These two speeches deal with management by objectives (MBO). The first explains the rationale for such a system based on systems theory, surveys and research projects, and research in the field of behavioral sciences. It is a system of organizational leadership that translates organizational goals into specific objectives for organization members by providing the required link, such as a department head in between a dean and instructor. Critical elements are analyzed and the following advantages noted: better services, more learning on the part of the student, less turnover among staff, and generally a better climate in which to conduct educational activities. The second speech has to do with planning organizational change using MBO as the operating mode, with emphasis on management planning and problem solving. The following are needed for successful organizational change: management development; an understanding of fundamental behavioral findings and hypotheses on the nature of people as they function in organizations; creative environment; participative style of management; and an appraisal system implemented as part of the whole MBO system. (CA)
"Management by Objectives in Community Colleges"

by

Thomas K. Connellan
University of Michigan

and

"Planning Organizational Change"

by

Robert E. Lahti, President
William Rainey Harper College

Management by Objectives in Community Colleges

Thomas K. Connellan
University of Michigan

Management by Objectives is a phrase that was first coined by Peter Drucker in 1954. It was at this time that Dr. Drucker, recognized as a leading authority in the field of management, produced his now classical work The Practice of Management. In it, Drucker made a statement that was to have far reaching effects on the philosophy of management. Said Drucker: "management is management by objectives". This was the only mention of management by objectives but nevertheless provided the philosophical basis for such a system.

In 1965 another landmark book in the field of management appeared on the scene. It was at this time that Dr. George S. Odiorne, then Director of the Bureau of Industrial Relations at the University of Michigan, and now Dean College of Business at the University of Utah produced Management by Objectives: Results Oriented Appraisal Systems. While Drucker had talked about management by objectives as a philosophy of management, Odiorne concentrated upon management by objectives as a system.

The philosophical base for the system had been built upon quite a simple concept - if results to be expected for an individual are carefully defined, the likelihood of his achieving those results is increased. It is interesting to note that there was never any disagreement about management by objectives as a philosophy - in fact, nearly everyone agreed with it. Unfortunately, while many agreed with the philosophy, few had done anything to develop the system. Since the early 60's (Odiorne's book is the result of some of his pioneer work in the area) Dr. Odiorne and a number of his colleagues have been developing and refining this system of management by objectives. It gained wide spread attention in business and industrial organizations, and has proven itself to be of great benefit in helping these organizations to prosper. It has been adopted for use by a number of manufactures insurance companies, utilities, banks and sales organizations. More recently, hospitals, church organizations, schools,
and other non-profit organizations have been utilizing a management by objective approach to management.

The purpose of this paper is to review the concept of management by objectives and examine some of the elements that might be applied to the management of a community college.

**Rational for Such a System**

**Systems Theory**

Systems theory suggests that many things (including community colleges) can be analyzed from such a point of view, we find that there are certain inputs such as students, teachers, buildings, laboratory equipment, and books which are utilized by the college to carry out its tasks or activities. These activities include such things as teaching, counseling, conducting experiments, planning the budget and registering students. In turn, activities such as these provide organizational outputs. These outputs take such forms as number of classes offered, number of credit hours taught, number of students graduated, projects completed, and services rendered.

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>ACTIVITIES</th>
<th>OUTPUTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>Teaching</td>
<td>Classes Offered</td>
</tr>
<tr>
<td>Teachers</td>
<td>Counseling</td>
<td>Credit Hours Taught</td>
</tr>
<tr>
<td>Buildings</td>
<td>Conducting</td>
<td>Students Graduated</td>
</tr>
<tr>
<td>Laboratory</td>
<td>Planning</td>
<td>Projects Completed</td>
</tr>
<tr>
<td>Equipment</td>
<td>Registration</td>
<td>Services Rendered</td>
</tr>
<tr>
<td>Books</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The traditional approach to dealing with these three variables in community colleges has been the line item budget approach. Under such an approach, moneys are gathered, allocated to organizational activities, which in turn yield outputs. These outputs are generally written up in some sort of report at the end of the year which describes what the college accomplished during the past fiscal year.
It is very interesting to note that seldom are there any goals established at the beginning of the period against which to measure success or failure. Management by Objectives adds another crucial step at the beginning of the resource allocation process. This step is termed goals setting and suggests that before we release resources and carry out organizational activities, we define the results that are to be expected from those activities. Thus, goals are set (and priority of the goals are determined): resources (which are generally scarce) are allocated in such a way as to maximize goal achievement, the resources are utilized to carry out the activities of the college, and then outputs or results are measured against a predetermined standard.

Surveys and Research Projects

A number of individuals (including myself) have conducted a series of matched interviews in a wide variety of organizations. These organizations include industrial firms, sales organizations, hospitals, utilities, academic institutions, and banks.

The interviews were based on an observation made by Odiorne that too often members of management teams - although they may be extremely well qualified - fail to succeed in their organization simply because they do not know what constitutes success for them in their job. Generally they are unaware of two
important factors:

1. the overall organizational goals towards which they should be working.
2. their specific objectives which tie into these overall organizational goals.

Lack of information on either of these items inevitably leads to conflict between the productive activities in which an individual should be engaging and those in which he is actually engaging.

Here is how the survey went:

1. A manager was asked to pick one of his key subordinates and give answers to the two following questions about that subordinate:

   a. What are the subordinate's major areas of responsibility in his job this year?
   
   b. For each of these areas of responsibility how will his performance in terms of results expected (goals) be measured at the end of the present budget period?
   
   c. The subordinate was then asked to answer the same two questions about his own job without having seen the response of his boss.
   
   d. The two responses were matched up for compatibility and agreement by the interviewer.

This interviewing was done in virtually every type of organization and the results are very nearly always the same - the discrepancy between boss and subordinate is always there, but varies considerably depending upon the type of responsibility being described. The chart below indicates the amount of discrepancy typically found.
Percentage Agreement

<table>
<thead>
<tr>
<th>Type of Responsibility</th>
<th>Responsibility</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative (new ideas)</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Problem Solving</td>
<td>50%</td>
<td>40%</td>
</tr>
<tr>
<td>Regular (Re-occurring parts of the job)</td>
<td>75%</td>
<td>70%</td>
</tr>
</tbody>
</table>

The implications of this mis-match are readily apparent for community colleges. For example:

1. If a Dean does not feel that one of his department heads is performing well, it might be because the department head does not know what the dean expects of him.

2. The President might wonder why a particular instructor is even kept on the faculty at all - when in fact the instructor is only off 25% from the department head who is off 25% from the Dean who is off by 25% from the president.

3. Students may feel that boards and presidents are out of touch with what goes on at the instructional level - which in many instances is an accurate description of the existing situation.

4. Appraisals, promotions, and pay raises are extremely difficult to allocate on a merit basis.

5. Budget money allocated from the financial office may get mis-allocated to inappropriate activities as it moves through the organization.

Each of these, of course, is a problem that could be considered unique in and of itself. However, one thing that they all have in common is that they can all be caused by the mis-match between boss and subordinate.

Research in the Field of Behavioral Science

The relationship of the behavioral sciences to the management of a community college might best be described in terms of the new math. The new math
is a finite math, heavily used in the grammar of machine language and the logic of computer math. It suggests that the world is composed of discreet sets of identities. For example, the behavioral sciences might constitute one such set and there might be another set termed the management of community colleges.

The new math also suggests that there might be an area in which these two sets overlap and come in contact with one another. Such an overlap is called an intersect and it is at the point of this intersect that management by objectives comes into play. In fact, management by objectives provides a vital link between research going on in the field of the behavioral sciences and problems that are associated with the management of community colleges.

Probably the most significant of the research in the field of behavioral sciences over the past several years is some of the work done by Dr. Frederick Herzberg at Case Western Reserve University of Cleveland. Dr. Herzberg suggests that some factors keep people from being dissatisfied with their jobs but do not motivate. These he calls Hygiene Factors and includes such things as:

- working conditions
- salary
- policies and procedures
- fringe benefits
It is interesting to note that each of these is essentially physical in nature and deals with the environment in which the job is performed. Dr. Herzberg points out that man is dissatisfied or unhappy if he does not receive these things in adequate amounts and on an equitable basis. He also points out that distributing things in this category does not necessarily motivate man. In fact, says Herzberg it does not motivate him at all - it merely maintains his behavior at a minimum acceptable level by keeping him from being dissatisfied.

The second category into which Herzberg places factors he calls the Motivator category. Items that fall into this category are essentially psychological in nature and deal with the actual job rather than the conditions of the environment in which the job is being conducted. Some of these items include:

- challenging work
- responsibility
- growth
- accomplishment
- the job itself

Herzberg asserts (and there is ample data to back him up) that it is items such as those in the latter category which turn people on about their work and which provide the basis for superior performance.

Management by Objectives is a system of organizational leadership which provides equitable basis for distributing items in the hygiene category while at the same time providing people in community colleges (and other organizations) with jobs that are rewarding and motivating, incorporating many or all of the items found in the motivator category.
How The System Works

Linking Pins

The system might best be described in terms of an observation made by Rensis Likert. Likert described the management structure of an organization in terms of linking pins. For example, in the diagram below, Department Head A is a subordinate on one team and a superior on another team - thus providing a link between the two different levels of the organization.

Management by Objectives is a system of organizational leadership which translates organizational goals into specific objectives for organizational members by providing the required link. For example, the link provided by Department Head A would focus around the translation of objectives established by the Dean into objectives that would be fulfilled by instructors in various departments. Each level of one college thus gets linked into the common goals of the level above it which are in term linked to still a higher level of the organization and also to corresponding units elsewhere on campus.

This is not to suggest that the board of trustees would dictate to the President who would dictate to a Dean who would hand out assignments to department heads.

Quite the contrary would be true. While the autocratic approach might work in the military (and there now seems to be some doubt whether it is
working in the military), it is simply not an appropriate style for an academic institution. In fact, as can be seen in the following diagram, there is ample opportunity for different members of the organization to make inputs.

As is suggested by the diagram, opportunity for flexibility should exist throughout the system. Individual members of the college community have the opportunity to provide inputs to the goal setting mechanism—either at the beginning of the cycle or by suggesting modification of previously determined goals.
Three Categories of Objectives

Another manner in which Management by Objectives provides organizations with the flexibility required in today's rapidly changing world is through the establishment of a variety of different objectives. No matter what size community colleges are, they typically have three types of needs:

1. **Stability.** Stability suggests that the organization as an entity has to be continued and that its long range survival depends upon bringing order and control to certain elements of the organization. Stability does not suggest that the status quo should be maintained but rather that change must take place within a stable framework and that a college needs a firm organizational base from which to introduce change.

2. **Self Correction.** Community colleges (like any organization) encounter from time to time, problems of varying magnitudes. These problems must be dealt with and handled in systematic manner that permits a return to normality. Thus, when organizational instability arises there must be some system for returning the needed stability.

3. **Growth.** Community colleges have the opportunity to grow in two manners - either by growth in size and services offered (external growth) or by improving services already offered (internal growth). Both of these are means by which the community college can improve its ability to meet the needs of its consumers.

Management by Objectives is able to provide flexibility in the management of a community college by initiating a different type of objective to correspond with each organizational need. (See diagram on following page.)

Advantages of utilizing the three different types of objectives are several:

1. It reduces the amount of paperwork necessary to maintain such a system by distilling the communication process.

2. It provides the administration with control over the factors necessary to maintain a stable organization while at the same time providing individual faculty members and staff members with the freedom to work on creative new ideas.

3. It takes into account the nature of different jobs with differing amounts of emphasis on maintaining organizational stability, providing for self-correction activities or initiating growth.
<table>
<thead>
<tr>
<th>Needs of Community College</th>
<th>Type of Goal</th>
<th>Home Example</th>
<th>College Example</th>
<th>Industrial Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>provide for growth</td>
<td>innovative</td>
<td>install astroturf</td>
<td>reorganize the academic part of the college</td>
<td>install a methods</td>
</tr>
<tr>
<td>to be self-correcting</td>
<td>problem-solving</td>
<td>fight crabgrass and dandelions</td>
<td>reduce amount of classroom rescheduling</td>
<td>improvement program</td>
</tr>
<tr>
<td>maintain stability</td>
<td>regular</td>
<td>cut grass and sharpen lawn mower</td>
<td>teach class</td>
<td>produce 1600 units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>per shift</td>
</tr>
</tbody>
</table>
Elements Critical to Success

Communication becomes a Process

In many community colleges, communication is an event that takes place on one of three occasions:

1. at a staff meeting which is conducted on a regular basis.
2. at annual appraisal time.
3. when the college or some part of the college is faced with a particularly pressing problem.

Unfortunately communication should not be an event but a process. Organizational communications in a community college (or any other organization) should not be a periodic occurrence. It should, and must be, a process by which information flows from one part of the organization to another.

Management by Objectives provides added insurance that communication becomes a process rather than an event by focusing communication on clear cut objectives. With a clear cut objective firmly in mind (like a map dangling from the visor of a baseball cap), members of the community college have something about which to communicate. When people have something about which they can communicate, they communicate more efficiently and effectively.

This may reduce the amount of total communication by reducing the amount of non-functional or even disfunctional communication. (Although it might well be questioned whether something that is either non-functional or disfunctional should be called communication.) Nevertheless, this reduction increases even more, the effectiveness and efficiency of the communication which does take place.

Utilisation and Involvement

Each part of the community college must actively utilize Management by Objectives to make such a system effective. The board, for example, cannot say "that sounds like a good idea. Not applicable to us of course but we
think that everybody else can use it." Statements such as this, with the implication that while it is satisfactory for the masses, it is not satisfactory for us kings not only results in the breakdown of such a system but smacks strongly of the type of attitude which leads to campus hostilities.

The Board of Trustees of a community college must not only endorse such a system but must actively participate in making it work. To do this they must actively become involved in the communication flow of the college so that they may properly function in their role of gathering inputs necessary to shape the destiny of the college for the years to come.

It should also be noted that each part of the community college can make its own version of "it sounds fine for everyone else but probably doesn't apply to us" sound equally plausible. While there are certain problems that must be ironed out in adapting such a system to the different segments of a community college, experience with pioneering efforts in the area have shown that while they are difficult, they are not insurmountable.

This suggests that all members of a community college adopting such a system would also have the opportunity to shape the long range goals of the college. This shaping has typically been done by the board acting as representatives of the community. This is as it should be, for this is their primary responsibility. However, utilizing just this one source of information to shape the destiny of a college is not only short sighted but are capable of making valuable inputs into long term organizational goals.

This is not intended to imply that the community college throw open the doors of decision making to every willie-nillie group that appears in the doorstep. Rather we are suggesting that there are many groups (such as those described above) which not only have a legitimate concern for the direction
taken by the community college, but also have valuable inputs which can be made.

By identifying common organizational goals and then breaking these up into specific objectives for different members of the community college, management by objectives provides clear focal points for long (and short) range decision making. With clear cut goals identified, areas of agreement can be identified and strengthened. Areas of disagreement can likewise be identified and corrective action taken. While utilization of Management by Objectives does not insure that everyone will have their way, it does insure that each will have the opportunity to influence.

Commitment by all to Make System Work

Without commitment by all parties in the community college - board, administration, students, staff, and faculty - Management by Objectives as a system of organizational leadership in community colleges will fail in one of two ways:

1. It will start off with a great deal of drum beating and enthusiasm, and quickly fall into disuse.
2. Its utilization will only be on a spotty basis throughout the college.

Either one of these two alternatives can be avoided by obtaining commitments by all members of the college to the success of such a system.

We are not suggesting here that everyone has to sign in blood, attend the secret rites, and then set objectives. Rather we are suggesting that each member of the organization quietly resolve that he will actively support such a system and make a commitment to see that it succeeds.

Not a great deal to ask, but absolutely essential to success.

Sub Systems Support

Community colleges have a variety of sub-systems at work within the
organization, each of which suggest that certain behaviors are appropriate and other behaviors are not appropriate. Some of these sub-systems are appraisals, promotions, salary administration, and freedom to work on interesting projects. Receiving the benefits is behaving in an appropriate way.

For example, if a faculty member is not only setting high standards for himself, but is meeting these standards, there has to be some sort of organizational system which rewards him for these efforts. This might take the form of a salary increase, the opportunity to attend a conference, a promotion, or freedom to work on a special developmental project. Too often, however, this is not the case. A faculty member of one community college explained it to me this way:

"The administration around here claims they want a creative approach to teaching. This past year I decided to try something new. During the first class session the class and I agreed upon what we were going to accomplish during the coming semester. We even agreed on some projects in which current members of the class could participate that would not only provide valuable inputs to class discussion, but would also provide the students working in those projects with the opportunity to engage in something besides sitting in the classroom and taking notes. Word got around what we were doing and 14 students late-registered for the class bringing the total to the maximum of 30. It was the largest number of students ever registered for this class in the history of the college. Together we figured out the cost of the things we want to do and it came to approximately $72.00. It tried to get the money from the administration, but they screamed like a stuck pig. After much foot stomping, hand waving, and commotion, they finally agreed to give us $30.00. Each of the students chipped in one dollar and I kicked in another $12.00. Halfway through the semester, we decided that the best way to complete one project would be to meet for three straight hours. The only time we could find that everyone could meet was Tuesday night from 7 to 10. We agreed to cancel the regularly scheduled classes that week and meet Tuesday evening. We located an unused classroom and scheduled it for Tuesday evening. Shortly thereafter one of the Deans found out what we had done, called me on the phone and demanded to know why I was not meeting my regularly scheduled classes. They might wave the flag for creative teaching around here, but when the chips are down there are just too many headaches involved in fighting city hall. I give up."

Examples such as the one related above suggest that what people may make statements regarding such issues as a creative approach to teaching, it is their behaviors which indicate what their beliefs really are. If the operational sub-
systems of a college did not support setting high standards; if there is no payoff for reaching the standards; but if there is payoff for mediocrity (i.e., everyone getting an across-the-board increase at the end of the year), people have one of three choices.

The first one is to leave the college and look for another; the second is to continue bucking the system (something few of us want to do over any extended period of time); or give up and live their lives out in blissful mediocrity.

Community colleges are (and should be) in the forefront of American Education. They (and American Education) cannot afford any of the three alternatives available when the operational sub-systems do not support alternative setting and the superior performance it demands.

Knowledge and Understanding of System

Operation of a system such as Management by Objectives requires that all members of the organization who will become involved, have an understanding of what Management by Objectives is, how it works, and how it will affect their organizational roles.

An infallible method of insuring that system will not work is to announce adoption of a Management by Objectives system and then not provide training or further information for anyone on its operation. Whether this information comes in the form of a consultant, an outside seminar such as University of Michigan's Management by Objectives seminar, or some other form is not critical. What is critical, is that everyone involved have a clear understanding of what the system is and how it works.

The Payoff - Is It There

Certainly the payoff has been there in business operations. Those businesses which have adopted Management by Objectives as a system of organizational leadership have found that it pays off in many ways. For example, a division of a major manufacturer found the following:
1. Its managers were noted in predominance on the corporate bonus roles because of division profits.

2. As a result of their success, 58 of these managers were tapped for key positions by other divisions of the company. All but two of them were replaced internally, thereby indicating an internal ability to grow managerial talent.

3. Within one week, 14 key engineering managers switched jobs. Although a wholesale switch such as this might have been catastrophic in other engineering departments, this one continued to function smoothly. Reason given: the man moved but the list of objectives stayed behind; the person new on the job merely picked up the list of objectives and kept on going.

Community colleges should be able to find some of the same results by utilizing such a system. To be sure, the product is different. It is not manufactured goods, but students. Nevertheless, utilization of such a system with the proper amount of adaptation should produce more "profit" for community colleges. These improved "profits" might take the form of better services, more learning on the part of students, less turnover among staff, and a generally better climate in which to conduct educational activities. The initial comments from community colleges who are trying the system indicate that the payoff is there.
SELECTED BIBLIOGRAPHY

Management by Objectives


1. The Need for Management Development


1. Educational institutions are turning out scholars, scientists, and experts who are anxious to act as advisors, but they are producing few men who are eager to lead or take responsibility for the performance of others.

2. Fewer and fewer men who hold advanced degrees in management want to take responsibility for getting results through others. More and more of them are attracted to jobs that permit them to act in the detached role of the consultant or specialized expert, a role described by John W. Gardner as the one preferred increasingly by university graduates.

3. ...the main reason many highly educated men do not build successful managerial careers is that they are not able to learn from their own firsthand experience what they need to know to gain the willing cooperation of other people. Since they have not learned how to observe their environment firsthand or to assess feedback from their actions, they are poorly prepared to learn and grow as they gain experience.
4. Many men who aspire to high-level managerial positions are motivated to earn high salaries and to attain high status, but they are not motivated to get effective results through others. They expect to gain great satisfaction from the income and prestige associated with executive positions in important enterprises, but they do not expect to gain much satisfaction from the achievements of their subordinates. Although their aspirations are high, their motivation to supervise other people is low.

5. What all managers need to learn is that to be successful they must manage in a way that is consistent with their unique personalities. When a manager "behaves in ways which do not fit his personality," as Rensis Likert's managerial research has shown, "his behavior is apt to communicate to his subordinates something quite different from what he intends."

6. What managerial aspirants should be taught is how to exercise their authority in a way that is appropriate to the characteristics of the situation and the people involved. Above all, they need to learn that the real source of their power is their own knowledge and skill, and the strength of their own personalities, not the authority conferred on them by their positions. They need to know that overreliance on the traditional authority of their official positions is likely to be fatal to their career aspirations because the effectiveness of this kind of authority is declining everywhere - in the home, in the church, and in the state as well as in business.

2. The Human Organization

The Human Organization

It is common knowledge that organizations are typically inefficient in realizing the potential of their human resources. Because they function on the basis of incorrect assumptions about the nature of man, they tend to limit the growth of persons who work in them. In other words, they do not give adequate consideration to the human element or the
human side of organizational life. Management must understand fundamental behavioral findings and hypothesis about the nature of people as they function in organizations. Some of the findings and hypothesis are as follows:

a. People have a drive toward growth and self-realization.

b. Work which is organized to meet people's needs as well as to achieve organizational requirements tends to produce the highest productivity and quality of production.

c. Individuals whose basic needs are taken care of do not seek a soft and secure environment. They are interested in work, challenge, and responsibility. They expect recognition and satisfying interpersonal relationships.

d. Personal growth is facilitated by relationships which are honest, caring and nonmanipulative.

e. Persons in groups which go through a managed process of increasing openness about both their positive and negative feelings develop a stronger identification with the goals of the group and its other members. The group becomes increasingly capable of dealing constructively with potentially disruptive issues.

f. The ability to be flexible and responsive flows naturally from groups which feel a common identification and ability to influence their environment.

Accepting these assumptions and initiating processes which will release the human potential of an organization by diagnosing its road blocks may lead to greater production from employees.
If you have not had the opportunity to read a pamphlet published by the University of Chicago on the Creative Organization authored by Gary Steiner, I commend it to you. This booklet is the combined thinking of a number of scholars gathered at the University of Chicago who attempted to isolate the elements of a creative organization. These scholars identified some of the ways of judging and identifying a creative organization:

1. It has idea men.
2. It has open channels of communication.
3. It has ad-hoc devices or suggestion systems, brainstorming, or idea units.
4. It encourages contact with outside sources.
5. It has a heterogeneous personnel policy which allows for marginal, unusual types.
6. It assigns non-specialists to problems.
7. It allows eccentricity.
8. It has an objective fact-founded approach.
9. Ideas are evaluated on their merits.
10. It experiments with new ideas rather than pre-judging on "rational" grounds; everything gets a chance.
11. The organization is decentralized or diversified.
12. It tolerates and expects taking chances.
13. It separates creative from productive functions.
15. It has separate units or occasions for generating ideas v.s. evaluating ideas.
A Participative Style of Management

The organization believes and supports the principle of active faculty and student organizations. Faculties should be allowed to participate as they accept the degree of responsibility which accompany participation.

Until recently, the shifting sands of practitioner judgment was our only source of knowledge about how to organize and run organizations. In the past ten years, research on leadership, management, and organizations undertaken by social scientists has provided a more stable body of knowledge that has been available in the past. Research is beginning to be substitute for practitioner judgment in all aspects of management. For those of you who may not be familiar with the writings of Rensis Likert, of the University of Michigan, I urge that you familiarize yourself with two publications - the New Patterns of Management, published by McGraw-Hill in 1961, and his more recent publication, The Human Organization, published by McGraw-Hill in 1967.

When I speak of Participative Style of Management, I am speaking of Likert's Systems 4 Model. The Systems 4 style of management is characterized by a high degree of involvement and decision making between the very people who are going to be affected by the decision. This model is more commonly referred to as the Participative Group Model. Likert's continuing research on this subject, an actual application of Systems 4 in at least one company of which I am aware (the R. G. Barry Company in Ohio) is worth your attention.

In brief, Likert claims the more closely the management style is to the participative group, as opposed to the exploitive, benevolent, authoritative, consultative - the more productive is the organization. Gordon Zachs, the President of R. G. Barry Company, in the November 1970 issue of Innovative Magazine, gives testimony to Likert's theory in an article, "How We Rebuilt
Our Company." Likert's research is worth following.

Satisfy Basic Reasonable Expectations - Create a Work Environment Which Will Motivate Individuals to be Productive

An organization which expects high productivity should at least satisfy minimum expectations, that is, good salaries, good fringe benefit program, sabbatical leaves, reasonable loads, adequate amount of released time, paraprofessional help, and tuition reimbursement for advanced college work. Others which are coming into rapid prominence are:

a. an excellent learning resources center for staff institutional use.
b. professional expense reimbursement for dues and subscriptions to professional organizations.
c. Short term leaves for self-renewal.

Organizational leadership within organizations should be well aware of Herzberg satisfiers which include:

1. Achievement.
2. Recognition.
3. Work itself.
4. Responsibility.
5. Advancement.

Additional factors which some organizations claim to motivate people to more production are:

---innovative travel funds with accountability
---special funds for educational project development
---adequate professional travel budget with accountability
---the ability to use outside consultants - and
---a development leave program - for administration

Some Objectives For Greater Accountability and Productivity

A. A budget system which will identify the cost factors to the lowest unit,
B. The recognition that planning is a process and not an act, and the inclusion of planning time regularly in the work schedule. Effective planning is a control system exerted before an action is taken (MBO).

C. A total appraisal program (teachers, administrators, and staff.)

D. Base data guidelines for operations in academic affairs, student affairs, business affairs, and general institutional operations.

E. Select Audits by external specialists.

F. A well-advanced program of institutional research which provides balanced research commitment between administrative and academic functions.

MBO as an Operating Mode.

Let's turn to a management system that has been used with success in progressive business and industrial organizations throughout the United States. Although not new in principles, it has gained significant popularity in the last decade under the name of Management By Objectives.

In Management By Objectives, the principle emphasis is on management planning and problem solving rather than on the production of an informed judgement of an individual's performance by his supervisor. The aggregate and direction of individual growth and job performance improvement are largely affected by the quality of the objectives set during the MBO process.

Integral to the MBO system are

I. The central purpose and function of the organization must be generally understood and agreed upon.

II. Each sub-unit purpose and how it integrates into the overall organization must be generally understood and agreed upon.

III. Position descriptions must be available for all organizational jobs. These descriptions provide the basis for establishing
...routine objectives, authority and accountability relationships.

IV. Each individual writes down his major performance objectives for the coming year in measurable terms and sets target dates. (Objectives may be classified as problem solving, innovative, routine.)

V. He submits them to his supervisor for review. Out of the discussion comes a mutually agreed upon set of objectives. (Commitment)

VI. On a quarterly basis or some other schedule, he verbally reviews progress toward these objectives with his supervisor. A record is made of the appraisal session. Objectives and plans are revised and up-dated as agreed upon. (Coaching and Development)

VII. At the end of the year, the individual prepares a brief "accomplishment report" which lists all major accomplishments, with comments on variances between results actually achieved and results expected.

VIII. This appraisal on Report of Progress is discussed with the supervisor. Reasons for goals not being met are explored. (Coaching and Development)

IX. A new set of Objectives is established for the next year.

X. Long-range objectives are reviewed and adjusted as needed.

The Appraisal Program.

Having adopted a MBO system as a basic mode of operation, an effective performance appraisal system may be implemented as a part of the system. A performance appraisal system should have as its objectives:

1. The improvement of performance in the job now assigned. This suggests the appraisal procedures should not dwell on the past, but should move to a future action plan on what has been learned from the past.
2. The development of people in two ways:
   a. providing the organization with people qualified to
      step into higher positions as they become open;
   b. serving to help individuals who wish to acquire knowledge
      and abilities to become eligible for a higher job.

3. To provide answers to the questions; that is, "How am I doing?"
   "How should I be doing?" and "Where should I go from here?"

The appraisal program is fundamentally a five step process, described in capsule form as follows:

**Step 1** The individual discusses his job description with his supervisor, and they agree on the content of his job and of the relative importance of his major duties in the things he is paid to do and is accountable for.

**Step 2** The individual establishes performance objectives for the majority of his responsibilities for specific periods of time. These performance objectives may be classified as routine, problem solving, and innovative-developmental. Characteristics of these performance objectives are that they should be specific, measurable, limited in time, and realistic.

**Step 3** The individual meets with his supervisor to discuss and reach agreement on his performance objectives for the specific periods of time. Mutual agreement is reached on the performance objectives, the results desired, and the level of achievement to be accomplished.

**Step 4** At least three appraisal interviews are established as check points for the evaluation of progress. (See Appraisal Interview Exhibits A & B)

**Step 5** The Supervisor and subordinate meet on the specific dates scheduled
for the appraisal interview to discuss the results of the subordinate's efforts in meeting his goals as had been previously established. Coaching and development is the password for the supervisor during this activity. A record should be made of this interview of which both parties must be aware.

After the performance appraisal interviews have been completed and a thorough discussion and evaluation has been achieved between supervisor and his subordinate, the organization is now ready to reward those who have contributed to the achievement of organizational objectives and to withhold reward from those who have not.

The performance and appraisal process can be advantageous for organizational development in the following ways:

1. The subordinate knows in advance the basis on which he will be judged.
2. The supervisor and subordinate both agree on the content of the subordinate's job.
3. The process is based upon a supervisor-subordinate relationship and should perhaps strengthen this relationship.
4. The process has a self-correcting, personal growth characteristic which assist people in setting goals that are challenging and attainable.
5. The process provides a method of spotting individual development needs, thus setting the stage for a total managerial development program within the organization.
6. The performance appraisal system highlights a total managerial approach which allows the individual manager to better understand his individual contribution to the organization as it strives to meet the institutional goals. This program asks the supervisor
to look at the record of managerial success rather than a manager's personality.

In summary, a performance appraisal system has its best chance of succeeding when the following conditions are present in an organization:

I. A well defined institutional mission is written and agreed upon by all employees of the organization.

II. A progressive and contemporary style of management leadership and philosophy is understood and practiced by the organization's managers.

III. A sound wage and salary administration program is in existence and adhered to.

IV. A well conceived system of results management is understood and practiced by its management.

V. The objectives and elements of a performance appraisal system are articulated and agreed upon by the organization's managers.

VI. A substantial orientation program is offered to the individuals who will be involved in the program.
SELECTED REFERENCES


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