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ABSTRACT
        Staff members of the Division of Vocational-Technical
Education and teacher educators attended a 4-day conference for the
purpose of exploring the applicability of the management by
objectives (MBO) process to vocational education. Conference
presentations included: (1) "What Is Already Happening as Part of
MBO?" by W. Russell Smith, (2) "Personal Job Objectives" by C.
Kenneth Tanner, (3) "State Objectives and Priorities" by William M.
Harrison, (4) "Management by Objectives" by Darrell L. Parks, (5)
"Industrial Management" by Harold J. Black, (6) "MBO at the
Institutional Level" by Charlie M. Dunn, and (7) "Where Do We Go From
Here?" by Darrell L. Parks. Also included is an evaluation of the
conference by the approximately 100 participants. (JS)

ED 064494

MANAGEMENT
BY OBJECTIVES
CONFERENCE
REPORT

мВо

MANAGEMENT BY OBJECTIVES

TENNESSEE STATE BOARD FOR VOCATIONAL EDUCATION

DIVISION OF VOCATIONAL-TECHNICAL EDUCATION

STATEWIDE CONFERENCE

ON

MANAGEMENT BY OBJECTIVES

For the Staff

Division of Vocational-Technical Education
and
The Teacher Educators of the State of Tennessee

Sponsored By:

THE DIVISION OF VOCATIONAL-TECHNICAL EDUCATION

Coordinated By:

THE TENNESSEE RESEARCH COORDINATING UNIT
UNIVERSITY OF TENNESSEE COLLEGE OF EDUCATION

MONTGOMERY BELL STATE PARK
DICKSON, TENNESSEE
November 8-11, 1971

PREFACE

As part of the Education Personnel Development program for the State of Tennessee, this conference on the concept of Management by Objectives brought together the state staff of the Division of Vocational-Technical Education and the teacher educators for the common purpose of exploration of the process of management by objectives and its applicability to all fields of vocational education.

The specific need which prompted this training in management by objectives for the participants is one that is not unique to the State of Tennessee. There exists a need to explore a redirection or restructuring of the management process in all phases of government or any large organization such as the university to make the agency more responsive to the needs of the people it serves.

Warmest gratitude is expressed to all who participated in the conference with special thanks to the staff of The Research Coordinating Unit for all of the assistance prior to, during, and following the conference.

Ronald L. Hubright, Coordinator
Education Personnel Development

Russell Smith, Director of
Research, Division of Vocational-
Technical Education

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THE CONFERENCE

Montgomery Bell State Park was the site of the conference held on November 8-11, 1971. Approximately one hundred participants representing the Nashville office, regional offices, and the teacher educators attended all of the sessions including a fine banquet with Commissioner E. C. Stimbert as the speaker. The conference was presided over by Mr. Ronald L. Hubright, Coordinator, Education Personnel Development. Following an explanation of the purposes and objectives of the conference, the first keynote speech was given by Mr. Russell Smith, Director of Research, Division of Vocational-Technical Education.

Dr. C. Kenneth Tanner, Assistant Professor, Department of Educational Administration and Supervision, The University of Tennessee was the second speaker. Dr. Tanner's topics were "Personal Job Objectives" and "MBO: An Overview."

Following Dr. Tanner, Mr. H. D. Jared, Coordinator of Field Services, Division of Vocational-Technical Education, presented a discussion of the legislation regarding vocational-technical education.

The final speaker for the first day of the conference was Mr. William M. Harrison, Assistant Commissioner of Vocational-Technical Education, who spoke to the participants on the topic "Statewide Objectives and Priorities."

The second morning of the conference started with an address by

Dr. Darrell Parks, Director of the Division of Planning and Evaluation,

State Department of Education, Columbus, Ohio. Dr. Parks spoke to

the group on the topic "Management By Objectives."

The next speaker was Mr. Harold J. Black, Vice-President of

Engineering and Development, Avco Aerostructure Division. Mr. Black

gave an interesting presentation on the MBO concept as used in

industry.

The final speaker on Tuesday was the former Assistant Commissioner

for Vocational-Technical Education now the Dean of Instruction at

Nashville Technical Institute, Mr. Charlie M. Dunn. Mr. Dunn spoke

on the topic "MBO at the Institutional Level."

Wednesday morning's opening address was given by Mr. Joseph

Malinski, Assistant Superintendent, Suburban Hennetin County Area

Vocational-Technical School, Minneapolis, Minnesota. Mr. Malinski

spoke on the topic "The Tools of the MBO Process."

Dr. Tanner returned to the speaker's stand and spoke to the

participants on "Writing Performance Objectives and Developing Job

Descriptions."

Wednesday afternoon was highlighted by a panel consisting of

members of the field of Teacher Education. The panel of Teacher Educa-

tors was moderated by Dr. George Weigers, Department Head, Agricultural

Education, The University of Tennessee. Dr. Weigers and the panel

spoke on the topic "MBO as Viewed by Teacher Educators."

Thursday morning's exit session consisted of a second presentation by Dr. Parks whose topic was "Where Do We Go From Here?"

Interwoven throughout the four days of the conference were numerous small group sessions where the participants had a chance to discuss the presentations and to try their skill at writing objectives, job descriptions and responsibilities.

CONFERENCE OBJECTIVES

1. To assist the State Division of Vocational-Technical Education to move toward staff familiarity with and ability to apply the process of management by objectives.

2. To define individual responsibilities and functions within the State Division of Vocational-Technical Education.

3. To state individual responsibilities and functions in performance terms.

4. To attempt to determine techniques of organizational restructuring which will enhance the ability of participating individuals to perform given responsibilities and functions.

The conference objectives, in the opinion of the conference planners, were for the most part reached. The participants did become familiar with the concept of Management by Objectives. Individual job descriptions were partially developed by each of the participants. The success of the followup meetings that resulted from interest generated at this conference strengthened the thought that the original conference met its objectives.

CONFERENCE EVALUATION

The following comments represent the thinking of the majority of the participants in their response to the evaluation questions:

1. What were the strengths of the conference?

   1. Small group work sessions were effective.

   2. Effective planning was done well in advance. The conference was organized in a manner to insure participation.

   3. Secretarial efficiency kept the conference running smoothly.

   4. The facilities were an excellent setting for a conference.

   5. The food and fellowship were good.

   6. Work sheets and feedback were effective.

2. What were the weaknesses of the conference?

   1. There was a lack of time to discuss in small groups and for in-depth study; i.e., too much too fast.

   2. Duration of the conference could have been shortened—one day too long.

   3. Visual aids were not adequate.

   4. Small groups needed to be smaller—not over 12 in each group.

   5. The British film, "Defining the Manager's Role", was of very little value.

3. What are some ways of improving the conference?

   1. Provide in advance reference materials on MBO which can be studied prior to the conference.

   2. There should be more involvement of individuals; provisions should be made for individual groups to share some of their work with the total group.

   3. Give more planned time for work and interaction on writing objectives.

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4. Give time to work by regions on problems pertaining to the individual areas.

5. Make available more handout materials summarizing MBO and emphasizing MBO in line with individual jobs.

4. Do you believe MBO can be installed in VTE in Tennessee?

YES: 73

NO: 1

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APPENDICES

APPENDIX A

AGENDA
VOCATIONAL-TECHNICAL EDUCATION
SUPERVISORY AND TEACHER EDUCATION STAFF CONFERENCE
MONTGOMERY BELL STATE PARK
Dickson, Tennessee
November 8-11, 1971

Monday, November 8, 1971

11:00 - 1:00 p.m.	Registration, coffee, coke, snacks
1:00 - 1:20 p.m.	Introduction, welcome, purpose of conference
	Mr. Ronald Hubright
1:20 - 1:30 p.m.	*What is Already Happening as Part of MBO?*
	Mr. Russell Smith
1:30 - 1:50 p.m.	*Personal Job Objectives*
	Dr. C. Kenneth Tanner
1:50 - 2:15 p.m.	*MBO: An Overview*
	Dr. C. Kenneth Tanner
2:15 - 2:30 p.m.	*A Review of State and Federal Regulations*
	Mr. David Jared
2:30 - 2:45 p.m.	Break
2:45 - 3:15 p.m.	*State Objectives and Priorities*
	Mr. William Harrison
3:15 - 3:50 p.m.	Film: "Defining the Manager's Role"
3:50 - 4:30 p.m.	Statewide Priorities and Objectives

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Tuesday, November 9, 1971

8:30 - 9:30 a.m.	Feedback on State Objectives (small group by section)	
9:30 - 10:30 a.m.	*Management By Objectives*	
	Dr. Darrell Parks	
10:30 - 10:45 a.m.	Break	
10:45 - 11:30 a m.	*Industrial Management*	
	Mr. Harold J. Black	
11:30 - 1:00 p.m.	Lunch	
1:00 - 1:30 p.m	Feedback on State Rankings	
1:30 - 2:45 p.m.	Section objectives (small group by section)	
2:45 - 3:00 p.m.	Break	
3:00 - 4:00 p.m.	*MBO at the Institutional Level*	
	Mr. Charles Dunn	

Wednesday, November 10, 1971

8:30 - 9:00 a.m.	Feedback section objectives	
9:00 - 10:00 a.m.	*The Tools of the MBO Process*	
	Mr. Joseph Malinski	
10:00 - 10:15 a.m.	Break	
10:15 - 10:45 a.m.	Film: "Colt - A Case History"	
10:45 - 11:30 a.m.	Writing Performance Objectives and Developing Job Descriptions	
	Dr. C. Kenneth Tanner	
11:30 - 1:00 p.m.	Lunch	

1:00 - 2:15 p.m.	Panel Discussion: MBO as Viewed by Teacher Educators
	Dr. George Wiegers
2:15 - 4:00 p.m.	Personal Performance, objective development, job description (small group by section)
6:00	Banquet
	Master of Ceremonies: Mr. Ed B. Hudgens
	Speaker: Commissioner E. C. Stimbert

Thursday, November 11, 1971

8:30 - 10:30 a.m.	Refine position description and performance objectives (small group by section)
10:30 - 10:45 a.m.	Break
10:45 - 11:30 a.m.	*Where Do We Go From Here?*
	Dr. Darrell Parks
11:30 - 12:00 p.m.	Concluding remarks
	Mr. Ronald Hubright

CONFERENCE PLANNING COMMITTEE

Mr. Ed B. Hudgens
Coordinator, Program Services
Division of Vocational Education
Nashville, Tennessee

Dr. George Wiegers
Department Head, Agricultural Education
The University of Tennessee
Knoxville, Tennessee

Dr. C. Kenneth Tanner
Professor, Department of Educational
  Administration and Supervision
The University of Tennessee
Knoxville, Tennessee

Mr. Russell Smith
Supervisor of Research
Division of Vocational Education
Nashville, Tennessee

Mr. Ronald Hubright
Coordinator, Educational Professions
  Development
The University of Tennessee
Knoxville, Tennessee

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APPENDIX B

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WHAT IS ALREADY HAPPENING AS PART OF MBO?

W. Russell Smith
Director of Research
Division of Vocational-Technical Education
Nashville

Speech Presented at the
MBO Conference

November 8-11, 1971
Montgomery Bell State Park
Tennessee

WHAT IS ALREADY HAPPENING AS PART OF MBO?

For the past several months, some of my fellow staff members have often asked the question, "What is Management by Objectives and what are we going to be doing at the staff conference?" In most cases, my answer has been, "Let's wait until the conference begins and we'll find out together," because at that time I didn't know enough about MBO to give an adequate answer.

Having been involved in the planning of this conference, I have picked up bits and pieces of what Management by Objectives is all about; at least, enough basic knowledge of the subject to realize that as a group, we are not exactly starting from point zero. We have several individuals on the staff who have already attended meetings sponsored by other educational groups on MBO. In addition, several members from the staff were exposed to Dr. Robert Mager at a workshop in Chattanooga this past summer. I'm sure that most of you are familiar with Dr. Mager's writings and leadership in the field of using objectives in planning, teaching, and administration.

To the teacher educators, especially those from the University of Tennessee, it is my understanding that Dr. Boling is extremely interested in the MBO concept. So, if you haven't been officially exposed prior to this workshop, this week should provide a great opportunity to learn the basic idea to carry back and put into practice if you so desire.

I want to give two examples this afternoon of what I have observed from the State office in Nashville, which I have come to recognize as Management by Objectives. The first example is the use of our individual

planning calendars. Some of you may be thinking: "So, what else is new? Everyone uses a planning calendar." But are they all synchronized into a master calendar? This is the idea for the new plan.

In the past when we tried to plan a meeting or some event that might include several groups from different parts of the state, it was difficult to settle on a date that did not later turn out to interfere with some other event already planned. Now through the use of each section of the state staff maintaining a planning calendar composed of each individual's immediate and long-range planned meetings over the next twelve months and combining all of these into a master calendar that will be maintained in the central administrative office, the interference factor can be kept to a very minimum. These section calendars, of course, will need constant up-dating in order for the master calendar to stay effective.

What does this system help to bring about? Better communications! Better communications, of course, should be near the top of everyone's list for better management. I am reminded at this point of my army days, and I'm sure a lot of you will agree, when a meeting or formation was being held and someone would come running up late minus half of his equipment or books, someone would always make the remark, "Well, old so-and-so didn't get the word." This was always a favorite comment. I trust that through better communications everyone on the staff will be able to "get the word."

On the second point, I will comment a little further and that is the establishment of an official Communications Committee which was formed

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several months ago. Now, I have had a little difficulty in finding out very much about what is going on in these committee meetings. They have had several closed-door meetings and, upon passing the door when someone came out, I have noticed Mr. John Carney, Mr. Bobby Derryberry, Mr. Bill Coley, and Mr. Henry Kennon real busy writing and discussing their proposed plans for better communications. We will all be looking forward to their suggestions when they are released and I'm sure we can use them for more effective and efficient communications.

These are several of the things that have taken place; I'm sure there are others and as we become involved in our working groups this week, I am sure that a lot of you will think of things that you are doing back in your own group, so in this way we can make use of all the best ideas in management in order to achieve our common goal.

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APPENDIX C

PERSONAL JOB OBJECTIVES

Dr. C. Kenneth Tanner
Associate Professor
Department of Educational Administration
and Supervision
University of Tennessee
Knoxville

Speech Presented at the
MBO Conference

November 8-11, 1971
Montgomery Bell State Park
Tennessee

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MBO: AN OVERVIEW

What is Educational MBO? I contend that this is a procedure to help us perform our jobs in a way that is better than our present mode of operation. Educational MBO tells us where we should be, how much we should do, and lets us know when we have done a good job or vice versa. This procedure allows us to compare what we said we could do with what we did. It permits us to raise our goals if they are too low; and on the other hand, it allows us to lower our expectations for a given job. Educational MBO allows us to be in on setting organizational objectives; it permits us the opportunity to sit down with our immediate superior and develop an understanding of what he expects of us while allowing us the chance to tell him how we view our responsibilities to the total organization.

In short, Educational MBO provides a joint effort for superior and subordinate to fix general, as well as specific job performance objectives. The procedure allows for short and long-range planning with built-in points for readjustment of objectives and job expectations.

Who manages what? Every person in the organization has the responsibility for managing by performing a set of functions that relate to problems within and without the organization. Thus, when you think of your functions in terms of what is expected of your position, you are on the road to Educational MBO. You have in mind some results that you wish to achieve, and to achieve these results, you must manage people, material, and financial resources.

Overlay "Measurement of Achievement." (Table 1) This overlay is a simple outline of what takes place when the manager wishes to assess the "managee". Notice that the manager and managee have previously decided what they wished to achieve in a given time. That is, time is defined in terms of long-range (0-10 years) and short range (0-5 years) objectives. When the day of reckoning comes, the comparison of what the managee actually did is made with what the manager and "managee" together said he (the managee--you) would do. Of course, this is a simple illustration, but it should place in perspective the kind of job performance evaluation that is needed in this developing concept of Educational MBO. One good point about this evaluation procedure is that the person who is being evaluated knows what he is being evaluated on. There is little opportunity to get personal feelings tangled with the objectivity of the evaluation, since the manager and the "managee" know in advance what was expected. How do the long-range objectives fit into the Tennessee Vocational-Technical organization chart?

Overlay entitled "Ongoing Operation Where MBO is to be Installed." (Figure 1) As pointed out earlier, the objectives and job performance standards are worked out between manager and "managee." This relationship is shown in the overlay where each level is managed by the level above it. In this specific relationship, at certain times a manager is in fact a "managee." That is, one individual can wear "two" hats--depending on where he is at a certain time.

How will the general objectives be formulated? (Overlay of Worksheet #2; Table 2.) Following the presentation on state objectives and priorities

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TABLE 1

MEASUREMENT OF ACHIEVEMENT

OBJECTIVES   RESULTS

a- Long Range
    i- General   Actual
    ii- Job Performance   Achievement
                                                        Compared to
b- Short Range   the Standard
    i- General   (ideal)
    ii- Job Performance

FIGURE 1

ONGOING OPERATION WHERE MBO IS TO BE INSTALLED

LEVEL	ORGANIZATION[a]	OBJECTIVES	
0	TOTAL	GENERAL	
1	[ASSISTANT COMMISSIONER]	i-	GENERAL
		ii-	JOB PERFORMANCE
2	[COORDINATORS]	i-	GENERAL
		ii-	JOB PERFORMANCE
3	[DIRECTORS]	i-	GENERAL
		ii-	JOB PERFORMANCE
4	[SUPERVISORS]	i-	GENERAL
		ii-	JOB PERFORMANCE

[a]THIS SECTION IS PART OF THE TENNESSEE VOCATIONAL-TECHNICAL ORGANIZATION
CHART.

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TABLE #2

WORKSHEET #2

PLEASE PROVIDE TWO OR MORE ENDINGS TO THE FOLLOWING SENTENCE:

In the decade ahead, the Tennessee State Division of Vocational-
Technical Education should concentrate its energies and resources on . . .

1. _____

_____

_____

_____

2. _____

_____

_____

3. _____

_____

_____

_____

(Use back of worksheet if necessary)

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by Mr. Harrison, each of you will be requested to respond to the following statement: "In the decade ahead, the Tennessee State Division of Vocational-Technical Education should concentrate its energies and resources on . . ." You will have an opportunity to expand and/or redirect the objectives as you see them. We propose to take the two or more responses that you make and work with you on setting the general objectives. Our purpose is for all of you to reach a consensus on acceptable organizational objectives without any face-to-face debate or confrontation. That is, one purpose of this approach to formulating the general objectives is to avoid the pressures of personality upon determining what the State Division of Vocational-Technical Education should do in the coming year.

For example, suppose that I write the following statements:

A. The development of an effective program of research and evaluation based on manpower needs.

B. The maintenance, extension, and improvement of existing programs and the development of new ones.

Developing the general objectives of the organization is the first phase of educational management by objectives. We hope to complete this ambitious task during the coming sessions of the workshop. Here are some of the guidelines for formulating the general objectives:

A. They should be reasonable (humane).

B. They should be allowed change from year-to-year.

C. They should require improvement in operation.

D. They should be in writing, so that all people in the organization have access to them.

Can MBO really work in education? It is my opinion that MBO can work if the leadership at the top is willing to provide the necessary inservice training and patience needed to initiate, rethink, and operate the system in terms of education.

One workshop, in MBO, one year, even two years, may not be sufficient to successfully operationalize MBO, since MBO is a way of thinking. Experts outside education suggest a gradual evolutionary integration of MBO in order to diminish fear of the new concept and lessen discouragement.

Writing job performance objectives for the job description. At this time, we address one of the key problems of all jobs. That is, how do we state the desired results of a given job in terms of expected performance? What are the desired results per job within each organizational level? I will use the Director of Research as a point of departure.

For example, let us look at a general objective that was developed from Worksheet #2. This objective has been assigned a high priority (2) by all respondents (Overlay of Worksheet #8; table 3.) If this was top priority for the whole group, then we can also expect that this same objective will be near the top for those concerned with research in the State Department.

Overlay of Worksheet #8 is presented here.

This is indeed a reasonable objective for the Director or Research. How do we know when an effective program of research and evaluation has been developed and operationalized? One might ask the Director to provide all the instruments used in program evaluation as a way of looking at results. Another approach to the same problem would be for the Director

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TABLE #3

WORKSHEET #8

PROCEDURES FOR DEVELOPING PERFORMANCE OBJECTIVES

AT THE POSITION LEVEL

I. SELECT ONE OF THE TOP PRIORITY GENERAL STATE OBJECTIVES RESULTING
    FROM WORKSHEET #4. WRITE IT IN THE SPACE PROVIDED BELOW:

    In the decade ahead, The Tennessee State Department of Vocational-
    Technical Education should concentrate its energies and resources
    on the development of an effective program of research and evalu-
    ation based on manpower needs.

II. WRITE ONE TOP PRIORITY SECTION OBJECTIVE (WORKSHEET #7) IN THE
    SPACE BELOW PERTAINING TO THE GENERAL OBJECTIVE IN (I.) ABOVE.

    In the decade ahead, The Tennessee State Department of Vocational-
    Technical Education should concentrate its energies and resources
    on the development of an effective program of research and evalu-
    ation based on manpower needs.

III. APPLY THE FOLLOWING CRITERIA TO THE GENERAL OBJECTIVE IN (II.)
     ABOVE AND FORMULATE ONE OR MORE INDIVIDUAL JOB PERFORMANCE
     OBJECTIVES.

    1. WHAT OBSERVABLE PERFORMANCE LEVEL IS REQUIRED TO DEMONSTRATE
       THAT THE OBJECTIVE HAS BEEN ACHIEVED?

    2. WHAT IS THE ACCEPTABLE PERFORMANCE LEVEL OR WHEN HAS THE JOB
       BEEN SUCCESSFULLY COMPLETED?

    3. WHAT ARE THE CONDITIONS UNDER WHICH THE JOB IS TO BE PERFORMED?

       POSITION TITLE:_____

       "To develop and direct an effective program of research
       and evaluation of vocational-technical education by compiling
       according to a standard form the monthly reports of all man-
       power needs in each county and disseminating these reports
       to the five Coordinators, thirty Supervisors, and the Assistant
       Commissioner of Vocational-Technical Education."

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to list in quantitative and qualitative terms the findings of all program evaluations and to specify the number of system-wide-vocational-technical surveys that had been completed during the preceding fiscal year.

The confusion surrounding being able to determine to what extent the general objective has been met centers around the key word "effective." Words and phrases like "effective", "meet the needs", "cooperate in the development of", "provide leadership", "assist and coordinate", and "coordinate the activities" are good, but they need further sub-division and delineation in order to be really understood.

The results of stating objectives in only a general manner is that one can never demonstrate when these objectives have been achieved.

If MBO is to become operational, then each level within the organization must be able to show results as compared to a pre-determined acceptable standard or norm. One way to accomplish the required measurement of results in MBO is to observe job performance in such a way that one can definitely know when each stated objective has been reached.

How can the general objective for the Director of Research be restated in job performance terms? One way of reformulating the general objective might be as follows:

"To develop and direct an effective program of research and evaluation of Vocational-Technical Education by compiling according to a standard form the monthly reports of all manpower needs in each county and disseminating these reports to the five coordinators, thirty supervisors, and the Assistant Commissioner of Vocational-Technical Education."

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This objective is more explicit than the original objective in describing the job that is to be accomplished since it addresses itself to the following questions:

1. What observable performance is required to demonstrate that the objective has been achieved?

2. What is the acceptable performance level or when has the job been successfully completed by an individual?

3. What are the conditions under which the job is to be performed?

Question one is answered, since the objective specifies that a report of the manpower needs is to be compiled and disseminated. The second question is answered by providing the exact number of reports needed and to whom these are to be sent. Finally, the third question is answered by including the specified time, (monthly), number of reports (26), and the appearance of the report (standard for. In order for each individual in each level to develop his own set of job performance objectives, the model in worksheet #8 is suggested as a guide. The procedures outlined in this section have carried the MBO process from the general to the specific position of the individual.

It is anticipated that one of the pitfalls for MBO in education will be that our present system of records is not ready to accept such specific objectives as required in worksheet #8. Again, those experienced in the MBO process contend that <u>extreme accuracy is not critical and that crude measurements are serviceable.</u>

One of the common errors in going into an objective program is the assumption that there must be completely measurable results and that

the measurement must be perfectly accurate. In many cases, this is almost an impossibility. Even if measurement is somewhat inaccurate, men are better stimulated with measurable objectives than without them. They better understand the direction of the enterprise and their own responsibility in it. Furthermore, it has been shown that individuals will develop more rigorous specifications and expectations for themselves than will their superiors.

There are several concerns which confront educational MBO. One of the most common questions is: How many performance objectives should be developed per position? Schlech contends that no position should have more than five objectives. Another question addresses the degree of generality at which the job performance objective should be written. Probably by limiting the number to five per position, there will be less chance to wander into generalities. Also, by going from the general to the specific there is less chance for over generalization on job performance statements. Finally, the relationship between the objective and its cost should be established.

With this concern in mind, the five objectives (Table 4) are established and the following questions are addressed:

1. Where should each objective be operationalized?

2. How much does it cost to operationalize the objective?

Each objective in Table 4 is coded R-1, R-2, etc. and placed in the five-year calendar of events (Figure 2). Thus, if educational MBO is to be successful, each performance objective must be tied into the calendar of events, as well as into the budget. If an objective is set, it is no good unless we can actually attach it to a place in the

calendar of events and kncw when it is to be accomplished. Furthermore,

setting the performance objectives is fine, but without a plan for

accomplishment of the objective, there is no need to engage in its

formation.

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Table 4

Expected Performance

Position Title: <u>Director of Research</u>   Code <u>R</u>

1. It is the responsibility of the Director to develop and direct
    an effective program of research and evaluation of Vocational-
    Technical Education by compiling according to a standard form
    the monthly reports of all manpower needs in each county and
    disseminating these reports to the five coordinators, thirty
    supervisors, and the assistant commissioner of Vocational-
    Technical Education.

2. _____ (Performance Objectives Stated Here)

3. _____ (Performance Objectives Stated Here)

4. _____ (Performance Objectives Stated Here)

5. _____ (Performance Objectives Stated Here)

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FIGURE 2

THE FIVE-YEAR CALENDAR FOR THE DIRECTOR OF RESEARCH

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1972	R-1 R-3	R-1	R-1 R-2	R-1	R-1	R-1	R-1 R-3	R-1	R-1 R-2	R-1	R-1 R-4	R-1
1973	R-1 R-3	R-1	R-1 R-2	R-1	R-1 R-2	R-1	R-1 R-3	R-1 R-5	R-1 R-2	R-1	R-1 R-4	R-1
1974	R-1 R-3	R-1	R-1 R-2	R-1	R-1	R-1	R-1 R-3	R-1	R-1 R-2	R-1	R-1 R-4	R-1
1975	R-1 R-3	R-1	R-1 R-2	R-1	R-1	R-1	R-1 R-3	R-1	R-1 R-2	R-1	R-1 R-4	R-1
1976	R-1 R-3	R-1	R-1 R-2	R-1	R-1	R-1	R-1 R-3	R-1	R-1 R-2	R-1	R-1 R-4	R-1

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APPENDIX D

STATE OBJECTIVES AND PRIORITIES

William M. Harrison
Assistant Commissioner
of Vocational-Technical Education
Nashville

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STATE OBJECTIVES AND PRIORITIES

I have a note here. Sometimes I used to go to meetings and one time I noticed a little note written up on the top of my speech that said, "Don't forget the kids." And I found out some time later that my wife was doing it. I've attended more meetings recently than I did for awhile. I attended one the other night and there were representatives there—local school board associations, P.T.A., State Department of Education, TVA, and all sorts of dignitaries from education. In the whole program, not one time was mention made of the students, not the very first time. I'd like to start this one out by making a few brief comments I want to make prior to getting into goals and priorities.

Let's not forget the kids. There's really only one reason for us being here anyhow and that is to provide the services and local assistance that will aid and assist them in improving instruction. I guess in the very beginning that I may have gotten this philosophy all mixed up. And Joe Reed, I guess, or somebody straightened me out on it. I don't think in the very beginning there was ever any intention of having an organized supervision of vocational education. I think it was all supposed to be Teacher Educators in the beginning. I think that sometimes we get away from teacher education and into supervision. We forget that the primary objective of supervision is to assist other people on the local level in improving instruction, and we're responsible for a great part of it in the State Department because we should direct it. Sometimes I know you have the feeling that our only purpose in being there is to prepare memorandums and instructions, and just to totally confuse you folks on the more local level, but this is

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really not the intent. It is very encouraging to me to see as many

people here from universities and that we could begin to bring these two

groups closer together with one primary objective; that is, to improve

instruction.

I'd like to make a few general statements that it might be in order

for me to make since this is my first meeting with the total staff. Now

I've held regional meetings with the regional staff, and some of the

things I say here will probably be repetitious. I'd like to say that for

the first time since I have been associated with vocational education in

Tennessee that we are riding a great crest of hope in vocational education.

This is the first time in the history of the U.S. Commissioner of Edu-

cation that career education is his number one priority. I think we have

a great program in vocational education in Tennessee.

I attended a meeting not long ago of State directors, and I heard a

young State director say that he would like to bury vocational education

in his state and start all over. I certainly don't want to bury anything

or destroy anything that was started by the D. M. Clements, the George

Freemans, Horace Caldwells, Bob Childers, and Charlie Dunns. I cannot

conceive of myself as being in a position to say that the things they have

done before me, any of it, is this bad. They have made their own contri-

butions to the staff, and many of my staff are the same people they had.

I don't anticipate any tearing down or any reorganization. Considering

myself as one of these gentlemen I feel somehow are not in vocational

education, although I've been in it now for 23 years full time. But I

would like, with your help, to help the staff; and when I say State staff,

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I'm talking about the total group here. I would like to think that in the next couple of years (and I certainly don't have any intention of retiring from this position) but within two or three years or whatever time I'm through with this work here, I would hope that with your help we could build on what these gentlemen have done for us. It is very encouraging to me to see our fellows here, Ben Hirst and Jackie Jackson, back with us and to see some new leadership development in vocational education from this standpoint. They spent about thirty minutes telling about what a crib course they had, and so apparently they are really having a ball back there and not having anybody working for them. I guess what I'm saying here is that I'm trying to get back at them a little for leaving me in a pinch. I begin to develop a complex when I take over a new job and everybody starts to resign. They were going into some other job or some other area. John Jackson and some of that group I never quite got to know.

But continuing about the crest of support we have, I mentioned the Commissioner, the National Advisory Council has massed a great effort with the news media and with all media to publicize objectives of vocational education. The State Advisory Councils are now beginning to be heard. It is not uncommon not to pick up a newspaper and read articles concerning vocational education, (by people like Alice Wyden and Sylvia Porter). Some of our great industrialists are beginning to think that we ought to turn this business of education around and get it into its right perspective and begin to train more people in vocational education. This is very encouraging to me on the national level, also on the state level, how a governor as knowledgeable about vocational education as our

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present governor is. And it might surprise you that a dentist would have this in-depth understanding of vocational education Governor Dunn has. We have our Commissioner of Education who is sold on career education. So I think we are riding a crest here for vocational education like we have never known in the history of Tennessee before. And I wonder if we as a group here are capable of riding this crest to its maximum.

I want to say just one word about professional involvement. The reason for professional development is quite simple. Vocational education, manpower development, career education, or whatever it is that you want to call it, will not be any better at any time than the people that are in it. Now, of course, this is an oversimplification of a very complex problem that has been plaguing education for many years. Vocational education is no exception. The solution to this problem has eluded even the most imaginative minds that our field has been able to cultivate. What appears to be really exciting answers to the problems of personnel development, after crash efforts and short sessions, often fades away. It leaves us with some sort of self-satisfaction that we are prepared for the task at hand. There has never been a long-range, well-planned program for professional development that will lead to the end product that we will need for an expanded program in vocational education. I'm hoping, Dr. Bice, that this effort here today will be the beginning of a lasting effort toward personnel development that will assist us in meeting the needs that will revitalize and expand the programs in vocational education in Tennessee.

For the length of the time I have, I would like to discuss very briefly goals and objectives and priorities in vocational education. Some

have asked from time to time about my new job, about decision-making, chaos, and the crises we deal with, and it seems like we're always dealing with one crisis after another. I tell them that the big decisions are really no problem; it's the little decisions that give me trouble. The big decisions are all made by someone else. And this is a fact. I would not want you to think that I'm trying to compare this job with the Presidency, for I remember very well one statement former President McKinley made shortly after he was inaugurated. He said that the biggest surprise and disappointment was that he really didn't have anything to do. After he got to be president, he really didn't have very much to do with the operation and policy-making of the country. So it would really surprise some of you as to how little I really have to do with setting the priorities.

I want to discuss some of this. Mr. Jared was talking about the restraints and restrictions on goals and objectives and priorities. And I think he was getting at what I am talking about now. First of all, there was agression from the other side. There is always a great amount of planning to do in how elaborate our State Plan is and how well it reflects the needs of the people in Tennessee. If we get funded six-to-nine months late, it all goes down the drain. But we do have strengths. The purpose of the Division of Vocational Education Department of the State of Tennessee dictates that only activities which contribute toward these general goals are to be included in any program planned.

It is my understanding that some of you may want to react to some of these and a lot of these goals will not be in the State Plan. I guess it's not absolutely clear to me as to what you wanted me to do,

but I told Mr. Smith that I really didn't see any point in me reflecting

the objectives that were set forth in the State Plan when these objectives

can be read by anyone. These are goals and objectives and priorities that

I would like to see happen some time in the future. I would like your

reaction to them in light of the objectives that are stated on the State

Plan. (This is a constraint that we have. All three of these are in

line with the Vocational Education Act in 1963 and 1968 amendments.)

1. Maintain, extend, and improve the existing programs in
   vocational education.

2. To develop new programs in vocational education.

3. To provide part-time employment for youth who need the earnings
   of such employment to continue their vocational education
   on a full-time basis.

Now we're to do this in order that all persons of all ages and

developments in all communities of Tennessee will have equal and ready

access to adequate vocational education, for training and retraining which

is high-quality, realistic in regards to actual or anticipated labor market

demands for gainful employment, and suited to their needs, interests, and

ability to benefit from such training.

Now this is what we're to do in Tennessee and these are some ways

that I see that we can do it. Such accomplishments can be obtained or can

be manifested through:

1. Vocational education programs for high school students
   including such programs which are designed to prepare a
   student for advanced or highly skilled post-secondary
   vocational-technical education.

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2. Vocational education programs are for persons who have completed or left high school and who are available for study and preparation for entering the labor market.

3. Vocational education programs are for persons who have already entered the labor market and who need training or retraining to achieve stability or advancement in employment.

4. Vocational education programs are for persons who have academic or socioeconomic or other handicaps that prevent them from succeeding in a regular vocational education program.

5. Vocational programs are for handicapped persons who, because of their handicap, cannot succeed in a regular vocational education program without specific education systems or who require a modified vocational education program.

6. Vocational guidance and counseling programs are for all persons who need aid in the selection of and preparation for employment in all vocational areas.

7. Vocational auxillary service and activity programs ensure quality in all vocational education programs.

8. Vocational residential schools for youth 16 through 21 years of age who could profit from vocational education in a residential school.

9. Vocational home economics and consumer and homemaking education programs for persons who are or may become both homemakers and wage earners.

10. Vocational home economics and consumer and homemaking and family life for students and adults in culturally and socially depressed areas.

11. Vocational cooperative education programs for students who could profit from the cooperative arrangement between school and employment.

12. Vocational work-study programs for students enrolled in a job training program who are 15 to 21 years of age.

Now, to translate these goals into objectives, I have said that:

1. To provide by 1977 a work orientation program for all youth at the elementary school level which will encourage instructive work attitudes in all youth.

2. To provide by 1977 a career orientation for all youth 12-13 years of age to build basis for career exploration programs realistic in light of all the circumstances and the actual and potential labor working demands against the employed.

3. To provide by 1977 the career exploration program for all youth 14-15 years of age.

4. To provide by 1977 an occupational work adjustment program for all dropout-prone youth below the age of 16 years. A great deal of work has been done to identify the potential dropouts, but I'm not sure we've ever really followed up on that or done very much about it in vocational education. This is one area that I would certainly like to see some emphasis go to.

5. To provide by 1977 a preparatory job training vocational education program for 40 percent of all the high school youth 16 years of age and above, including 75 percent of the disadvantaged school youth who have academic, socioeconomic, or other handicaps that prevent them from succeeding in a regular

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vocational program and 50 percent of the handicapped high
school youth because they are handicapped and cannot succeed
in a regular vocational program.

6. To provide by 1980 a post-secondary program for five percent
   of all the 18-20 year old persons.

7. To provide by 1977 retraining and upgrading vocational education
   programs for ten percent of all adult workers.

8. To provide by 1977 four residential vocational schools for
   two thousand youth 16-21 years of age who can profit from this
   type of instructional program.

9. To provide by 1980 a vocational home economics consumer and
   homemaking education for all girls and adult women which will
   prepare them for the role of homemakers in the dual role of
   homemaking and wage earning.

10. To provide by 1980 a vocational home economics consumer and
    homemaking education program and family life program for
    students at the seventh through ninth grade levels and adult
    women who live in culturally depressed areas in the state.

11. To provide by 1975 a vocational cooperative education program
    for students who can profit from a cooperative arrangement
    between the school and employer.

12. To provide by 1975 a vocational work-study program for all
    students enrolled in a job training program who are 15 years
    of age and who are in need of earnings from employment to
    pursue vocational education programs.

I hope that you will look at these objectives in the light of the
objectives that are now stated in the State Plan. I would certainly
appreciate your reaction to, your additions and omissions, and am hopeful
that we've projected an ambitious program and that by continued confer-
ences such as this that will go hand-in-hand with an ambitious program
along with a well-prepared staff to carry it out. Thank you very much.

APPENDIX E

MANAGEMENT BY OBJECTIVES

Dr. Darrell L. Parks
Director
Division of Planning and Evaluation
State Department of Education
Columbus, Ohio

Speech Presented at the
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MANAGEMENT BY OBJECTIVES

Greetings from the state of Ohio. The southern hospitality, which I have enjoyed since my arrival, has been extremely warm and is coming at a most appropriate time in view of the fact that it was 13° above zero in Columbus yesterday morning.

I want to begin my remarks this morning with a quote that goes something like this:

> Oh, what a tangled web we weave when we try to turn
> the public's idea of educational accountability into
> something we educators can live with more comfortably.
> Simple, rather straightforward notions have been buried
> in a mass of calculations, complications, and protesta-
> tions. (Dr. Edith Gaines from Nation's Schools
> October 1971.)

It seems to me that this quotation is most appropriate--for two major reasons. First, Management by Objectives is a form of educational accountability. Secondly, there is an inherent danger of making a relatively simple process (in concept) so entwined in detail that it becomes lost.

Put in the most simple terminology, management by objectives could be defined as follows: "The determination of what you are going to do, to what extent, when, and with what." If this definition is accepted, then it is easy to see that such a concept is not complicated, but merely a sequential process of determining what is to be done, when, and how.

Management by Objectives is an extremely timely consideration in this day and age of educational administration. Justification for the adoption

of such a management technique is threefold in nature:

1. It does provide a means for educational accountability
   (evaluation) as mentioned earlier:

2. It is extremely useful in budget planning; and

3. It provides a basis for establishing and arranging
   priorities based upon the availability of educational resources.

In other words, Management by Objectives is a tool that aids in the
critical process of decision making.

Today I have been asked to direct my comments toward two main ends.
In my communications with Mr. Hubright, he suggested that, first, I present
a brief overview of what is taking place throughout the nation relative
to the Management by Objectives efforts of other states, and then relate
to you some of our experiences in Ohio.

In reference to what is taking place over the nation, a number of
states have entered into a Management by Objectives process in one form
or another. I will not attempt to provide a complete analysis of all of
the various activities taking place throughout the country, but here are
just a few of those with which I am acquainted:

Presently, 29 states are now in some stage of constructing an
educational accountability (Management by Objectives) approach to
state educational management. It is my understanding that in the state
of New York there has been legislation prepared and submitted for enact-
ment which would mandate a Management by Objectives approach statewide.

In California, a statewide PPBES system has been implemented which
could be considered a modified MBO effort.

Both Colorado and Florida have enacted educational accountability legislation which closely resembles the MBO format. Such legislation has specified performance level objectives in the areas of reading, communications and arithmetic computation, and in Florida such legislation further implies that by school year 1973-74, the chartering of local schools will be based upon the attainment of such minimal objectives as have been agreed upon between each respective school and the state educational agency.

It is also my understanding that the state of Minnesota adopted an MBO process back in 1967 but that basically it has been implemented and is being conducted at the divisional levels within the SEA at the present time.

My major purpose for relating some of what other states are doing in this area is not to impress you with my knowledge of what is taking place across the nation, but to indicate to you that this particular style of educational management is gaining impetus on many fronts throughout the country.

Now let's turn to Ohio and explore some of its activities in MBO. The initial stimulant for consideration of such a movement in Ohio resulted from an EPDA grant to the Division of Vocational Education in FY 1970. In August of that year, approximately 80 supervisory and teacher education personnel were brought together in an exploratory conference quite similar to this one for the purpose of becoming better acquainted with MBO and to discuss its implications for vocational education in Ohio.

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At this initial conference such factors were considered as the
political and environmental climate within which such a process would
operate and whether or not that process would, in fact, be compatible
with the existing climate. In other words, what we were really attempt-
ing to answer was whether or not an MBO approach to educational manage-
ment could work in the state if it were adopted. The role of the State
Educational Agency in the implementation and application of such a
process held for vocational education throughout the state. After a
rather thorough exploration of the various facets of MBO, conferees
were asked to make a commitment of 'Go or No Go' regarding the adoption
of the MBO process. Needless to say, the decision was a positive one.

In developing and implementing the MBO concept, an eight step
procedure was employed. These steps included:

1. The establishment of each agency's authority and responsibility.
Not only was this necessary on the part of the overall Division of
Vocational Education, but was also essential on the part of each program
area within the Division for the purpose of clearly defining and under-
standing its function and relationship as established by state and
federal statute, as well as by State Board of Education policy.

2. The identification and agreement upon the environmental assumptions
on which planning would be based. It was believed that this step was of
extreme importance since it would provide a common benchmark for all
components of the planning process and would establish parameters within
which realistic planning would take place. An example of such consider-
ations included the availability of financial resources for vocational
education for the next biennium and the projected labor needs toward

which educational programs would be directed.

3. _The preparation of a statement of goals toward which vocational_
education programs would be directed. From a divisional level, this par-
ticular step established the boundaries within which subsequent program
planning of a specific type took place. Each goal statement specified
who was to be served, how many were to be served, and within what time
frame such services were to be rendered. I think it goes without saying
that this particular step was a most challenging one in that not only
were we committing ourselves publicly to a specific level of performance,
but we were also establishing the criteria which could be used by any
number of external agencies to evaluate us at some future date.

4. _The preparation of program objectives._ After the preparation
of the divisional goals, each area prepared its specific and unique
objectives which were commensurate with one or more of the goals. The
same specifications that were used in stating the goals--that is, quanti-
fied populations to be served within specific time limitations, were also
used in stating the objectives.

5. _The identification of programs and activities._ This step
involved the identification of the various programs and activities that
were necessary for attaining the objectives that had been identified in
the previous step. All programs and activities which were identified
had to relate directly to one or more of the stated objectives and if
such a relationship could not be made, then either the activity or the
objective was seriously questioned and one or the other had to be deleted.
This process became extremely painful at times because all of the activities
were justified on the basis of whether or not they were essential rather
than on the traditional and historical past.

6. _The design of an organizational structure that would efficiently_ _and effectively permit the carrying out of the programs and activities_ _identified in Step 5._ This step required a detailed job analysis regarding each program and activity along with the necessary resources for completing such a program or activity. Upon the completion of such an analysis, job descriptions were developed along with the required number of man hours for completing each task which were then used as a basis for designing the organizational structures essential for achieving the desired objectives. In some instances, the completion of this step necessitated the modification of existing structures while in other instances it necessitated the design of new ones.

7. _Costing out the objectives._ Based upon the various programs and activities related to the attainment of the desired outcomes, this step involved the costing out of each objective in terms of all of the resources required for accomplishing that objective. It was on this basis that a match of available resources and program costs could be made and the subsequent arrangement of program priorities effected.

8. _The implementation and evaluation of results._ The concluding step in the complete process was that of implementing the entire concept and evaluating the results. This step is currently in process and will lead to a further refinement of MBO as a management technique in Ohio.

The results realized to date have been most gratifying. Some of the more tangible products realized from the employment of such a management approach at this point in time include:

. an evidence of staff unity and commitment in moving toward a
   common goal;

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. an evidence of participatory management on the part of all

professional staff because they all had input into the

process, are accountable for the outcomes, and are truly

performing in a decision making capacity;

. the facilitating of the planning and budgeting process for

FY 72;

. the providing of benchmarks for an evaluation of the past

year's activities and accomplishments.

However, even though the results of such efforts look good at this

point in time, I would be derelict in my responsibilities here today if

I didn't offer a few words of caution connected with such a management

concept. I would submit that the following points must be constantly in

the forefront for those who are considering the adoption of an MBO approach

to educational management.

1. <u>Don't anticipate too fast a pace</u>. This is a time consuming

activity if done right. Furthermore, if it is not done right, it may do

more harm than good. We have been at it for over a year in Ohio and I

can assure you that we are still learning the fine points of the game.

2. <u>Be realistic in setting your goals</u>. If there was any one factor

which we abused in Ohio more than any other one in moving to an MBO process,

it was the over-statement of goals in terms of levels of attainment. This

isn't to suggest that goals be understated either, but merely to emphasize

that a statement of goals must be realistic as well as challenging.

3. <u>Be persistent in staying on course</u>. Set time lines for the comple-

tion of certain steps and enforce those time lines or it will be easy when

other pressures of a more immediate concern begin to mount to push aside

the MBO process until another day. You and I both well know that too often another day never comes.

4. <u>Don't be afraid of failures</u>. You will probably experience some along the way. That's part of the game.

5. <u>Evaluate your progress periodically</u>. This is a necessity for staying on course.

6. <u>Don't make your objectives process oriented</u>. Focus upon students and desired student outcomes. For too many years, the students have been expected to adjust to the educational process rather than vice versa.

In summary, let me emphasize that MBO is a management tool! MBO is a frustrating experience in its early stages, but such frustration can also be looked upon as an opportunity for each professional staff member to exercise true leadership and perform a managerial function. MBO is a personal thing. It necessitates considerable soul searching and an honest approach to what lies ahead. But perhaps most important, MBO provides the educator that rare opportunity to play offense rather than defense; to be in the position of knowing <u>what needs to be done</u> and how much it will cost. Then the burden for deciding <u>what will be done</u> rests with those who allocate the resources and they will get only that for which they are willing to pay.

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APPENDIX F

INDUSTRIAL MANAGEMENT

Harold J. Black
Vice-President of
Engineering and Development
Avco Aerostructure Division

Speech Presented at the
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INDUSTRIAL MANAGEMENT

Management by Objectives is, of course, a technique for trying to
establish an effective motivation and one of the best illustrations of
effective motivation that I have ever heard is a little story that I
hope at least some of you haven't heard. It seems that one night there
was a gentleman who had been too long in the local ~ub. It was a dark,
cold, and rainy night and he started for home rather late. He got lost
and started to wander through what turned out to be a graveyard, a
cemetery, and in the rain and darkness he lost his way still farther.
There had been a grave dug that afternoon, an open hole in the ground,
and he fell in. And so, of course, he tried to get out. He clawed
away and scrambled and did this for several minutes but every time he did,
the wet bank was just soo slippery and he couldn't make it. So finally
he decided to give up and he sat down in the corner of the grave and sort
of went to sleep. A little bit later another gentleman, equally inebriated,
came along, having lost his way, and fell into the same grave. When he rea-
lized where he was, he started the same process of clawing and scrambling
and trying to get out. He made so much racket trying to do this that
the first gentleman who was down in the corner sort of half awoke and saw
what was going on. He says "you can't get out of here"--but he did.

Now this morning I am less interested in talking about specific
techniques for implementing management goals, that is MBO, than I am in
trying to convey to you my concepts and my thoughts as to what and who is
management in the world of work, because I think if we are going to have
a system of management we must understand what we mean by the term manage-
ment. Also, too, I suspect that others who preceded me have already given

you a much better specific cookbook for implementing the MBO method.
The booklets which you have, let me say, are simply reproductions of all
of the viewgraphs that I will use and I use these as much to try to keep
myself from wandering too far as I do to give meaningful illustration,
so you won't have to take notes or try to copy any of these if they
strike your fancy because I have them printed up for your use.

I will talk to you this morning about what is management, who is
management, and how does this relate to management by objectives; some
thoughts that I have, some very sincere thoughts, about the education-
management relationship. Then finally I will try to summarize this
for you.

Before I get into that, let me properly pay my respects to the
gentlemen whom I will quote this morning and the sources from which I
have drawn some of my materials.

Professor Douglas McGregor with Massachusetts Tech is well known as
a man who first postulated theory X and theory Y in The Human Side of
Enterprise, a McGraw-Hill publication of 1960.

Richard Rogala is a psychologist with Medina and Thompson of Chicago
and one who writes frequently in Industry Week and whom I feel has much
to say on this subject.

Peter Drucker is a well known Economist, Consultant, Author, and
Professor of Management at New York U's Graduate School of Business.

Kenneth Anderson is a man more on my side of the fence. He is
President of an Executive Recruiting Group for recruiting industry
executives.

Dr. Frederick Herzberg is Professor of Industrial Psychology at Case Western Reserve University and is now, this year and last year, visiting professor at the University of Tel Aviv and is a contributing editor to Industry Week magazine.

There are two publications that I have used for source material. One I would recommend to you most highly is a paperback booklet called Management by Objectives. It is published by the Association of Systems Management in Cleveland, Ohio - published in 1971. At the end of the presentation when we have a break, if you would like to come up and get the exact address of the association you are welcome to do so.

The other one from which I derive a great deal of source material on the subject of management and other things is a relatively new magazine published by Penton Publications. This is the same house that publishes Machine Design, which is, in terms of number of copies, the largest technical magazine in the world today. Penton published a magazine for managers which is called Industry Week. It is a weekly; it goes out to a selected distribution list but you will find it in capsulized form and on a weekly basis, a faster, more up-to-date with the real world at work and its problem than I think you will find in any other single publication. I have the January 3 copy here which you are free to glance at if you like.

So much for the references. Now we come to the subject of what is management? Surprisingly enough, there exists, I find, an almost complete lack of unanimity on either its definition or its terminology or its methodology. I don't know if you have run across this, but the earliest recorded use of the term Management as a specifically recognized dicipli- nary function occurred in 1910 and was brought about by the trial theories

of a young lawyer who was later to become famous as Supreme Court Justice
Louis D. Brandeis. When a proposed railroad freight rate increase was
being heard before the Interstate Commerce Commission, Mr. Brandeis
represented a manufacturer in opposing the rate hike. To the railroad
company's argument that increased rates were needed to pay higher wage
costs, Attorney Brandeis argued that by using scientific management, the
first time this term had ever been used, better operating efficiencies
would allow the increased wages without raising freight rates. The
effective insertion of the term "scientific management" argument at the
rate hearing was felt almost instantaneously by the whole country and now,
sixty years later, I find that experts are still trying to define what
management is.

Early some years ago, Douglas McGregor postulated his famous theory
X - theory Y characterization of management. This you might say is from
the extreme right to the extreme left, from the subjective to the extreme
objective, whatever terms you like to use. One theory which many people
held, theory X as he described it, was that people inherently dislike
work, people will avoid work or get by with as little as possible, and are
prone to avoid responsibility. Working toward objectives requires close
control over performance. Maintaining objective direction requires
continued exercise of authority, theory X. The opposing theory was that
most people want to work. If given the opportunity and incentive people
will accept and will even seek responsibility and that by integrating
organizational objectives with individual needs, you result in getting
self-control over the individual performance and that a commitment to
objectives removes the need for threats, theory Y. I am sure you recognize

this as a pretty good set of guidelines for the management by objectives system in itself. Now from theory X to theory Y. In the industrial development in this country, we have seen what I call an evolution of management. In the earliest days of the industrial revolution, management was conducted largely by fear. Fear of economic reprisal, fear of unemployment, etc. This early managerial relationship was reflected by a form of management by intimidation which was more physical than intellectual in nature. The typical "bull of the woods" characteristics of overbearing attitude, loud over-positive statements, the "I can do anything better than you can" philosophy. In its next stage, management became more of a benevolent dictatorship wherein the manager began to recognize the rights and benefits that were due those that he managed but still preserved a very rigid class distinction between managers and management. We are at some levels, and in some places, now in an age that I would like to characterize as management by friendly partnership, if that's not too progressive a term. Wherein management recognizes that management's role by virtue of certain special characteristics is one of leadership guidance rather than of dictatorial direction. Now let's think about an interesting parallel for a moment. In the earlier stages of the management by fear--despotic management--we were at the period in time when most industries had a few machines--maybe only one--and lots of people; and in the relative scale of things, the machines had more value than the people did. As machines became more common, the contribution which people made to increase the output of machines became more important, so it gradually went to the benevolent dictatorship to where now I think in many cases, as I said, we are in a partnership philosophy in which we

really recognize that in the final analysis, it is the people who count and it is partnership with people that management must have.

Now there are two or three concepts of management that can be stated a different way. One I call the polarized concept of management. This is an extreme subjective or antagonistic concept and I am sorry to say that in much of our society today, I think it is gaining ground when it really should be losing. There are those who have the feeling that management, labor, government are polarized groups that have little or nothing in common and that by nature should be antagonists instead of partners. Of course, this ignores completely the fact that management, labor, and government all come from the same place. This is from the people of the community, of the state, of the nation, of the world. And since all of these three groups come from people, then they must have the same problems and they should have the same objectives. This polarized concept, or antagonistic concept of management is getting to be so serious that it is finding its way into relationships between nations. The confrontation between groups that result directly from the subjective polarization ideology has today reached almost frightening proportions. Let me quote the industrial psychologist, Professor Frederick Herzberg who writes that, and I quote, "A most significant psychological attitude prevalent throughout the world today is having a serious negative effect on work motivation. This attitude is the growing acceptance by the 'have nots' that the 'haves' are obligated to give them consumer equality. As the world continues to polarize between the two groups the press of this feeling of obligation becomes stronger the greater the discrepancy in well being that can be attributed to the differences human achievement

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the more dangerous the hostility. Now hostility that is a product of the exploitation of one people by another can be considered normal and even proper, but, however, hostility that is based on the needs that sustains one's pride becomes irrational. Evidence of exploitation no longer becomes necessary nor even assumed if you are successful, then you owe me, a simple belief that becomes dominant in the mind of the affected people. It is not a philosophy of something for nothing, rather it is a philosophy of an automatic right to equality. Our survival as a free society in a physically and psychologically healthy country will depend on the maintenance of our historic achievement motivation, not at the expense of social justice and not without social justice. But social justice at the expense of respect for individual achievement is less than human justice." End of Dr. Herzberg's quotation.

Another concept of management is one that is particularly irritating to me. I call it the generalization concept for want of a better term. How many times have you heard someone explain a decision in an organization by saying "they decided", "upper management" did this or did that, "supervision said", "this is an executive decision", "management has determined", "management's decision is." Management who? Every time someone says that to me, that is the first question I ask. Who do you mean by management? I worked for a company in California, who, I thought, had some pretty enlightened employer-employee relations and every time that this company created a new foreman he was called into the division manager's office for an informal friendly session with the head of industrial relations and the assistant division manager and his department head and he was given a little dissertation on our theories of management in the

company. Along with this someone was always bound t   before they

finished, "Now, Mr. Jones," or Mr. Brown, o   name was, "just

remember that tomorrow morning, and e ery ou .   ....ng, when you look

in the mirror and you think of the word man. 7ement, you're looking at

it, and don't ever forget that." And I think to make people aware of the

fact management is not a generalized, anonymous, indefinable, un-nameable

thing. Management in every case is one or more of a series of individuals

who have names, who have problems, and whc ar .ople. Now we have

talked about some of the concepts of management which I, at least, don't

care too much for; and I thought it fair now to try to say what I think

management really is. I call this the functional concept of management.

We have said that management is not a vague generality. It is not a

class, but management is a function and the function of management--and

its only function, its only excuse for existence--is to manage resources,

whether they be people, machines, material, or money, so that the

collective total output of those resources exceeds the sum of its

individual parts. Now I think this is a complete, adequate and reasonably

precise definition of what we mean when we say management. Management

is not a thing, not a class, not a group, not a polarized class. Manage-

ment is a function and it has only one purpose; that is, to get more out

of the sum of the individual parts of resources involved than they would

get by themselves. If management doesn't do that, it is a failure. If

it does do that, then it can justify whatever cost management represents.

So much for what is management. Let us talk for a moment or two

about who is management. Not in terms of individual names, perhaps, but

in terms of characteristics and types of people. We have already said

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that managers are not a distinct class. I think that if we accept the functional concept of management, we have to say that managers are characterized more by what they do--that is, by their decisions because they are decision makers--than by what they are. Peter Drucker, in his book, The Practice of Management, defines management in terms of the manager's principal task as follows: "A manager in the first place sets objectives; secondly, a manager organizes; next, a manager motivates and communicates. The fourth basic element in the work of the manager is the job of measurement, and that is quite important. Finally, a manager develops people." So a manager is one who makes decisions. What backgrounds should good managers have? And there have been classic arguments for years about whether managers in industry and business should be generalists or whether they should be specialists. I think that executive recruiter Kenneth Anderson, who very recently published an article titled "Paths to the Top" in Industry Week magazine, described the situation in this fashion. Many years ago, the best preparation for the company presidency was to start as first line supervision. The next step was to study, at night, on the job, any way you could and step up to a functional specialist. Then you learned the ins and outs of the business, and took on as many general administrative duties as you could handle. This system, at least theoretically, filtered out all but the best men. The emphasis was on brains and toughness, the ability to solve basic problems and take the hard knocks, Mr. Anderson notes. I might say that was the prevailing philosophy of how to get to the top when I started in, some thirty-five years ago. Then, and I suspect shortly after World War II, came the beginning of the computer age. Then things got sophisticated, a long

string of specialist titles began to appear in the backgrounds of the men at the top. There were computer specialists, acquisition specialists, cost accountants, and a host of other modern job titles. Middle management positions, from which upper management is eventually recruited, could no longer be filled by just brains and guts. You couldn't get to be a personnel manager unless you could administer complicated psychological programs. The MBA was found in increasing numbers in middle administration. Now in 1971-72, we have come full circle and we are back to the search for the old brain-gut combination. In this economy, it is solution men and not problem men who are being sought for the top spot. If you can show a company exactly how you can save them money, you are in demand. Again trying to pinpoint the characteristics of managers, I quote Dr. Richard Rogala, who makes a case for the generalist manager. He says, "Academic success has been the criterion used to predict success at work. This is survival feeling even though no relationship had ever been demonstrated between it and management success." As a matter of fact, in Nashville we have a very successful organization called Danner Foods. The president is a very energetic, hard working, and highly respected individual named Ray Danner. In a recent article--I believe it was in Fortune magazine--on his company, it was pointed out that Ray Danner has a fundamental philosophy. I am not sure I go this far, but he says that the best potential for management are college dropouts, and that is all he will hire. Dr. Rogala continues, "Real managerial success is based upon application of a complex of intellectual, emotional, inter-personal skills." It does seem then, managers should be generalists. Now we haven't drawn too many specific conclusions on what makes good

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managers. There isn't any pre-established shopping list of talent that will automatically produce good managers. But there are three fundamental characteristics which I have listed here that are common to all managers and to all levels of management. First, as I said before, managers are people. Secondly, the most important characteristic, managers make decisions. Thirdly, something that is too often not recognized is that every single manager is himself also managed. That's important to remember, because just as the manager who manages you may influence your thinking, remember that his thinking and his technique is influenced by the manager who manages him; and there is no such thing as a manager who doesn't also answer to some higher management. This business of managers being managed in business and industry does create a bit of a problem because this revolutionary development I spoke about earlier from the subjective to the more objective theory of management has not necessarily followed at the same rate of progress at all levels of the vertical scale of the organizational structure. I have tried to illustrate that a little bit in the next sketch. As a typical and representative of four generally accepted management levels you have the first line supervision, the operations managers, and the division heads and the so-called middle management levels, who in turn report to the corporate officers, the executive committee and they in turn report to the board of directors and stockholders and you could go on beyond that to the stock market if you like.

On the left, I have put the word <u>subjective management</u> and on the right the word <u>objective management</u>. I have tried by this kind of a flowing line here that I suppose, and with good reason because their

assignment of value content factor is necessarily different, I think

that the people of the stockholder board of director level haven't

progressed as far as the lower levels of management in the subjective

philosophy. They are still operating and making their decisions, but

the people they manage are on a rather simplistic concept that if it

makes money, it's good; and if it doesn't make money, it's bad. It's

that simple. And they have been doing this for centuries. This isn't

necessarily bad, but the point I am trying to make is that this problem

of managers being managed gets a little bit more complex if you are

trying to present a fairly advanced partnership cooperative objective

system of management and the people you are reporting to haven't quite

gotten there yet. Now obviously in any given corporation, business,

or industry, the degree of these relation ips will vary quite widely,

but there is a point here that I think is worth remembering and it may

also sometimes explain why your manager, your supervisor, does something

that to you seems less than the most sensible, but maybe to him it is

the best compromise between what is above him and what is below him.

Now let's talk for just a moment or two about the philosophy of

objective management or, as this seminar calls it, management by

objectives. I certainly concur and I think there is plenty of evidence

to show that objectivity by setting individual goals is necessary for

individual motivation. Professor Herzberg, being a psychologist,

describes it somewhat better than I could. He says that concepts under-

lying successful job enrichment programs, of which MBO of course is an

example, are that to properly understand these concepts a common belief

regarding job attitudes must be re-examined. This traditional belief is

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that behavior of people is greatly determined by the attitude they hold, that attitudes lead to behavior. Professor Herzberg says that attitudes do not lead to behavior, it is rather the other way around, behavior leads to attitudes. Attitudes are a psychological justification and rationalization for the behavior that an individual manifests. Motivation is an attitude that justifies behavior that arises from a combination of ability and opportunity. The attitude of motivation compels people to seek appropriate arenas where their abilities can be enhanced by the opportunities put into use by the expectation that there will be further development of that ability. Motivation does not mean achievement. Achievement does mean motivation.

Now in the industrial system, when management first began to formally recognize the need for motivation objectivity, one of the earliest attempts was to try to get the employee to identify with the company by establishing an image of the company that was favorable. Along about that time were born various techniques, the beginning of the giving of service pins for having worked so many years for the company. I am not criticizing these things, but these were simply an approach. Then the employees' recreation program which involved teams, sports, etc., using the company's name, representing the company and probably some of the more sophisticated is one that I know, one rather large company who will remain nameless for reasons which you will know in a minute in California who had a plan of letting employees buy stock at less than market price on some kind of graded scale. The theory, of course, was that if they bought the stock, they sort of felt like they had a piece of the action, and they became part of management, part owner in the company. Well, this

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had been going on in this particular very large well-known company for about a year when one of the executives decided to find out how successful it seemed to be. They ran some checks and found that, lo and behold, the employees were buying the stock to the full limit, but the average tenure of the stockholder was about 30 days. Now why was this; why didn't it work? I suggest that it may not have worked because just by coincidence it happened about the time when we were introducing the Great American Public to the stock market. I don't know about you people, but I go back far enough that I don't think my folks ever had a share of stock of any kind, nor did we know anybody who had any. It wasn't common unless you were wealthy or a business executive to have stock. However, as stock markets became common and the public ownership of stock by everybody became very common, this business of thinking that because you bought stock in a company you worked for gave you some sort of romantic, glamorous attachment didn't work. As a matter of fact, people today who have stock in any given company have about as much attachment to it as they do the racehorse that they bet on at the pari-mutuel window, and that's not very much. And so that system didn't work.

Then came the technique of motivation by objectives. This is one that I think has the most widespread favor among progressive corporations and businesses today. Now very simply stated, motivation by objectives is a concept of individual sub-goals which add to yield a collective goal. Now in terms of using the word goal, this is another way of stating or implementing what I said was the objective of management some minutes ago and that is to achieve more out of the total system than the sum of its individual parts. Along with the concept of individual sub-

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goals which add to yield a collective goal is a very important and necessary emphasis on communication. Communication has to go both ways with executives. Executives to managers to non-managers and the other way also. By now, you are familiar with the techniques of MBO in which the goal setting is done always between two groups, not by one group dictating to another. And so, this two-way communication--I guess my son today would say that's dialogue, but I just call it two-way communication--is an important element in the MBO system. The other important element is the concept of setting individual goals that everybody can understand and which all then aim toward the collective or company goal. The thought occurred to me on the plane last night--maybe this example has been used already--but if you stop and think for a moment, I guess the most outstanding example of management by objectives today in terms of sub-goal adding up to a total goal is a typical professional football team. Of course, it is very simple, but everybody knows that if he does that job, then the total goal of the organization which is the team getting the ball over the line will happen. Now if we could break all the rest of our jobs down to those simple elements, it would be very fine indeed, but I am afraid we'll never quite get to that point.

I talked about the concepts of MBO and the communication emphasis, now I would like to say a word about methodology, which I think is extremely important. There are, as I see it, four steps in the process of operating by the philosophy of management by objectives. Define the goals and sub-goals and objectives, and refine them by intercommunication between those who are mutually setting these goals and making these definitions. Initiate the action which is necessary to reach them and,

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most important, or at least equally important I should say, is evaluate

the progress after the action has been initiated. Now these four

steps represent what we call a closed loop or feedback system, because

obviously if you go through the four steps--define, refine, initiate,

and evaluate--and then if you feed back the process of evaluation to the

first step, you re-define, re-initiate, and re-evaluate, and, of course,

progressively you should improve your effectiveness of achieving the

ultimate goal of the total organization. Now I said at the beginning

I was going to talk a little bit about education-management relationships,

and give you some rather personal thoughts of my own at least with

respect to the future partnership between business and industry and the

education system.

First, the role of business and industry. I think you will see a

greater interest in education both before and during the period of job

employment. There is a natural reason for this. I think we want to

remember that most of us in business and industry are very keenly

conscious of the fact that we are going to have your students for a much

longer period of time than you are, and so we are interested in where

they are when they start with us and we are finally beginning to realize

that continuance of their education is important to the continuance of

our success. I think that with this greater interest there will come a

desire and a tendency for more direct input education content on the

part of business and industry and I think that business and industry are

particularly interested in providing input to the education content in the

field of vocational education for a career in the world of work. I

submit that the fact that I am here today is due to the indication of

that kind of interest. I think also that we will probably reduce our

what has been up to now a less than successful attempt to take on the

education process itself. On-the-job training is all right as a

training process for a specialized operation, but it's not much good

as an education process. It is too limited and too narrow. The activities

of some civic minded, well-intentioned organizations in developing side-

walk techs and things like that in the final analysis are not just

fundamentally sound. Where they have been successful, I suspect they

have been successful more because of individual leadership, a particular

man associated with that particular project, rather than because the

idea of industry or business taking on the education process per se, was

sound. I just don't think it is sound, but that doesn't mean that we are

going to sit idly by because we are going to want to work with you. I

see the educators' will as being one of providing more support for

working careers in education in general for strong effective guidance

counseling in this field in particular. I think it is extremely

important, now that it seems the pendulum is beginning to swing a little

bit, that in the education field particularly, we have already done this.

In industry I think, you have to identify a vocational career in education

as an achievement, not as a second best program for academic dropouts.

And again one of the main reasons for my being here this morning, I feel

very sincerely that there is a real need on the part of educators to

better understand the real world at work, how it really is, how it

operates, how it is managed and what its objectives are and to better

equip our young people to enter the world not as its antagonists, but

as partners in its progress. If we don't find a way to accept the fact

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that while we have a different set of goals, we have one common goal;
and if we continue in this head-to-head antagonism that is plaguing so
much of our systems today, then we won't be industrially second rate to
a number of countries that we are now, pretty soon we won't even be
counted.

Now there is a clear parallel between the education and the work
processes of accomplishment, and I have tried to show that here and
again quote one of my favorites, Professor Herzberg. He says, "How do
you motivate people on the job? First by selecting talent, and then
developing that talent. Secondly, by maximizing the use of the talent.
It is this second proposition that recommends the practice of job enrich-
ment, which consists of installing motivators in jobs that lack sufficient
ingredients for psychological growth. These motivators are achievement
opportunity, reccgnition for achievement, interesting work, responsibility,
and growth opportunity." (Quotation from Dr. Herzberg regarding motiva-
tion on-the-job.)

Suppose we substitute the term educational program for the term job
and see how it applies. It would then read: "How do you motivate people
on an educational program? First by selecting talent, and then developing
that talent. Secondly, by maximizing the use of the talent. It is this
second proposition that recommends the practice of curriculum enrich-
ment, which consists of installing motivators in courses that lack
sufficient ingredients for psychological growth. These motivators are
achievement opportunity, recognition for achievement, interesting work,
responsibility, and growth opportunity." There is a parallel in them,
between the educational process and the industrial management process.

And now, I am sure you are ready for this, we come to the summary.
I have tried to establish that management is not a thing, that it is
a function and a very definite role, a very simply defined role. I
have tried to establish that managers are decision-orienting their
people and that they are also managed. The philosophy of subjectivity,
or antagonism if you like, has reached dangerous proportions and is a
threat to human progress in our society. A true understanding of
objective techniques is important to their general acceptance. Educators
should understand management can better equip our young people for
participation in or partnership with management toward a mutual progress.

And so, a most important criteria for success, of course, are
individual objectives towards a common goal and understanding through
communication such as is taking place here in this seminar. In conclusion,
I have one sort of final thought which I think perhaps rather simply says
it all: that any system is bad if the people don't work, any system is
good if the people do work.

APPENDIX G

MBO AT THE INSTITUTIONAL LEVEL

Charlie M. Dunn
Dean of Instruction
Nashville Technical Institute
Nashville

Speech Presented at the
MBO Conference

November 8-11, 1971
Montgomery Bell State Park
Tennessee

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MBO AT THE INSTITUTIONAL LEVEL

It is certainly a pleasure for me to visit with you this afternoon and to talk to you about the subject that has been assigned me.

It is always good to meet with those with whom I have worked for years. These past experiences have been very pleasant and the experiences of the present time are likewise pleasant. I still feel a definite part of the total program of vocational-technical education in the State of Tennessee.

I have a couple of items I carry with me, and I was just showing them to some of the conferees. This first one is a little stone that if you were to put it in your hand and feel it as I am doing now, you would find it is very, very smooth. For about fourteen years at the state office this was my "worry rock" and that is the reason it is so smooth. You will notice it is almost as big as a half dollar. At one time it was much larger. I still carry it in one pocket. Then I have a smaller one which is my present "worry rock." Its surface is smooth, but it is much smaller. I will leave these up here in case any of you would like to see them. They are very important to me, and if you are in any way involved with management, perhaps you too would find such to be useful.

I am particularly happy to see this program continue as it was originally planned. One of the things we were working on prior to my leaving the state office was this particular program. Shortly before the end of the last fiscal year, we were successful in getting approval to implement this program; and now it is certainly pleasing to me to see it come to fruition and to have the opportunity to be a part of this effort.

There are many places I wanted to begin this afternoon. I would like to reminisce some, but, of course, there is not enough time for that and I don't think you would like to sit there at this late hour and hear me talk about things in the past which do not relate to the topic. I do want to use a bit of history, if you please, just to introduce the theme you have assigned me. I feel this is important because it bears specifically upon the topic you have under consideration during this series of meetings.

I would like to refer briefly to some past developments, and I call this to your attention specifieally because it has to do with management by objectives. You know, we tend to look at these techniques, concepts, and approaches as being new. In reality we are just dealing with old techniques that have been tried and proven to be useful. They may have been rearranged to some extent. Now, I am not going to belittle what we are attempting to do at this conference, because as we make progress and continue in the development of vocational-technical education we must always find new ways and new techniques of getting at the situation with which we are faced at any given time. This then is the way I view this whole subject of management by objectives.

I attempted to wade through a number of volumes dealing with the subject of management by objectives and I kept coming back to some of the experiences we have had in the past. As I reflected upon these, it seemed we really did apply certain principles, though maybe not in the same way. If this conference can emphasize some of these things, whether they be somewhat of a repetition of what has been done or whether it be the casting in a new mold of some of the basic tried and true principles

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of management, I think it will certainly be worthwhile.

As I look back over the decade of the sixties, and as we entered the sixties, we were beginning at that time to sell to the State Legislature, the Administration, the State Board, and to others throughout the state a goal for the State of Tennessee in the field of education. That goal was the establishment of the statewide system of area vocational-technical schools, technical institutes, and expansion of secondary programs. This was a definite goal we were emphasizing, defining, and which we were setting before the people of Tennessee.

If I understand management by objectives, this was the beginning point. No matter what approach you take on any subject or any endeavor, unless the idea has the backing of those in authority you are not going to get very far with it anyway. So, as we came into the sixties there was this goal, the establishment of a statewide system of area vocational-technical schools and technical institutes and the expansion of our programs of vocational education. This was a specific goal to be met sometime in the future. We were concerned in our efforts to attempt as best we could to define this goal to the "powers that be."

We made mistakes and we made a number of them, of course. Probably the greatest mistake we made was our failure to adequately define this goal to the general public. We were successful, I think, in selling it to the authorities, and by that I mean the General Assembly, the Administration, and the controlling Board. We were able to get a commitment from them to the goal. The process of management came into being when their stamp of approval of a statewide system of area schools and technical institutes and expansion of vocational-technical education was given.

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I might add at this point since we have just entered into the 1970's and as I look at the program of vocational-technical education, we definitely need a long-range goal to sell at this time. Unless we come up with that long-range goal for vocational-technical education, whatever that needs to be, and sell it to the General Assembly, the Administration, and the controlling Board, I fear we shall wander through the seventies and lose ground. I just passed that along for whatever benefit it might be in the group discussions.

The process of management came into play and whether or not we formulated a system of management by objectives or otherwise, we did have a process. As we look over what happened during the 1960's, I can definitely see a system of management that was used; and whether it was purposely planned as such, is for others to judge. I would like to run through that hurriedly before we get into the specific topic.

In the first place, there were specific objectives following the commitment to this long-range goal. No time limit was set on the goal. A goal was established and defined. Specific objectives were established as we are able to identify the point in time at which we could achieve a definite objective. For example, we went before the General Assembly in 1963 and asked for funds to begin work on the goal of establishment of a system of schools. We had a long-term objective vaguely expressed in terms of twenty. We had some two or three technical institutes in mind. We had talked in terms of ultimately 40 or 50 percent of the secondary students being served at the secondary level in vocational-technical education. These were rather indefinite goals, but they were ideas being planted as seed.

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The legislature said, "We buy these goals; we commit ourselves to it, and here is a certain amount of money." So, we set some objectives. At a given time, we would be able to establish ten area vocational-technical schools and one technical institute. We launched the program. At the same time, we were expanding programs at the secondary level.

The state objective, as I have indicated, was to establish three state technical institutes. The feeling generally was that these would be in metropolitan areas and the first one was to be located in Chattanooga. Construction began shortly after the passage of the legislation and then following that, we began the second technical institute in Memphis. In 1969-70, the technical institute in Nashville was planned. Since that time, a definite need has come to light to serve more adequately the technical education needs of the upper East Tennessee area; and as a result, our objectives were re-evaluated to establish a technical division as a part of the Tri-Cities Area Vocational-Technical School. They are offering three technologies in that division at the present time during the first year of operation. They will be moving into the second year of operation next fall.

There is under construction in Knoxville a facility to house a technical division of the Knoxville Area Vocational-Technical School. Whether a technical institute will be needed in that area remains to be determined. What I am pointing out is the establishment of three technical institutes and technical divisions within two area vocational-technical schools was a definite goal. This, of course, moves us further into the specific topic at this time, "Management by Objectives at the Institutional Level."

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I am happy the type of institution we are talking about was not identified because this could be any institution. The transparencies that I will show you will illustrate the fact that we do have goals and objectives at any institution with which we may work, and there may be a lot of difference in the approach to achievement of those goals and objectives. This transparency shows management by objectives at the institutional level.

This could be the State Department because I have been there and I know that each day was a major objective. If we could just make it to Friday, we had it made for that week. But then as we pursued the activities throughout the week we came to such days as Tuesday like we are in now, and then there were days like Wednesday. Thursday got a little better, and Friday wasn't so bad. Saturday was our day. What I have to say from now on, I guess, will apply to technical institutes because this is the very same thing that we find there. We are all looking for the weekends and we are looking for Saturdays and Sundays. Too often these are our primary objectives.

When we talk about management by objectives or whatever method is being used at the institutional level, every effort in vocational-technical education must be in keeping with the state objectives. Too often at the institutional level we tend to forget what the objectives at the state level are. I know that by experience at both levels. This is unfortunate because it creates problems. As I indicated at the very beginning, no long-term objective we establish can be fulfilled success-fully unless we have the commitment of the controlling agency or board.

Consequently, as the state office works on statewide objectives in the field of vocational and technical education those of us at the institutional level must be aware of what those objectives are. And I will say this, in the past we have been a little bit negligent at the state level in communicating with the institutions throughout the state as to what those objectives are. And if I had a suggestion to leave with those who followed me, I would suggest that you communicate immediately with the institutions and the programs throughout the state what those long-term objectives are so the institutions can gear their own objectives in keeping with state objectives.

As we consider management at the institutional level I would like to talk about it from the standpoint of the four functions that are mentioned in this transparency. First of all, there is the _planning_ function at which point we are thinking in terms of the future. Secondly, there is the _organizing_ function which involves how to organize, how to make assignments and to whom do we delegate responsibilities to carry out projections. Then there is the _leading_ function where we are really involved with management techniques. The fourth item is the _controlling_ function where we check our performance or progress. These are not new but simply ways in which we may categorize a lot of activities that must take place with any kind of management. Management by objectives then usually includes planning, organizing, leading, and controlling. We will want to look at it in light of these four main topics.

I mentioned the fact that we must keep in tune with state level goals and objectives. Each year the state office spends a great deal of time putting together the state plan for vocational education which includes

the current or immediate and its long range program plan. In making plans at the state technical institute with which I am associated we are in tune with the state plan projections.

This transparency indicates what the technician labor demand and supply in the State of Tennessee is for 1972. Current employment is 26,744. This information is important to us. With three technical institutes at work training technicians that will be entering into this labor market we need to know the total supply and demand. We need to know what the job opportunities are. We attempt to keep in tune with the statewide objectives as we establish our own objectives. The State Plan reveals that the expansion and replacement needs for this state for technicians is 2,228. It is a very conservative figure as we all know. The estimated supply from public and private sources in the State of Tennessee is 1,029 leaving a shortage of 1,199.

The three technical institutes will not graduate that many technicians next spring. Of course we have to look at these in terms of the category they fall in such as chemical technician, electronic technician, etc. We need this kind of information. I guess what I am emphasizing here, in addition to the fact that we need to keep in tune with the state objectives, is that we need to also keep in mind that there are other materials that need to be made available to us on a continuing basis if we are to establish real meaningful objectives at the institutional level.

I would like to give you an example of what happens each year about this time. Those of you who work with fiscal matters are well aware of what I am talking about. All of a sudden at the institutional and the local level you get the notice that you have to get your budget in at a certain time, and you hurry around in a very unrealistic way and try to

work up some projections and figures of what you are going to ask for hoping that you get at least a part of your request.

And here is where the whole management by objectives technique falls down, at least in my estimation. Even though you plan a very good program with some good long-range worthwhile goals, you have established some points in time where you would like to be along the way at arriving at those goals; because of circumstances as they are you find yourself pushing all that aside. This is no criticism of anyone. It's true in any organization whether it be business, industry, or education.

I talked to a gentleman the other afternoon from industry who was to appear on your program. He was wanting to know if I was aware of any books that might help him along this line or if I had any information that he could use to talk to you about management by objectives in industry. I said I didn't have any, but I thought the group would be vitally interested in the long years of experience that he has had in industry as a manager and he might bring to you information that would be helpful--information that is realistic, practical, and based upon real facts of life. That got him started, and he talked to me several minutes on the telephone and when he got through he asked me, "Can you help me?" I said, "Tell me this--did you have your tape recorder on?" He said, "No." I said, "You should have because you should tell them just what you told me." He related to me the practical approach to the techniques of management as they are used in practical, everyday situations.

This is what we need in education--what we need in vocational-technical education. We need to get back to the practical approach to things rather than the theoretical approach.

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I have here a nice little book, the title of which is __Management by__
__Objectives.__ Some of you may have read it. It's published by the Association
of Systems Management. It's good, but much of it is theoretical. This
one is not as theoretical as another one I tried to read. The point I am
making is this, that the casting of these systems, methods, and techniques
in the theoretical mold will not work for a program that is supposed to
be practical, as is vocational-technical education.

Now if we can draw from the real everyday, work-a-day life of an
industrialist and businessman, I think perhaps it will be most helpful to
most of us.

I am going to relate to you just briefly here one example of what I
am talking about, and there are hundreds of examples of this nature
everyday in the field of education, business, and industry. One important
thing I can't over-emphasize is that in any organization whether it be in
industry, in government, or education, one man or a group of men will
ultimately make that final decision. You and I seldom have that oppor-
tunity. We have got to remember as we plan, work, and develop goals
and as we try to sell these, someone else is going to make the ultimate
decision. We are going to have to take the decision, shift to alternate
plans, revise our objectives and manage with the best techniques in order
to achieve.

So, a couple of weeks ago we got word budget requests were due. You
always know this is coming. I keep thinking every year this process will
get better, but it doesn't. It doesn't in business and industry either.
Generally, it is the same wherever you go. You are always pressed for
time and seemingly never have time to do what has been planned. This is

where the theoretical goes out the window and the practical has to come into play.

So, we get word to prepare budget requests. We can jump the gun a little and pull some things together, but we like to think that we are working toward some ultimate objective. As we look at our own particular institution as illustrated by this transparency, we are looking at a five-year program in terms of what we had hoped to start in 1969-70 when the Nashville State Technical Institute opened. A goal was established to be reached five years later. We have acquired a piece of property in Nashville on White Bridge Road consisting of 86 acres of land on which to build an area vocational-technical school and a technical institute. We had projected for the technical institute that the doors would open with a 600 head count enrollment. We projected in five years we should have an enrollment of 1800. Looking at it from a realistic point of view and using a straight line projection, we would make our plans to go before the State Board and ask for sufficient funds to meet these respective objectives along the way--900 the second year, 1200 the third, 1500 the fourth, and 1800 the fifth. Now translated into full-time equivalency we had a dotted line showing 540 the first year and going to 1500 the fifth year. Once we reach these objectives, we will be operating at normal operating capacity. We are presently involved in a long-range projection which would carry us another five years beyond this point. At that time, we will hopefully build into our long-range objectives some additional construction.

Our budget request for next year was prepared on the basis of this kind of projection, thinking this rationale is good and that we are

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pretty good salesmen. However, we are not as good as we thought. We found we were delayed almost a year on construction. Further, we noted that in 1969-70 we had to operate in facilities other than our new building and with only 130 enrolled. We went into our new building in 1970-71 instead of 1969-70, so we were operating on an <u>alternate</u> schedule. This was an alternate route to our ultimate objective of 1800. We projected that we would have a 720 head count this year instead of the 1200 we had originally planned. But, in studying our position, we assumed we should get back on schedule. You will notice drastic increase is shown. We were asking the Board to approve a budget enabling us to get back on the original schedule in 1972-73. So the 1972-73 proposed alternative was to go another route realizing that we may have to even adopt still another alternative. After the Board met and took a look at the request, here is what we finally came out with--another alternative. Anyone who has worked on the budget knows that you have got to have alternatives. It looks now that our original goal of 1800 will be delayed, hopefully, no more than one additional year. But it will be built into that long-range goal as we move forward.

This is not sophistication. These are just practical approaches to realistic situations. In fact, the term used now in some areas in situation management. This is what we find ourselves in today. Situation management appears to be the best type of management under the circumstances and is being recognized as such.

We have little control at the institutional level over the number of students that we may or may not be able to serve. We propose a program, attempt to define this, and try to sell the goal as being a worthy one.

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We said, "Look, the demand for technicians is not going to be met in

the state." We try to sell the goal and give reasons why it needs to be

reached. We don't make the decisions, which brings me back to my original

point. One person or a group of persons will, in the final analysis,

make that decision, not us. At the institutional level we have recognized

this. When this request is presented to those who have responsibility

for keeping proposed expenditures in line with anticipated revenue, a

negative answer may be given. We have got to be flexible enough in plan-

ning our objectives so we do have alternatives.

I think this is a practical example and a practical application of

management by objectives as you find them in operation in most educational

institutions today. I don't think you will find in any educational institu-

tion in Tennessee management by objectives in its theoretical sense. I

don't think you expect to. Few industries around the country are really

operating by management by objectives to the full extent and I think the

gentleman from industry who spoke to you brought this out because the

industrialist faces the same thing with his board of directors as we

face with our superiors.

Let's look a little further at management techniques. Our institution

is relatively small at this particular time. Consequently, the organiza-

tion for management is not as detailed as you would find at the University

of Tennessee or some other large institution. We operate under the State

Board of Education, Division of Vocational-Technical Education, through

our Director. The organization at the present time has four heads of

divisions. The head of the Public Relations Division, the Dean of Instruc-

tion, the Dean of Students, and the Business Manager. You can see by the

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organizational chart, the means we have to accomplish whatever objective

may finally be adjusted for the coming fiscal year as a result of efforts

in our planning. I mentioned earlier in my remarks the fact that an

important function is that of delegating and using people to get things

done. At our particular institution, we are using this approach. This

has just recently been adopted and approved by the faculty of the Nashville

State Technical Institute. This is part of the so-called participatory

management process through which we allow the entire faculty to come up

with an organization to function and bring about achievement of our

objectives. The Director, of course, is in charge of the Institute. You

have to have a manager and that is what he is. Again, it is not nearly

as complicated as you would find in a large university or a college. We

have an Administrative Committee composed of the Director, the Dean of

Instruction, the Dean of Students, the Business Manager, and the Director

of the Public Relations. We have a Welfare Committee that is elected

by the faculty for the purpose of having some input relative to the welfare

of personnel. We have a Finance Committee who works internally on internal

audits, works with the division heads, the deans and the Director in

pulling together the budget. We have a Student Services Committee that

has responsibility for those activities which are related to students.

We have an Instructional Council which is the heart of the entire program

of which the Dean of Instruction is chairman.

This Instructional Council is a committee of the faculty assembly.

The Instructional Council is composed of four important committees that

are busy on some very important matters. One of the most important, of

course, is the Curriculum Committee which has responsibility for all

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work pertaining to curriculum, course development, curriculum development, revisions, etc.; the Educational Resource Center Committee, having to do with the library and our audio visual program; the Curriculum Committee and the Accreditation Committee that are working together on matters pertaining to accreditation. This is a very simple example of one of the techniques of management which utilizes the personnel in a participatory method or manner to achieve the objectives of the institution.

In closing, there are a few things that I have selected which are vitally important in terms of management by objectives. One of the keys to management is motivation. Someone told me once, you don't motivate people; they have already got their motive; you just try to find out what their motive is and fit that motive into what needs to be done. There may be a lot of truth in that. Before accepting management by objectives as a worthy management approach, we should try to determine what factors motivate people. In the final analysis, everything we do depends upon people.

About ten years ago, Douglas McGregor, the author of The Human Side of Enterprise, proposed his "Theory X" as one theory and "Theory Y" comparing people response. He theorized that much of traditional management theory is based on the assumption that people inherently dislike work, that they will avoid it if they can and/or they will try to get by with as little as possible. To get people to work towards management objectives requires close control over performance and continued exercise of authority. The average person is prone to avoid responsibility whenever possible and prefers close direction. McGregor called this set of assumptions "Theory X."

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But McGregor did not accept this theory as being applicable to all people. Some people do want to work. Some people do want responsibility. So he proposed his own "Theory Y" which holds that given the opportunity and the incentive, most people want to work. If a man is committed to the objectives of the organization, he will control his own performance without the need for threats. He will not only accept, but in many cases will seek, responsibility. The key to getting this type of commitment is an integration of organizational objectives with individual needs. Determine your objectives; determine what the needs of the individuals are who are going to carry out those objectives. In other words, if an employee can get what he wants most out of a job by working toward the department or organizational objectives, self-control over performance will be forthcoming. Under "Theory Y," work can be a source of satisfaction for a man. I know and I am sure you know people who get a real satisfaction out of what they do. They are in the latter category.

Another writer, Raymond Valentine, who wrote on performance objectives for managers proposed that the main factor that makes a manager is attitude. That is, he wants to be a manager. He has an interest in having responsibility. His basic drives are achieved by being given a responsibility, assuming the objectives have been set up for him. There are to be practical incentives. This is the key. If a manager inspires or motivates those he is managing, he must have some practical incentives to use as he manages people. This is true in the classroom with a teacher just as much as it true in an industry with 12,000 employees.

Here are some suggestions. Can we learn to use them? In the first place, let the man know where he fits. In many organizations there are

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people who don't know where they fit. It is an incentive to every individual in every organization to know his place within that organization. Secondly, let him know why his job is important, because it is important. If it wasn't important, there wouldn't be a job. Thirdly, let him know what is expected, and I suspect that a lot of lost motion is being paid for because someone has failed to let others know what is expected of them. I know that most of the problems that I have had to handle in the last several years come right back to the fact that somebody failed to let the person know what his responsibility was and what he was to do. He tried to do something and did the wrong thing, creating a problem. Offer a challenge, everybody likes to be challenged. Let him know where he stands. Delegate, delegate, and as someone says, delegate again. Give credit, give recognition, show a personal interest, encourage participation, communicate, and provide opportunity for approval. I think this is pretty good advice. And in closing, let me say this, as we look at organizations whether it be an educational institution, an industry, or small business, I think we can classify all managers, whether they use the most sophisticated techniques of management by objectives or whether they are using other techniques, into one of these categories: (1) There is the pressure artist, who manages by exerting every ounce of pressure he had to get the job done. This is his chief weapon. (2) There is the human relationist. I have worked with this kind of person who felt that his prime responsibility was human relations with others. But bear in mind you have to make somebody mad sometime. You are not going to make everybody happy all the time. (3) There is the hard-nosed manager of the past. I don't know if you have worked under any of those, but I have.

He had objectives, too. He managed by different techniques. (4) The

manager of situations. I have tried to outline to you some situations

that are practical. Some situations that you will face in any institution,

any organization or any position in which you work. The good manager

is a manager of situations and he is able to analyze the situation at

a given time, plan a strategy for overcoming and working around it or

whatever is necessary and still get a certain measure of the job done.

If we can do that, I think that we will all improve ourselves as managers.

APPENDIX H

WHERE DO WE GO FROM HERE?

Dr. Darrell L. Parks
Director
Division of Planning and Evaluation
State Department of Education
Columbus, Ohio

Speech Presented at the
MBO Conference

November 8-11, 1971
Montgomery Bell State Park
Tennessee

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WHERE DO WE GO FROM HERE?

Much has transpired during the past four days. For some of you, you are better informed as to what *Management by Objectives* really entails than you were when you came here Monday morning. For many of you, you are probably thinking that you know more about MBO at this point in time than you really care to know. Regardless of what your feelings might be at the present time, however, let me say that I have seen some very positive movements throughout the duration of this workshop. I have seen a common expression of concern for improved management techniques in education. I also sense an appreciation on the part of each of you for the concerns and problems which are facing those with whom you have come in contact. Furthermore, you have been provided with the opportunity to share first-hand some of the thoughts and concerns of your state director of vocational education and your state superintendent of public instruction regarding the education program in the State of Tennessee. From these points of view, if for no other reason, this workshop will have been beneficial.

But what about MBO? What happens from this point forward? Currently, I would submit that you are approaching a fork in the road which will necessitate a decision on your part as to which way you will go.

If you choose the fork to the left, then you can continue to operate as you are presently doing. However, let me emphasize that should you elect to go this route, there will be a price to pay. That price will be one of continuing to play the game of defense, justifying what you are doing on the basis of inadequate information and the historical past, evaluating what you have accomplished on the basis of subjective results, and the continued consumption of valuable time and resources in

fighting for minimal funding levels to maintain existing and, in some instances, substandard programs.

If you go this route, then anything I say from this point on would be meaningless.

However, if you should decide to take the fork in the road that leads to the right, then hopefully I can enlighten you further. Initially, let me say that if this is the route that you choose, there are three essential ingredients that you will have to include in your itinerary Such ingredients are:

1. You will have to make the trip yourself. The development of a MBO process cannot be left to someone else. A management consultant firm cannot do it for you; a university cannot do it for you; a graduate student cannot do it for you; *you* have to do it!

2. You will have to commit the necessary time and resources to get the job done. This can't be an activity that you expect your staff to do after they get their regular assignments finished. This can't be an activity to which you devote two or three hours a month. If you want it, then you will have to provide for bringing it about. This takes commitment from the highest level, if it is to work properly.

3. Time lines calling for the completion of certain phases will have to be set and honored. If this ingredient is not present, then the job probably will not be accomplished. The central theme of the Management by Objectives concept

is one of 'goal orientation' and this theme applies just

as logically to the adoption of the concept as it does to

the application of it.

If you are expecting me to depict precisely how you go about develop-

ing your concept of MBO for the State of Tennessee, I'm sorry! This is

something that you will have to decide. Somewhere along the way you

will need to answer such questions as:

. What's the climate?

. On what assumptions do I base my planning?

. What do I want to accomplish (goals, objectives, etc.)?

. How do I get to where I have said I want to be (ways and means)?

. What will it cost?

. How much can I do with resources that are available?

. Did I accomplish what I said I would?

But how you will go about answering these questions will have to be your

decision.

If I were to offer some general suggestions for approaching the

issue, I would say that your first effort should be in the direction of

formulating a strategy for developing the MBO concept. This would

necessitate involvement and input from the various administrative and sup-

portive service levels and should be accomplished within the next two or

three weeks.

Once the strategy has been determined, then it is a matter of executing

that strategy in accordance with those essential ingredients which I

presented earlier. A part of the overall strategy should include specific

dates when certain phases of the process is to be completed along with

appropriate provisions for the sharing of problems, frustrations, and

experiences by each unit and sub-unit periodically along the way. Perhaps this could best be accomplished with a follow-up conference in approximately two or three months.

From this point on, it is in your hands. You will determine whether it works or it doesn't. If it works, you win! If it doesn't, you play defense.

Thank you.

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