readily accepted by the company's staff. For example, ABC was able

to overcome resistance from the training staff by appealing to their professional aspirations.

Consultants are hired on the basis of their professional expertise and objectivity. Yet this may become compromised by exposure to the client over a period of time and the professional standards relaxed by the desire to continue providing consultant services.

Baritz regards the social scientist as having given up his professionalism by allowing his knowledge of the control of human behavior to be used by management at the expense of workers. He proposes that the social scientist has lost his objectivity and critical analysis by accepting the norms of the dominant elite in industry. Radom, however, disputes this and maintains that the social scientist has retained his autonomy and professionalism. He believes that their position as social scientists has placed them in a more influential role than the physical scientists in that they are involved in policy making and are thus able to insure that organizational goals do not conflict with their professional goals. The case study, however, tends to support Baritz's contention that the social scientist's knowledge and techniques have, often unwittingly, been used by management for its own aims. This was seen in the example in the utility, where the president

of one consultant firm was drawn into a political intrigue and the knowledge of behavior learned from him was used to help in a personal power fight.

Some of the social science theories that have been adopted by consultants are those of Maslow, Herzberg, Fiedler and McClelland. Maslow proposed a hierarchy of needs that all individuals must strive to satisfy. Herzberg applied this idea to the work setting and distinguished two factors of job satisfaction. One involves basic needs which prevent dissatisfaction (hygiene factors) while real motivation and satisfaction can only be derived from higher order needs such as factors intrinsic to the job (responsibility and challenge).

Fiedler stressed the interaction of personality and situational variables of task structure, position power, and leader-member relations. He maintained that it may not be possible to teach someone to have a different leadership style than his personality allowed and that companies might be better off to try to fit the leader with a particular style to the appropriate situation.

McClelland spoke of the need for achievement, power and affiliation as important motivators. His theories have been used by management consultants in motivation courses and organizational climate surveys which can indicate which areas are problems in terms

of workers' perceptions related to productivity.

When the activities of the consultants in the case study are examined, most of the social science theories are manifestly adopted but latent functions expressed in political behavior do not contribute to the achievement of manifest goals. No real effort was made to provide for the workers' need for independence or autonomy, as Argyris suggests. Little was done to provide for meaningful participation and while the need for less autocratic leadership was a manifest goal, it was not implemented.

The case study presented an analysis of the use of management consultants in a utility. The organization had a large operation of over 22,000 employees providing steam, gas and electricity. The organization was besieged with many problems: financial, demands from external agencies, concern by the public about its ability to provide services and pressure from the Public Service Commission. In addition, there was pressure from the Equal Employment Opportunity Commission, which charged that the utility industry lagged behind other major employers in the hiring of minorities and women.

The utility had been troubled since the early 1960's when the blackout of the entire city in 1965

called attention to its problems. Amidst the charges of inefficiency, excessive personnel and poor customer service, a new chairman was hired to try to improve the company's image and with his military background to promote efficiency in the company. The problems, however, continued to mount. The pressures of the oil crisis of 1973, the lack of generating capacity and the reduction of growth from new business created huge financial problems. The lack of capital from poor credit dealt the company a severe blow and led to the suspension of its dividend. The new chairman was, however, successful in convincing the state to purchase two nuclear plants and to approve new rates and procedures that helped improve the utility's finances.

The relationship between the company and the Public Service Commission was a very important one. Since the PSC was responsible for rates, service and long range planning for all utilities in the state, it had great influence over the company's management. It could be said that the company's problems and the way they handled them were the fault of the PSC as much as the company itself. Since long range planning was under the PSC's mandate, it was their responsibility to make sure the company's planning was done properly. The PSC recognized the company's problems

but failed to take action until a crisis developed. In 1969 they publicly predicted power shortages yet they allowed the situation to continue. By setting accounting and financing procedures that were unfavorable to the company, the PSC added to its financial difficulties.

The question can be raised as to whether the company wished to change or whether it wished to give the impression of changing while maintaining the status quo. The consultants who worked in the company, in retrospect, had little impact yet their presence gave at least a semblance of a commitment to change. This was desirable for the company since they needed to satisfy the external sources of the public pressures and the Public Service Commission, who had jurisdiction over the rate increases.

The company typified the high-slack environment with routine and repetitive functions, although it was now facing new circumstances. The organization also represented an axiologically not-good organization in that it was not aware of the interrelatedness of its parts, was ineffective at problem-solving and had a crisis management approach--not learning from past mistakes and ignoring the future, while responding only to immediate problems.

Structurally the company represented the typical pyramid-shaped hierarchy. Its organizational structure changed in 1969 by creating geographically decentralized departments while maintaining centralized control through the top levels of management. Another significant change affected the power vested in the chairman and the president. When these two offices were combined in 1969, the previous president retained the title but was a figurehead without decision-making authority. With operating vice presidents reporting directly to the chairman, the president lost his previous power. In 1975 a new president was permitted to become the Chief Operating Officer and the position regained control over line functions.

The company used the structure of the organization to help in internal political maneuvering. For example, the president in 1969, who lost power when his office was combined with the chairman's, was "promoted" in 1973 (two years before he retired) to vice chairman to make room for a new president. In another case, a senior vice president of operations was moved to a staff position on the same reporting level as an assistant vice president. This appears to have been done to remove the senior vice president because of incompetence or, more likely, to provide an opportunity

for a replacement to gain experience while under the guidance of the soon-to-retire executive. On another occasion when an executive who was responsible for a program was promoted, he took the function with him even though his new office did not have responsibility for that task. This is unusual in that it is usually the office that determines the tasks that the individual assumes rather than the individual. An example of the office determining the tasks occurred when the responsibility of the General Auditor's office was expanded to include the task of examining the company's operations and recommending improvements. This task should have been assigned or undertaken before that time since it is a normal function of that office.

These maneuverings are also reminiscent of Jackall's description of the organization as a feudal system. In this case, it seems like the feudal lord is taking part of his fiefdom with him as he transfers to another department.

Although some organizational changes and changes in personnel occurred, the basic structure of the company remained the same. As Weiss pointed out, the coordinative relationships which make up the organization's structure are relatively stable and change

only slowly. Even with the change in leadership provided in 1967 by the new chairman, the organization did not change appreciably in its goals and management practices.

While in its expansionist phase and merging with other small companies, the company had grown to a huge size. The law of surface and mass, as described by Drucker, can be seen in operation with the mass that enlarged in anticipation of continued expansion. Because of the oil crisis and other problems discussed above, by 1974 the company prematurely reached the limits of its market growth. At that point, there was no new business and little capital for new construction. This meant that the mass could no longer be supported by the surface. The situation was compounded by the development of a new product (nuclear power) which decreased the surface. The sale of generating plants to the state aggravated the problem further by shrinking the surface even more.

Drucker states, as previously mentioned, that there are organizations which are too big to function. Some experts recognized that the company was too large. A consultant realized that the company was no longer growing and therefore needed a reduction in management staff. George Cabot Lodge attributed many of the

company's problems to its size and recommended that it be split in two--giving up the power generation and construction functions. In some measure the company has moved in that direction since it purchases more power from other sources and has given the state the responsibility of building new plants.

The company's history of mergers and its decentralized form makes it more apparent that they are a large business consisting of smaller businesses. There is a need, therefore, to develop different strategies for each of the smaller markets (geographic and gas, electric, steam) as well as an overall corporate strategy. It is in this area that the company was criticized because they planned poorly.

With the creation of decentralization, as Greenwood describes it, it is likely that conflict will arise between line and staff authority. In this company, the chairman minimized this conflict by promoting line managers to the top operating management positions.

Several consultants were employed by the company during the ten-year period (1967-1977) that has been studied; the majority of them brought in within a two-year period (1974-1975).

Consultant OAS

Top management brought in this firm to survey management on their opinions and attitudes after there were threats of a management union being formed. Five levels of management were surveyed for areas of dissatisfaction. Most supervisors found many aspects of the company satisfactory and were generally proud of their affiliation with the company. A small percentage found such factors as direction by too many bosses, lack of consultation on decisions in their areas, and the lack of advanced information about organization changes, to be less satisfactory. Middle management was favorable in general on company benefits and felt relatively free to express themselves on employment issues and policies. Their misgivings revolved around the quality of employees and company morale.

While the survey was conducted, ostensibly, to cover areas of dissatisfaction, the general findings seem to have been favorable to the company (as far as can be determined within the limitations of the information provided). If this truly was indicative of managers' attitudes, it is hard to understand why the report was not circulated within the company. Since top management had the opportunity to meet with

the consultant prior to issuing the final report, it is possible that they were able to influence the presentation of the findings into a more favorable format. It is more likely, however, that the findings were so favorable because managers did not feel free to commit their dissatisfactions to paper. This was also seen on the job satisfaction study which indicated that, overall, managers were relatively satisfied. This may have been more apparent than real, however, because people were afraid to speak out because of the climate that penalized negative comments. As mentioned previously, the fealty relationships in this strongly hierarchical organization held strict sanctions against public criticism. Criticism was viewed as disloyalty or "insubordination" and could eliminate any chance of promotion. Managers were therefore unwilling to "go on record" with negative comments although informally they were willing to confide in the staff trainers.

The consultant's entry through top management appears to have limited their perspective and restricted their activities to the request of management only to conduct the survey, without looking for other aspects or interpretations of results. OAS's brief intervention (4 days) did not permit extensive involvement in the company. The results of their survey were used by the company to show the public and the Public Service

Commission that the company was concerned about the quality of management and they they were trying to improve. The managers themselves, however, did not place much credence in top management's sincerity because no action was taken on their complaints. It did serve its purpose, however, in stopping the movement toward a management union.

One might also question the professionalism even in the preparation of their report. The report contained a summary and frequency distribution of comments along with the weighted averages for the group. There was no interpretation of the weighted averages or other results. In addition, it is difficult for anyone to interpret the tables as OAS presented them. For instance, the weighted average is an unusual statistic to present to a lay audience such as the company's top management.

The consultant's responsibility in this situation is usually to make sure that the client not only receives the results in numbers, but that he understands what the numbers mean. Often this necessitates follow-up meetings in which results are presented and explained. The fact that none of this was requested by the company or done by the consultant raises serious questions as to their intentions.

Consultant FLO

This firm was brought in to develop criteria for personnel selection. The precipitating problem was attributed to the JOBS program when long-term employees complained that minority and female employees hired under the program were unqualified for entry level jobs. During the EEOC Hearings in 1971, an Assistant Vice President had committed the company to securing the services of a consultant to validate selection criteria and to the continued hiring of minorities and women to reach affirmative action goals. Previously, the entry level jobs had been filled by unskilled, poorly educated applicants who had been referred by company employees. Now that the applicants were coming from external sources and included minorities, there were complaints that they were not qualified. The long-term employees, who were complaining, had themselves been trained on the job. While the consultant was hired to establish objective job selection criteria, at no time was the latent source of conflict, prejudice, addressed. This was because management did not wish to antagonize their long-term employees who they needed to maintain their productivity. At the same time they wanted to avoid EEOC charges

of discrimination against minorities and women. The bringing in of an outside consultant allowed them to maintain the good will of everyone involved and to avoid pressure from the EEOC for some period of time.

FLO was engaged by middle management with the approval of top management. FLO had served as an expert witness for the EEOC on the subject of selection criteria and was considered an expert in the field. While FLO was given the assignment of developing selection criteria, the latent issues surrounding the problem were not dealt with by the company. FLO's system of selecting employees appeared to be a good solution to management's dilemma because it set up objective criteria which satisfied the EEOC requirements and did not bring up the issue of prejudice.

In this way, the consultant served as an adjudicator between those who complained about the minorities being unqualified, and those brought in under the JOBS program complaining of discrimination.

Consultant BCF

BCF was brought in at the direction of the Public Service Commission (PSC) even against the resistance of top management. BCF conducted a study of the company's management and operations and their findings went directly to the PSC. Their report recognized the problems the company faced which were beyond their control and areas in which they had opportunities to improve. Some areas for improvement were the company's management style, the need for expanded management and supervisory development, and the need to reduce the management staff. Because the report was issued directly to the PSC, its findings had additional force and significance. The company appeared to be eager to respond to BCF's recommendations perhaps so that the PSC would favorably regard the company's rate increase requests. The effect of their report was far-reaching; virtually all consultants brought in after the report were in some way linked to the company's response to this report.

BCF's assignment was to conduct a diagnostic phase as a study of the company's management and operations. To determine the problem areas, BCF interviewed managers from all levels and in all divisions of the company.

The findings of the consultant, as reflected in their report, made reference to the problem of the company's management style and referred to criticism of having so many former military personnel entering the company at policy-making levels. BCF suggested that top management diversify its approach. They recommended that the company modify its management style. They also stressed the importance of developing more management skills at the executive and supervisory levels because many managers with technical knowledge lacked management skills. The lack of broad-based management experience was partly the result of mergers with smaller utilities without layoffs when the company was expanding, and the lowering of the mandatory retirement age accelerated the loss of the more experienced managers. The consultant also referred to excess personnel and recommended a reduction in staff.

For top management, BCF served to give visible substance to management's professed concerns. The hiring of other consultants was justified by the BCF reference to the need to expand management development. BCF also reinforced the need for some type of action that had already surfaced from the public complaints and the PSC and EEOC hearings.

The finding by BCF that there should be a reduction of manpower contributed to the action taken later by the Assistant Vice President when he fired 211 managers. He felt justified by the BCF report. The firings were also undertaken to show the public that the company was trying to improve efficiency before the next request for a rate increase. While the consultant was hired to improve the organization, the consequence of their recommendation was to cause problems, not the least of which was an age discrimination charge brought by some of the terminated managers.

In their analysis, BCF recognized the criticisms that there were a large number of company executives with military backgrounds. It is obvious that the company did not heed the recommendation to diversify their leadership because they continued to hire ex-military personnel into such policy-making positions as Employment Director, Vice President of Personnel, EEO Officer and other positions in Employee Relations.

Although BCF recommended the establishment of an internal consulting capability to help broaden management's perspective, the company claimed that this was impractical since they were too short of broad-based management experience. It is doubtful that the company wanted to have internal consultants because

there was a capable group of social scientists with broad backgrounds available from the Employee Relations department. These professionals were more than able to carry out internal consulting duties and, indeed, some did so on a limited basis. The company's objections probably stemmed from their desire to avoid analysis with a critical eye, as they had been able to accomplish with external consultants. Internal consultants might already "know too much" about the company to be easily manipulated.

BCF's relationship to the company was an unusual one for a consultant. It was selected by an outside agency (the PSC) and reported directly to them for the stated purpose of maintaining their objectivity. This procedure eliminated the negotiating which usually occurs as a consultant presents its findings to the client in preliminary drafts and, perhaps, modifies some of the report at the client's suggestion. While some errors may have gone uncorrected because of this (as the company bitterly complained), it seems to have been successful in assuring the integrity of the consultant's findings.

BCF's style was also conducive to gaining objective, informed results. Their approach was a combination of task and people orientation. They were able to

convey their interest in gaining information and opinions of others while maintaining their outsider, objective stance. They refused to be drawn into company politics, although they could not prevent their findings from being used for political gains.

Once the report was issued, top management tried to use it to their best advantage for their own aims. They used the report to justify the hiring of other consultants to show the PSC that they were taking action on the BCF recommendations. To show that they were reducing the management ratio, they fired the 211 managers while at the same time trying to get rid of the executive who had been responsible for implementing the firings. To give the impression that they were doing something to change their management style, they hired consultant ABC supposedly to create changes in the leadership style of managers, while in reality not permitting changes to take place.

Consultant ABC

ABC was brought in as a response to BCF's recommendation for additional management training and a change in the company's management style. Autocratic leadership had been noted as a company problem. It was mentioned at training workshops and had been confirmed in the BCF report. A consequence of the autocratic style was that managers became incapable of independent action because of their exclusion from decision making. The company indicated that it now wished to establish a change in style that would more readily accommodate change. The company also felt that the problem of its style would be increased with the entry of minorities and women who would tend to resist the autocratic methods.

ABC's assignment was to implement an ABC management training workshop on management styles. They set about the task by training and certifying trainers within the company to conduct their program. The workshop also stressed communications, motivation and conflict resolution.

Participation in the workshops was supposed to be restricted to the top five percent of management while in reality those sent to the program were not

necessarily the best performers. The elimination of older employees from the list of the top five percent ran counter to the espoused principles of the new, more democratic style. Failure to participate in the instructor training was also subject to threats and punitive action which was in contradiction to the espoused aim of ABC's teachings.

In addition, ABC's knowledge of behavior was eventually turned into destructive infighting by company employees. On the basis of their new understanding of secondary needs and the behavioral grid, they were able to predict the behavior of one of the Assistant Vice Presidents and to "set him up" to resign by putting him in charge of the reduction of excess management staff. The firing of the managers was done in such a way that it created a backlash; the age discrimination suit was filed; and the Assistant Vice President was convinced to resign. In this way, the advice and knowledge of the consultant about behavior was utilized by the company in internal political warfare.

ABC appeared to be unaware of the abuses which emerged in the implementation of their program and ways in which their theories were being used for purposes directly opposed to their teachings. Their main

concern seemed to be in maintaining the personal relationships they had developed. It was here that they committed one of Reddin's errors--that of becoming emotionally involved with clients and being too concerned with being liked. Their style and approach of extreme people orientation limited their effectiveness. Their personal relationship with one of the trainers restricted the information that they obtained.

When ABC was first brought into the company there was some resistance on the part of trainers to an outside consultant. ABC was able to overcome this resistance by appealing to the staff as professional colleagues. It offered the licensing of the trainers as an enhancement to the trainers' credentials as professionals. This inducement was sufficient to permit the trainers to put aside their critical thinking and to embrace the ABC program without reservations.

Consultant CRY

The fifth consultant to be discussed in the case study was CRY. This consultant did not start out with the image of objectivity since they had a member on the staff who was a relative of a client director.

The presenting problem was that there were no formal systems for reporting or scheduling work. The consultant's assignment was to establish a scheduling system for the construction department. The consultant used the task approach and they were not at all concerned with developing personal relationships. The result was a system for monitoring the time and progress of projects and employees. The system called for forms which were not readily understood. More importantly, the system and the way in which it was developed led to increased feelings of insecurity in a department that was already under stress. Because of this low morale, another consultant (BPA) had to be hired to remedy the morale problem and to implement the CRY system. This is an example of the consultant believing that his responsibility ends with the design of the system and the client not insisting that the implementation be included by contract in the assignment.

There had been no recognition by CRY of the human dimensions implicit in any change. What was seen as a lack of management planning, created what Reddin refers to as "change overload" and left in its wake disappointed and angry employees.

Discussion and Inferences

The final section covers the major theories referred to in this study and the implications of their theories on the consultants in the case study.

Merton spoke of latent functions as the unintended or unrecognized consequences which are observable and objective rather than subjective aims, motives or purposes. This study of latent functions indicates that manifest intentions may be hidden to both the company or the consultant, or may be recognized but unacknowledged. They can be determined in some instances only after a study of intentions and consequences is completed, and usually after the stated (manifest) intentions fail conspicuously. Then the question may be asked: why did we fail? Research at that time may indicate that in the original situation other, hidden intentions were present. These operate in addition to the conflicting intentions and actions, the lack of knowledge and social, economic and political realities that result in the fact that when dealing with human behavior in complex organizations, there are always unexpected events.

Consultant services are measured in terms of their contribution to meeting the goals of the

organization; yet unintended consequences may occur that may be dysfunctional in relation to the stated or manifest organizational goals. It is important, then, to look for the latent problems as well as the presenting problems, and the latent outcome and unintended consequences in addition to the manifest results.

The following chart summarizes the presenting problems, the latent problems, the entry, style, and approach of each consultant and the manifest and latent outcomes of consultancy (see Chart 2).

Baritz's observations on the co-optation and misuses of social scientists has been especially relevant to this study of management consultants. Management, in this organization, appears to have employed the consultants for a number of purposes, including: a) enhancement of company image, b) pacification of internal dissent, c) conformity to social norms, d) enhancement of its power, e) to mollify external agencies such as the PSC and the EEOC, f) to delay action and g) to justify rate increases.

Within this case study we have seen the consultant being employed to present an impression or an illusion, in the way that Schein describes deceptive behavior. Political aims designed to increase the influence of particular executives, or to give the illusion of change when none was made, were seen

CHART 2.

SUMMARY OF FIVE CONSULTANTS IN CLIENT COMPANY

CONSULTANT	PRESENTING PROBLEM	LATENT PROBLEM	ENTRY	STYLE	MANIFEST OUTCOME	LATENT OUTCOME
OAS	Survey opinions of management--find areas of dissatisfaction.	Action by co. in response to complaints of inefficiency in mgmt.	Top Mgmt.	Unknown--brief intervention.	Report on survey--responses submitted to top mgmt.	No action taken on complaints.
FLO	Validate selection criteria for new employees.	Pressure from managers that JOBS employees were unqualified. Pressure from EEOC to hire minorities.	Middle Mgmt.	Task & People	Administrative manual for use of trait system of selection.	Satisfied EEOC requirements Satisfied demands of internal mgrs. about new employees
BCF	Conduct a study of company mgmt. and operations.	PSC directed that consultant be hired to restore public confidence. To justify rate increases.	PSC through top mgmt.	Task & People	Report issued to PSC and top mgmt.	Report used to justify firing 211 mgrs. and to rid co. of executive for political reasons. Report used to justify hiring more consultants. Age discrimination suit filed.

CHART 2.
SUMMARY OF FIVE CONSULTANTS IN CLIENT COMPANY
(Continued)

CONSULTANT	PRESENTING PROBLEM	LATENT PROBLEM	ENTRY	STYLE	MANIFEST OUTCOME	LATENT OUTCOME
ABC	Implement leadership training Train company trainers.	Pressure from PSC to implement BCF recommendation for new mgmt. style.	Middle mgmt. via personal relationship.	People	Conducted workshops and gave instructor training.	Top mgmt. got list of top 5% in mgmt. and identified bottom 5%. Opportunity for complying with BCF recommendation for more mgmt. development No change in mgmt. style. EEO suit filed.
CRY	No scheduling or reporting system.	Pressure to implement BCF recommendation to develop system.	Middle mgmt. with sanction of top.	Task	Developed a scheduling system.	Overload in implementation. Hostility & low morale in dept. Necessary to call another consultant to implement system.

frequently in the use of consultants or the knowledge acquired from them.

Baritz regarded the social scientists as having compromised their professional standards by allowing management to use them in such a fashion. Little effort seems to be directed toward using the social science knowledge for the betterment of the workers, although management claims to be trying to do so.

Some of the ways in which the consultant or social scientist may be co-opted were illustrated in the case study. OAS was used to enhance the company's image and to give managers the impression that top management was interested in their attitudes. FLO was brought in to pacify supervisors and employees who complained about the quality of new employees and to indicate compliance with the external norms created by affirmative action. Consultant BCF was hired at the direction of external forces, specifically the Public Service Commission. They were used to help enhance the company image for the public and private investors since they had an international reputation for improving management. External norms required greater efficiency and better use of personnel. Their findings, however, were used by company officials for personal and political reasons. ABC was also hired to mollify external agency requirements for change.

Their program was undertaken to reduce internal friction from complaints about autocratic and military management style. The knowledge learned about behavior was used by top management to increase its political control and to present the image that they were changing the company's management style, while using autocratic methods against dissenters. Lastly, consultant CRY was hired to show the Public Service Commission that the company was responding to the BCF recommendation and to show the public that the company was becoming more efficient.

In conclusion, it can be seen that the rapid rate of change that is occurring both in the technical and management aspects of the organization, and the changes in the environment affecting the organization, insure the continued need for management consultants. Consultants bring their specialized knowledge, techniques, information and training to a company which has been gained from their industry-wide experience. They are also supposed to bring, at least initially, an objectivity, critical analytic thinking, or the semblance of neutrality to company issues.

Since the presenting problem and consulting assignment form the basis of the consultant's work in the organization, their definition is extremely important.

The examination of five management consultants who were engaged by a utility has shown that the executives of the company, who defined the problem and the assignment, did not articulate the latent, underlying problems to the consultant. In some cases this may have been because they were not apparent to the company or, in other cases, they were disguised from the consultant for political reasons; i.e., they served the function of personal power acquisition or work-related power acquisition and could not become overt.

In this case study, the consultants employed by the client had as their strategy the acceptance of the presenting problem as given by management and they confined themselves to it. This was illustrated by both OAS and CRY who did only as much, or as little, as management requested. Once the assignment had been accepted, it seems that the consultants were not able to ascertain information beyond the assignment because they limited their exposure within the organization by their entry through one part of the company, by their desire to avoid conflict between factions within the company, and by their desire to continue the relationship with the company in the future. Above all, it seems that the consultants did not perceive or anticipate underlying, latent problems or consequences of their actions and assessments.

All of the consultants were able to produce from their own perspective a positive manifest outcome; that is, they completed their assignment. Few, however, were aware of the unanticipated consequences of their consultancy. The client company itself was often not aware of the effects which came about unintentionally as a result of the consultant's presence.

These examples of co-optation seem to be inadvertent rather than deliberate on the part of the consultant and, at times, on the part of the company. Many of the consultants seem to have committed the error of creating change overload, i.e., introducing more change than the organization was willing or able to handle. Reddin emphasized that a rigid system, such as this company, can undermine any changes that are introduced. Brief interventions such as the OAS survey are particularly likely to have little direct impact.

The evidence from this company's use of consultants substantiated Ganesh's observation that entry through top management is necessary in order to have the possibility of making organization-wide changes. When personnel and training consultants enter through middle management, they have little likelihood of succeeding. The wrong type of entry can also lead to what Reddin calls inappropriate attachment--being

confined to one part of the organization rather than forming connections throughout. This was exemplified by CRY because by entering through top management they failed to get information from other levels, and by ABC who entered through a personal relationship with an employee.

Since the way that the consultant goes about doing the assignment is an important factor in determining the outcome, the consultant's style and approach should be a consideration when selecting a consultant for particular problems in a company. The consultants in the case study used a variety of approaches, from the most people-oriented to the extreme task orientation. In some cases, such as CRY, the style of the consultant actually created a climate of hostility toward consultants in general and toward the CRY system in particular. It seems that the approaches that combine the elements of both people and task orientation may be the most effective.

As a result of the work of the five consultants who have been described in the case study, it can be seen that:

1. The final recommendations or implementation of the consultant have had far-reaching effects which were not those necessarily intended by either the

consultant or the company. In some cases, the findings of the consultant were used in ways that were totally contradictory to the social science theories espoused (e.g., ABC's participative leadership program).

2. The presentation of findings coincided with the stated, manifest problem which was given to the consultant; yet they still created a new series of problems and aggravated some existing problems.

The organization as a high-slack environment has contributed to the misuse of the consultants' knowledge and findings in that there is ample time for political behavior within the organization and additional opportunity for the consultant to be drawn into factional intrigue. Overall, it can be seen that the consultants had little or no impact on changing the organization.

In the future, it would be interesting to study other organizations to determine if these trends in the relationship between management consultants and clients would prevail in other companies.

APPENDIX A

"THE TRAIT APPROACH" - CONSULTANT FLO

THE TRAIT APPROACH - CONSULTANT FLO

The following are excerpts from the "Administrative Manual."

The possession of traits can be characterized as common, unique or compensatory.

Common trait. A trait is common when it is possessed in at least some strengths by nearly all (90%) of employable persons. In most sections of the United States the ability to speak conversational English is a common trait. Vision, hearing and general personal hygiene are other common traits.

Unique trait. A trait is unique when it is possessed in strength by only some employable persons. Typing skill is a unique trait; so are certain degrees of manual dexterity, knowledge of the sciences, adaptability to unpleasant conditions.

Compensatory trait. A compensatory trait is a unique trait that helps to offset a low level or degree of another unique trait. Adaptability to highly repetitive work can compensate for a lack of skill or mental ability. High levels of dependability or cooperativeness are traits that can compensate for weakness in planning or decision making.

Basically, therefore, the program identifies those specific traits that are so common or so irrelevant to job function that they can be safely excluded from the selection process.

Trait Identification

The next important task in the analysis of a job for the purposes of identifying the traits necessary to perform it effectively is to identify and define human traits. How many are there? How can they be defined? Frankly, the number of human traits that one can describe, given the definition of a trait set forth above, is virtually limitless. The number to apply to job performance, therefore, will depend on the degree of precision desired. The more traits to be identified, the more time consuming will be the task of job analysis; the fewer the traits, the less precise the analysis becomes.

Here, therefore, a compromise was struck between precision and practicality to identify 33 traits, grouped under 5 major classes of individual differences. Admittedly, this classification is arbitrary and the traits do overlap. This is inevitable because it is impossible to segregate human behavior into discrete, mutually exclusive compartments. When a human being acts his whole being acts together. In so doing he brings all his characteristics together in one unified effort.

Individual Differences

To maximize selection decisions, we must know the nature, the extent, and the significance of the ways in which people differ. For clarity we have chosen to group these differences into five classifications: Physical, Mental, Learned, Motivational, and Social. Each major classification has been sub-divided into a number of traits which are defined in detail in the Trait Specification section of this Manual.

1. Physical Differences. Obviously people differ in such physical characteristics as height, weight, sex, age, and outward appearance. In this category are included such innate traits as strength, vision, hearing and muscular coordination that constitute the person's physiological system. The traits included in this category are: Strength, Stamina, Agility, Vision and Hearing,

2. Mental Differences. People differ in mental capacity, in individual ability to learn specific skills as typing and piano playing, in problem solving and in such other processes as memory, discrimination and abstraction. Mental traits include such innate traits as memory, understanding and reasoning that constitute the person's cognitive system. The traits included in the category are: Perception, Concentration, Memory,

Comprehension, Problem-Solving and Creativity.

3. Learned Differences. People differ in environmental experiences that lead to the acquisition of specific information and skills. This category includes such acquired traits as verbal comprehension, craft knowledge and skill that are the result of a person's education and experience. The learned traits include Numerical Expression, Oral Expression, Written Expression, Planning, Decision-making, Craft Knowledge and Craft Skills.

4. Motivational Differences. People differ in their behavioral norms, values and temperaments and in their convictions about what does and does not constitute good conduct; they also differ in their emotional reactions to events in their environment. This category includes those innate and acquired traits that are associated with adaptability to working conditions and to effective impulse control. The traits included under this heading are Adaptability to Change, Repetition, Pressure, Isolation, Discomfort, and Hazards; and Self-Control with respect to Dependability, Perseverance, Initiative, Integrity and Aspirations.

5. Social Traits. Finally, people differ in their ability to relate to and maintain effective relationships

with other people. This category includes those innate and acquired traits that are associated with interpersonal competence. The specific traits included in this category are Personal Appearance, Tolerance, Influence and Cooperation.

Trait Level

We can imagine that every trait constitutes a continuum extending from very simple to very complex or intense human ability, adaptability or control. The trait, Agility, for example, ranges from the very gross coordination of arms and legs to highly specialized finger, arm and body control. The trait Adaptability-Pressure, ranges from adaptability to minimally stressful work conditions to critical life and death situations.

Thus a trait level refers to a particular zone on this trait continuum of complexity and intensity. Each of the 33 traits continua has been divided into at least 3 zones. The simplest, least intense zone is called level 0. When the complexity of a trait is above level 0 (common trait), it is referred to as unique . . . each trait continua above level 0 has been divided into three unique zones. Since the trait Numerical Expression, for example, can range from simple addition and subtraction to involved computation of

algebraic questions, it is practical to divide it into 3 discrete and unique zones, called levels 1, 2 and 3.

Degree

Within each trait level, it is also possible to imagine differences in the proficiency with which the trait is manifested. Within level 1 of Numerical Expression, for example, there are varying degrees of proficiency in addition, subtraction, and multiplication. Proficiency usually refers to the speed and accuracy with which a task is performed. For some traits and trait levels degree of proficiency makes a distinct difference in job performance. For others it does not

Threshold Points

A threshold point is a point either on the trait continuum separating levels or on a degree line within a level, separating barely acceptable from superior performance.

In summary, then, this method consists of the task of determining the traits relevant to the satisfactory performance of essential job functions and ascertaining the threshold points that define barely acceptable and superior job performance.

APPENDIX B

"IDENTIFYING UNIQUE TRAITS AND LEVELS" - CONSULTANT FLO

"IDENTIFYING UNIQUE TRAITS AND LEVELS" - CONSULTANT FLO

The following are excerpts from the Administrative Manual, Chapter 3, "Identifying Unique Traits and Levels."

Step One - Determining Relevancy

A trait is relevant if it is both significant and unique. Significance refers to the importance of the trait to perform some essential job functions. Uniqueness refers to the level of the trait and its possession by only some employable people.

Step Two - Determining Barely Acceptable Trait Levels

In this step the idea is to determine the lowest practical level of the trait that is necessary for barely acceptable performance of job function. It is important, here, not to confuse level of complexity with degree of proficiency or adaptability.

In determining the appropriate level, it is also necessary to consider its practicality in terms of the labor market and the salary range of the position. An Analyst may, for example, decide that for barely acceptable performance a clerical job requires a knowledge of statistics and higher mathematics. But, if the job only pays the general community rate for clerical jobs, the Analyst cannot reasonably expect to attract many applicants with that level of numerical ability.

Thus to determine the appropriate level of a trait for a particular job, the Analyst must consider not only what is necessary in terms of job function but also what is practical to expect in terms of the labor market. If, as a result of Step Two, the employer or supervisor finds that his needs and his expectations are incompatible, he must consider other solutions to his problem. He can institute a remedial training program to teach new employees the skills required. Or he can revise the job to eliminate the job function that requires the trait level; or he can change his salary scale to attract applicants with the necessary traits.

Step 3 - Determining Superior Trait Levels

Excellence in job performance is marked by distinctly higher degrees of proficiency, adaptability or self-control. But, for many jobs, there is no superior trait level. When a superior level of a trait is required in a position it normally becomes a higher level position.

But sometimes a few job incumbents may possess a higher level of a trait that marks their performance as excellent. For example, for barely acceptable performance in a clerical position the ability to add,

subtract, and multiply may be sufficient. But some tasks in that class of positions may require ability to do percentages and fractions. These tasks are performed by superior employees in that class of positions. To look for this level of skill in every position incumbent would be too demanding but it can help the unit's effectiveness if some incumbents possess this higher level of arithmetic ability.

APPENDIX C

"DETERMINING TRAIT MEASURES" - CONSULTANT FLO

"DETERMINING TRAIT MEASURES" - CONSULTANT FLO

The following are excerpts from Chapter 4 of the Administrative Manual.

Self-Report Measures

The most obvious source of information about a person is the person himself. Only he can tell about his inner feelings, his likes and dislikes, and the details of his life experience. Naturally this source of information is invaluable but it can also be unreliable. Through self-deception or deliberate distortion an individual may convey erroneous information. Therefore, self-report information must be treated very cautiously and subjected to confirmation by direct observation or by behavioral samples whenever possible.

But what a person has done in the past is a very good indicator not only of his basic abilities and attitudes but of his future patterns of behavior. To make systematic inquiry into past behavior it is useful to classify life history information into five categories: personal, social, career, training and work.

Personal data. This category includes information about a person's health characteristics - age, sex, physical appearance, health, height, weight, mental ability, residency, and citizenship.

Social data. This category includes information about a person's relationships with other people - his marital status, dependents, family history, leisure activities, hobbies and avocations, and his community interests.

Career data. This category includes information about a person's career progress and goals - his position and salary progress, level of aspirations, job preferences, attendance, punctuality and reasons for leaving previous position.

Training data. This category includes information about a person's formal education and training - his specific courses of study, scholastic achievement, grades, class standing, extracurricular activities, relationships with teachers, intellectual achievements (honors, awards and fellowships), and physical achievements (individual, intramural and varsity sports).

Self-report is the principal source of information about such common traits as attendance and punctuality, respect for authority, rules and order, honesty, sobriety and respectability of personal life. It is also the principal source of information about such unique motivational traits as Adaptability, Discomfort, Hazards and Dependability and Integrity.

Self-report information can be obtained in one of three ways: the Biographical Information Blank, the

Self-Report Questionnaire or the Interview.

The Biographical Information Blank (Application Blank). The biographical information blank is a systematic way of ordering factual life history information about an applicant to facilitate comparison with job standards and with other people. While apparently quite simple, the design of an application blank is rather difficult. It must include information that is relevant to the trait deemed to be important for effective job performance and it must exclude information that is unnecessary to consider a person's qualifications for a position. . . .

The Self-Report Questionnaire. Another way to obtain information about a person's traits is to ask him to complete a standardized questionnaire containing statements about his interests, habits and preferences. While such an inventory is really a written interview, the content, scoring procedures and interpretive guides are so highly standardized that it is usually referred to as a "personality test."

There are two types of self-report questionnaires.

1. Occupational interest inventories that describe a person's attitudes toward certain occupations.

2. Attitude and temperament inventories, that describe a person's motivational system, that is, his attitudes, drives, and expressive tendencies.

Since a Self-Report questionnaire is usually fable, it can never constitute a principal source of information about a person's traits. It is quite useful, however, as a supplemental source.

The Interview. Another way to obtain information about a person is simply to talk to him. When we converse with a person for the purpose of deciding whether he possesses the qualifications necessary to perform a given job effectively, however, we are doing more than simply conversing. We are interviewing. Conducting an effective interview is a highly complex process that requires careful training and a well-designed plan. . . .

As a source of information the selection interview has two functions:

1. It enables the applicant for a position to give information about himself to the interviewer. As such, therefore, it constitutes a self-report measurement.

2. It also enables the interviewer to observe certain aspects of the applicant's behavior. In this fashion it serves as a direct observation measurement device.

Direct Observation Measures. Some traits are measured best by direct observation of an applicant's behavior. Personal appearance and Oral expression are two such traits that really only can be evaluated effectively in this way. Moreover, there are such other traits as Creativity that are judged best by directly examining some product of the applicant's talent for other traits, such as Integrity. The applicant's qualifications can be evaluated best by reference to independent records or the observations of other people. . . .

There are three ways of obtaining information by direct observation:

1. The interview. As we have already indicated, the interview is a measurement device for directly observing certain aspects of an applicant's behavior.

2. Verification. Verification is a process of establishing the possession of certain traits by observing directly some product or piece of work that an applicant has done in the past or by asking other people who know him well to tell you about the applicant. Usually, verification techniques are used to confirm information already obtained about an applicant by self-report.

3. Physical examination. To ascertain an applicant's physical traits, the principal sources of information are either an examination by a physician or the performance of physical exercises. The former is a direct observation measure; the latter is a work sample exercise.

Work samples. Probably the most accurate way of measuring the possession of a trait is by sampling an applicant's behavior under controlled conditions. Because the sample is truly representative of a particular job function and the result is independent of the observer or measurer, the behavioral sample is the most reliable and accurate indicator of the possession of a trait. . . .

Behavioral samples constitute the principal measures of all the unique physical traits, all the mental traits except Creativity and all the learned traits.

There are three ways of obtaining trait information through behavioral samples.

1. Physical examination
2. Written exercises.
3. Performance exercises.

APPENDIX D
TRAIT SPECIFICATION" - CONSULTANT FLO

TRAIT SPECIFICATION

No. 3 Area: Physical Task: BODILY ACTIVITY
 Definitions

Function: The job requires the manipulation and control of bodily activities, quick reaction to signals and other bodily stimuli; finger, hand, arm or foot manipulation; eye/hand, eye/foot, ear/hand/foot coordination; or highly skilled bodily balance.

Levels: Refer to the complexity of the bodily activity required.

Degrees: Speed and accuracy.

Level Tasks are limited to fairly gross bodily
 0 coordination and manipulation as in walking, lifting boxes, using hand tools such as shovel, pick, sledge hammer, or crow-bar.

Typical
 Jobs: General laborer, longshoreman, packer, warehouse worker, clerk, porter, sky-cap, waiter, bookkeeper.

Level Tasks involve eye/hand/foot coordination
 1 as in operating an automobile, drill press, or office equipment, some finger dexterity and/or reaction speed.

Typical
 Jobs: Bus operator, chauffeur, drill press operator, typist, secretary, comptometer operator, automotive mechanic, T.V. repairman.

TRAIT SPECIFICATION

No. 3	Area: Physical	Task: BODILY ACTIVITY
	Definitions	
Function:	The job requires the manipulation and control of bodily activities, quick reaction to signals and other bodily stimuli; finger, hand, arm or foot manipulation; eye/hand, eye/foot, ear/hand/foot coordination; or highly skilled bodily balance.	
Levels:	Refer to the complexity of the bodily activity required.	
Degrees:	Speed and accuracy.	
Level 0	Tasks are limited to fairly gross bodily coordination and manipulation as in walking, lifting boxes, using hand tools such as shovel, pick, sledge hammer, or crow-bar.	
Typical Jobs:	General laborer, longshoreman, packer, warehouse worker, clerk, porter, sky-cap, waiter, bookkeeper.	
Level 1	Tasks involve eye/hand/foot coordination as in operating an automobile, drill press, or office equipment, some finger dexterity and/or reaction speed.	
Typical Jobs:	Bus operator, chauffeur, drill press operator, typist, secretary, comptometer operator, automotive mechanic, T.V. repairman.	
Level 2	Tasks involve highly skilled finger dexterity for very precise work as in fine assembly, playing musical instruments, needle work, art.	
Typical Jobs:	Commercial artist, watchmaker, dentist, wood carver, laboratory technician, jeweler.	
Level 3	Tasks involve highly skilled body coordination and balance or unusually delicate finger or eye/hand/foot coordination.	
Typical Jobs:	Professional athlete, acrobat, ballet dancer, surgeon.	

TRAIT: AGILITY (Dexterity)

Definition: Ability to react quickly to stimuli and/or dexterity and coordination of fingers, hands, arms, feet.

L	0	Possesses fairly gross coordination and dexterity.
E	1	Has eye/hand or foot coordination of both hands
V		and can react quickly to stimuli.
E	2	Can manipulate fingers, hands for precise work.
L	3	Has highly coordinated finger and body control
		and/or balance.

MEASUREMENT TECHNIQUES

P R I N C I P A L	Self	None	
	Report		
	Direct		/// Phys. Exam.
	Observation	Standard medical examination by licensed physician.	
	Work		/// Perform. Exer.
	Sample	Work sample involving job related activity. Commercial tests: Bennett Hand-Tool Dexterity, Crawford Small Parts, Stromberg Dexterity, etc.	

S U P P L E M E N T A L	Self	/// Application Blank
	Report	Personal and social life, educational/work experience produce evidence of satisfactory performance in situations requiring trait
	Direct	None
	Report	
	Work	None
	Sample	

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