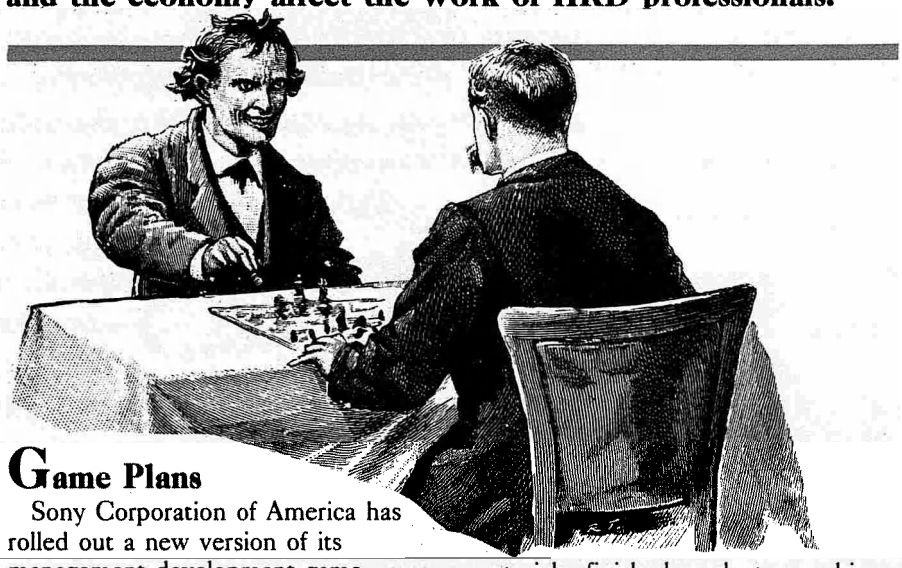
Practicum

With the redesign of the *Journal*'s editorial format comes a new column, Practicum. Descended from the longstanding FYI column, Practicum serves as a clearinghouse for news items concerning the practice of human resource development; practical, how-to information from the field; research capsules with proven applications; and brief analyses of how trends in business, education, technology, government and the economy affect the work of HRD professionals.



Game Plans

Sony Corporation of America has rolled out a new version of its management development game called, appropriately enough, The Sony Management Game.

The three-day seminar gives U.S. and Canadian executives and middle managers an opportunity to experience business management Sony-style: That is, to manage with a good understanding of the company as a whole rather than from the vantage point of a single management specialty.

Functioning as presidents of their own companies (with such names as Frontrunners Industries, Pinstripe Brokers and Futuristic Inc.), players perform all management functions and make all business decisions over a simulated five-year period. They test their planning, investment, purchasing, hiring, research and development and accounting skills.

The game is played by up to 42 participants, seated six to a table around a device symbolizing six markets. Among the tools of the game are pivotal "risk" and "decision" cards and chips representing workers, raw materials, finished products, machines, advertising, R&D, market research and insurance.

Sony has supplemented its manufacturing-oriented Industrial Version with a Commercial Version geared to service, retailing and financial organizations. A computer-assisted format has been added to eliminate "number crunching" and to focus on strategy, analysis, planning and decision making.

Sony's game joins more than 1,000 training and development games marketed by such organizations as Maddux Associates, LaCanada Flintridge, Calif.; Robertson/Merrell, Hamden, Conn.; Simtek Business Games, Cambridge, Mass.; and Strategic Management Group, Inc., Philadelphia, Pa. At about $285 to $450 per player, Sony's game falls at the expensive end of the spectrum.

For a list of game sources, write the American Society for Training and Development Resource Center, Suite 305, 600 Maryland Ave., S.W., Washington, DC 20024.

Org Charts vs. Networks

The information revolution is changing more about the organization than the kind of equipment that sits on our desks. Samuel B. Harvey, president of RHS & Associates, an information systems consulting and education firm, was interviewed in the Fall 1983 *Sibson Report*, and he described how sophisticated information retrieval capabilities are transforming our neatly charted hierarchical organizations into cross-level networking systems:

"...we will have multiple organizations. We will have many networks. If we are going to have order rather than chaos, it will be necessary for companies to have some prescribed networks, some areas in which working relationships and flow of communications will be prescribed. There will be many other areas where it will be the job of the individual doing the work, or the group assigned to do the work, to determine their own organizations and their own information sources and systems.

"But I think we'll still have organizational charting. This will identify businesses we're in and organizational units. It will also have identification and prestige value, a version of 'who's who.'

"Keep in mind also that we will still have administrative supervision unrelated to technological direction. Someone will still have to decide who gets promoted, how much of a pay increase a person gets, when vacations can be taken and all those other questions that are important to people and important to the organization.

"...Of course [the networking organization] will be more complex, but this will be matched with an enormous information base [that is] readily accessible. Increased complexity will be more than matched by technologies that deal with such complexities. The challenge in the management of people will be whether or not the managers can be guided in using all this intelligence correctly.

"I think the newer generation of working people will become as comfortable with the fluidity of working relationships and the free movement of information as we, in our generation, adapted to the enormous amount of travel we have done, but which was

not done by the preceding generation of managers."

"No amount of technological innovation, worker education and training, work force restructuring, or job redesign can realize its full productivity improvement potential without the cooperation of trusting employees, men and women who know that change in the workplace does not threaten their livelihood."

James F. Bolt, president, Human Resource Associates, Westport, Conn.
In "Job Security: Its Time Has Come," Harvard Business Review, November-December 1983

Rewarding Managers

The 19th Annual Management Compensation Study by Robert E. Sibson provides a good overview of how organizations of varying sizes plan to compensate their managers during 1984. The study, which covers bonuses, stock options and other long-term income programs in addition to salaries, supplies guidelines for establishing fair, competitive compensation schedules for managers at varying reporting levels.

Among the major findings reported:

- The average budget for management salary increases for 1984 is seven percent. This is one percentage point less than in 1983 and about three percentage points less than the management salary increase budgets during the inflationary years of 1981 and 1982.
- During the last two years many firms reported increased efforts to integrate more performance rewards into their salary increase programs. However, thus far, these efforts are largely unsuccessful. One impediment is the disinclination to "penalize mediocrity" by granting increases substantially below the company average to those whose performance is below average.
- Organizations have shown an increasing willingness to vary from the original management salary budget if economic trends are different than anticipated. This is usually done by shortening or lengthening the intervals between increases rather than by changing the amount of the increase.

For more information write *The Sibson Report*, 5065 North A1A, Vero Beach, FL 32960.

Fellowship Competition

The National Center for Research in Vocational Education, The Ohio State University, has announced that additional fellowships will be awarded in its Advanced Study Center for each of the next two years.

Applicants should be mature scholars, preferably with an earned doctorate, leadership experience and an interest in pursuing independent research projects of their own selection. The Advanced Study Center program is interdisciplinary, and fellows come from diverse professional experiences. The only condition governing their research is that it focus on excellence in vocational education.

The Advanced Study Center is supported by the U.S. Department of Education under a contract with The Ohio State University to establish and operate the National Center for Research in Vocational Education. Fellows receive a stipend equal to half their current annual salary up to a maximum of $22,500, plus limited travel and assistance with relocation expenses subject to availability of funds.

Applications for the 1984-1985 academic year must be submitted by March 1, 1984 and for the 1985-1986 academic year by March 1, 1985. Awards for each year are announced on or before April 15. Write the National Center for Research in Vocational Education, 1960 Kenny Road, Columbus, OH 43210.

Rhyme and Reason

Most trainers have a cache of anecdotes they use as icebreakers, to introduce a new topic or to illustrate a point. Natasha Josefowitz, a professor of management at San Diego State University's College of Business, uses poetry to perform the same functions.

"It's unexpected," explains Josefowitz, "and it gives a message that may not be new, a new twist. Hearing it in another medium can make the message seem fresh."

Josefowitz says poetry makes the trainer vulnerable and helps trainees and trainer connect: "The message in the verses, often covert, is the shared secret. There is not always a need to say anything further to make the point."

Among her favorites is this gentle message about ageism:

Plums and Prunes

Your skins are taut.
Your faces smooth
like fresh plums.
My skin is wrinkled.
My brow is furrowed
like a prune.

Prunes are sweeter.

"Support Systems" is used in closing. Josefowitz asks the participants to join hands as she recites the verse.

My right hand is being held
by someone who knows more than I,
and I am learning.
My left hand is being held
by someone who knows less than I,
and I am teaching.
Both my hands need thus to be held
for me—to be.

More than 100 of these poems have been collected in *Is This Where I Was Going?*, Warner Books, 1983.

Testing the Accuracy of Self-Assessment

Can an individual accurately assess his or her training needs?

A recent study of how senior managers of a major financial institution assessed their job-related skills, compared with the results of an applications test of the same skills, showed that these managers were very accurate in self-assessing their strengths and weaknesses.

The study focused on 19 high-level managers who had been selected to assume a newly created position. Their average length of service in the organization was 12.5 years.

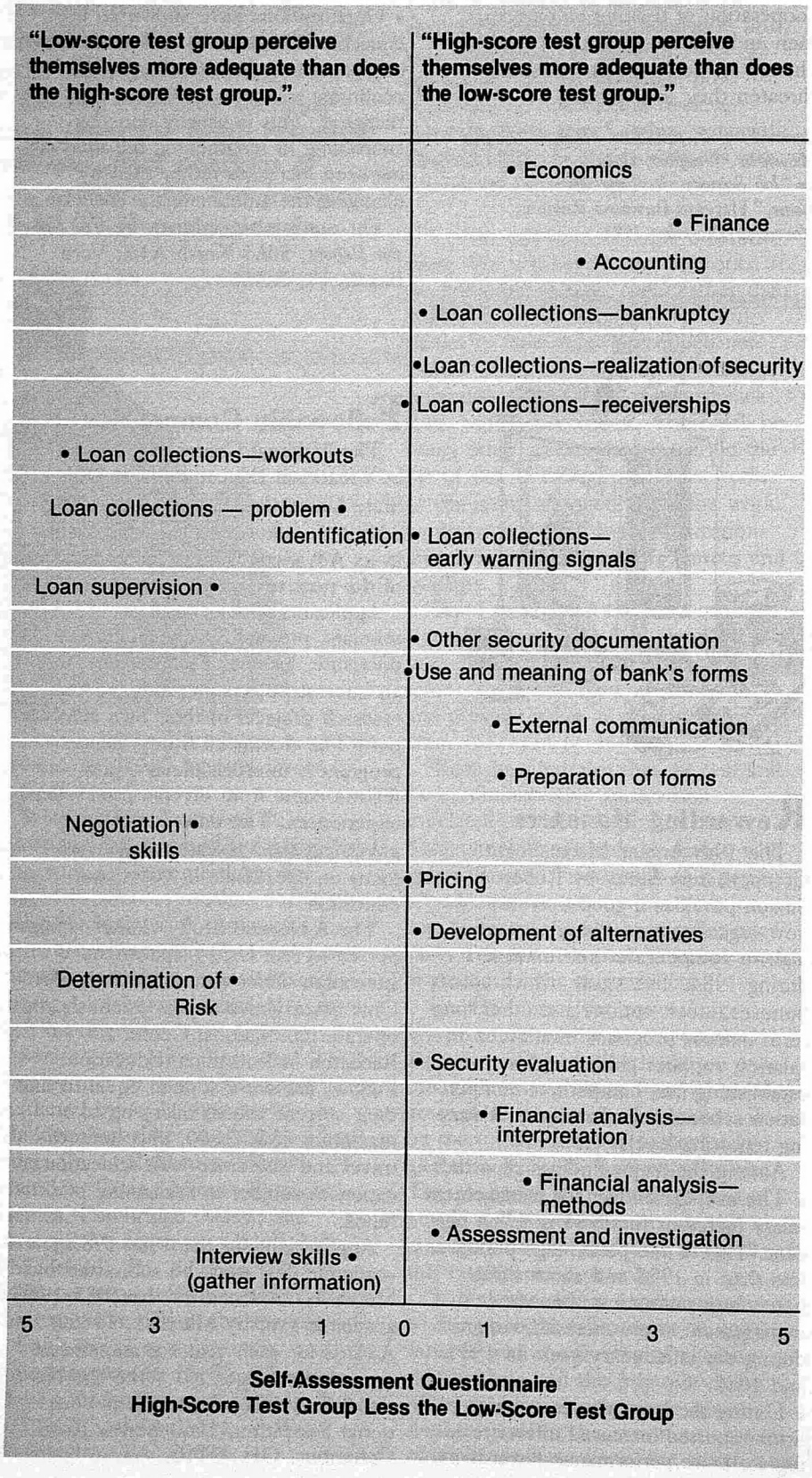
Each manager completed a self-assessment questionnaire concerning 55 skills in six functional categories: lending, management, interpersonal relations, problem solving, marketing and corporation services. Managers rated their current ability to apply each skill using a six-point Likert scale. A rating of 1 meant a limited ability to apply the skill, while a rating of 6 indicated considerable ability to apply the skill.

A test was then administered to each manager covering technical job components. Successful completion of the test required application of the skills included in the questionnaire.

Test results were rank ordered, and two groups were selected—one group of 13 persons who scored 100 or more points out of 150, and a second group of six persons who scored less than 100. In instructional classes it is common for test score averages to fall between 65 percent and 75 percent when the material is relevant to the participants' current jobs. Thus, the cutoff of 100/150 or 67 percent was an assumed divisional point separating those who were only minimally competent from those who had fully mastered the desired skills. Because managers were selected for the new position according to their current job and performance, it was expected that the "high-score test group" would be much larger than the "low-score test group."

The two test groups' self-assessment questionnaire results were compared, and a "difference" score was calculated by subtracting the "low" group from the "high" group. The purpose was to determine if individuals grouped by

Figure 1. Self-Perception in the Lending Component



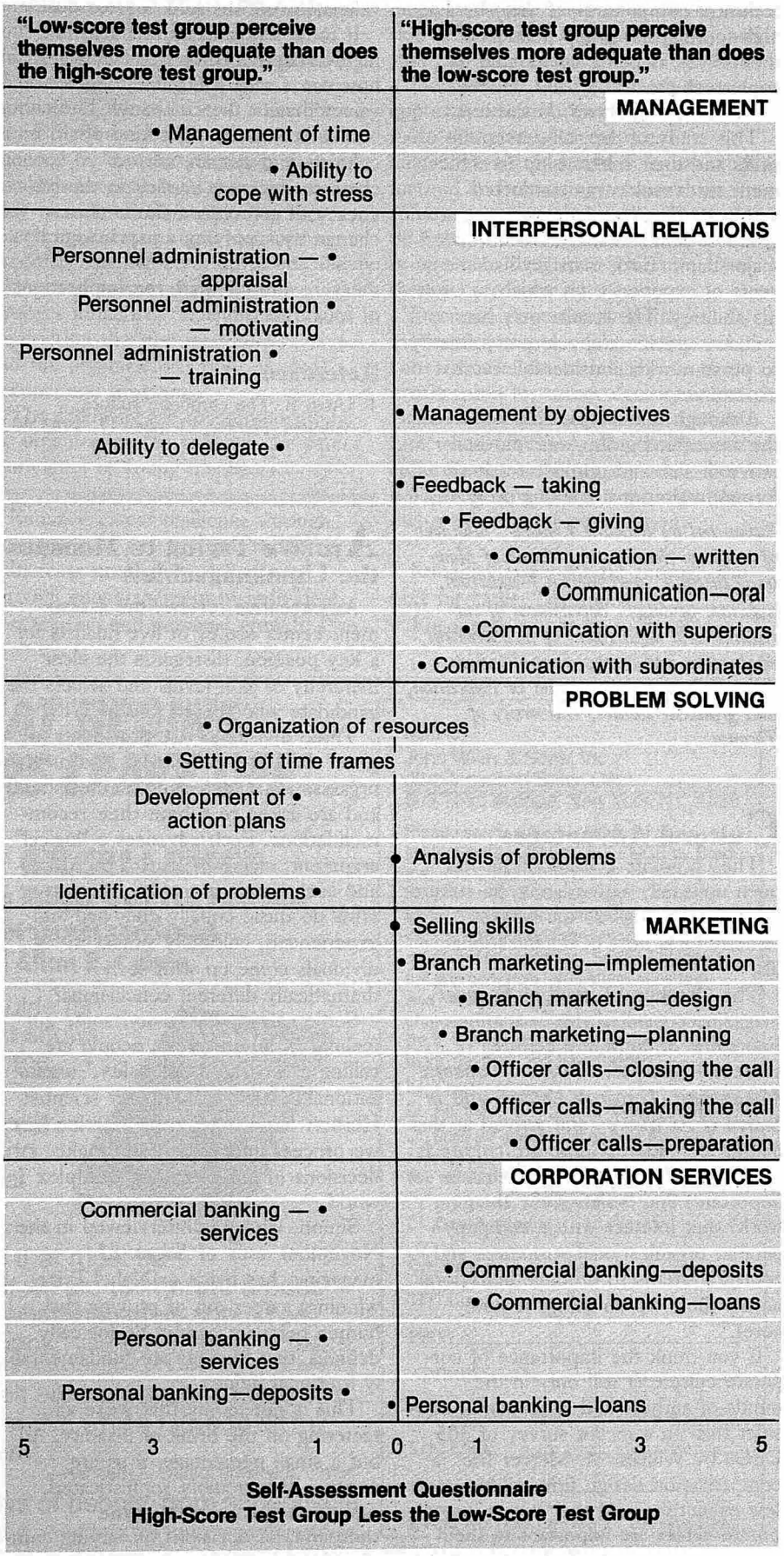
test score would show common perceptions of their abilities and if the groups' self-assessments differentiated on specific skill items.

Figures 1 and 2 show all 55 skill items of the self-assessment questionnaire. The left side of each figure shows the skills that the low-score test group said they could apply better than did the high-score test group. Conversely, the right side displays skills that the high-score test group said they could apply better than did the low-score test group. The skills' position on the numerical scale indicates the degree of difference between the two groups' self-assessments. For example, Figure 1 shows that there was no difference between the two test groups' assessments of their competence in "use and meaning of bank's forms." However, the category "loan collections—workouts" revealed a difference in assessment of nearly five.

These results reveal that the low-score test group perceived themselves to be more people-oriented in dealing with organization, administration and service. Among the skills that this group said they were stong in were interviewing, risk determination, negotiation and loan supervision (in the lending job component); knowledge of the corporation's services in making personal loans; identification of problems, setting up development plans and time frames and organization of resources (in the problem solving job component); ability to delegate, train, motivate and appraise personnel (in the interpersonal relations job component); and stress management and priority setting (in the management job component).

The high-score test group, in contrast, rated themselves more prepared in such functions as financing, accounting, preparation of documents, deposits, loans and formal (versus informal or personal) communication. Among the skills that this group said they were strong in were methods and interpretation of financial analysis, security evaluation, pricing and economics (in the lending job component); knowledge of commercial deposit and loan process; preparing, making and closing selling calls and planning, designing and implementing marketing strategies (in the marketing job component); problem analysis (in the problem solving job component); and management by objectives (in the

Figure 2. Self-Perception in Other Job Components



management job component).

Test results confirm the self-perceptions regarding the more technical components of the job. The high-scoring test group perceived themselves as being better able to apply technical skills, and, indeed, they performed better on the test.

This study of the self-perception of skills and their relationship to achievement test results was conducted within the banking industry using a group of senior managers from one major bank. Each manager had many years of experience on which to assess his abilities. The results may be industry-specific and relevant primarily to persons with considerable work experience.

Although the sample size was small, the assembled group was representative in size and purpose to those of formal institutional training programs.

Submitted by Richard Kemerer, manager of program development, Bank of Montreal Institute, and Merlin Wahlstrom, associate professor, department of curriculum and department of measurement, evaluation and computer applications, Ontario Institute for Studies in Education, and graduate studies, University of Toronto

Cultural Advantages

The corporate culture circuit has been unusually active lately, as culture surpasses strategy as the hottest remedy for a host of organizational ills.

The October 17 issue of *Fortune* magazine consulted the Fearsome Foursome of corporate culture sources—*Theory Z, The Art of Japanese Management, Corporate Cultures* and *In Search of Excellence*—and arrived at this helpful definition: Corporate culture is a "system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organizational structures and control systems to produce behavioral norms (how we do things around here)."

If you think the importance of corporate culture is still only in the minds of authors and consultants, consider this: In a recent survey of 305 CEOs by William M. Mercer Inc., a compensation design firm, all but a few executives said that strong corporate values are important to their companies' success. When asked to what degree their organizations had "addressed the issue of corporate values," two-fifths said "a great deal."[1]

If today's organizations must be highly adaptive to constant change, how can a rock-solid, enduring set of values benefit the company? The consensus is that the right kind of culture—and certain "correct" characteristics are implicit in the advocacy of corporate culture—eases change by supplying a psychological anchor and a tool by which to measure and compare the implications of tough decisions.

Reference

1. Uttal, B. The corporate culture vultures. *Fortune*, October 17, 1983, 66.

Are We Trying to Manage the Unmanageable?

An executive reviews the assessment center scores of five finalists for a key position, disregards the clear hierarchy of skill levels and selects the candidate who scored fourth. Why?

Three divisional vice presidents are given the same exhaustive data on the organization's decreasing market share and are asked to submit their recommendations. Each advances a "logical" argument, clearly linked to the data—and each report is totally different. How do these equally endowed and experienced, culturally similar individuals come up with such dramatically different conclusions?

Some call it subjectivity, some gut feeling. More and more people are calling it "bounded rationality," organizational/behavioral/computer scientist Herbert Simon's term to describe how we process information and make decisions in our dizzyingly complex world.

Simon, who was interviewed in the November issue of *Science 83* magazine, has made a (Nobel Prize-winning) career out of proving that human behavior cannot be logically defined, that humans are fundamentally irrational beings.

This is not to say that we're all teetering on the brink of insanity. All but a small percentage of us are masters of incredibly sophisticated, rapid systems for making the thousands of decisions of varying complexity we must make every day. They're just not logical systems.

For the most part, according to Simon, people use examples from their own experiences and from the world around them to reach broad conclusions, a process opposed to deductive logic, which reasons from the general to the specific. This process is paralleled in the "pattern vocabularies" championed by Peters and Waterman in their book *In Search of Excellence*. Pattern vocabularies—the not-always-obvious mental paths that experienced managers travel to arrive at decisions—are based on remembered patterns of experience and that familiar entity, gut feeling.

Peters and Waterman credit Simon for some fundamentals of their approach to organizational excellence; they espouse rejecting rigid, rational models in favor of action, experimentation and creativity. In fact, their basic research strategy smacks of Simon; their recommendations are based on observed facts and their results—idiosyncratic, often startlingly simple attitudes and acts—rather than on a rational model of how organizations and their people should behave.

What's the verb for doing bounded rationality? "Satisficing": the everyday act of simplifying millions of pieces of data and potential choices intrinsic in a decision, by inventing rules of thumb that make for good enough, if not perfect, decisions.

Most of the examination of decision making through bounded rationality has focused on executives, perhaps because we look to them as models of excellent decision making.

But what about the rest of us? We've been satisficing all our lives, but no one ever appreciated us for it.

Developing Career Motivation in Young Managers

Recent research by the Bell System and other companies found that today's college graduates newly recruited into management are equal in ability to young managers of 25 years ago but are less motivated to assume leadership roles or to advance in the company.[1] These differences are disquieting because advancement motivation measured early in a career is a

good predictor of the level attained 20 years later.[2]

With these findings in mind, Douglas W. Bray and Manuel London, both of AT&T, developed an assessment center to measure dimensions of career motivation using extensive background interviews, personality and projective tests, interest inventories and behavioral exercises.

Bray and London defined career motivation in terms of three domains: career resilience (how resistant the person is to career disruption in a less than optimal career environment); career insight (how much insight the person has into his or her strengths and weaknesses and into current and potential career environments); and career identity (how important work and career advancement are to the person).[3]

The career motivation assessment center was administered to 48 young managers. Consistent with the results of the earlier research, these managers were low in career resilience, insight and identity.[4]

Based on the results of this exploratory study, Bray and London isolated some individual and organizational factors that affect career motivation, and they developed a set of practical guidelines to help organizations enhance young managers' career motivation. While the two researchers found that career motivation was influenced by the characteristics that individuals brought with them when they were hired (implying that the selection process should measure a candidate's self-esteem, initiative, risk-taking and independence), the stronger influences were the nature of supervision that the managers received and the organization's policies, procedures and programs.

The following are recommendations for organizations to enhance the career motivation of young managers.

Enhance career resilience through organizational strength and support:

- Increase employees' self-efficacy through encouragement of individual contribution and personal growth. Provide positive reinforcement, encourage autonomy and increase individual control. Provide opportunities for achievement and input, support creativity and skill development, demand quality and vary job assignments.
- Increase risk taking through more opportunities and rewards for taking risk. Minimize consequences of failure. Don't try to clarify every work method and reporting relationship; some uncertainty and ambiguity can be healthy if employees have the ability to create their own structure. Don't threaten job security.
- Decrease dependency through moderate interpersonal concern and cohesiveness. Avoid reliance on the organization for career decisions. Provide interpersonal concern and structure when necessary. Encourage subordinates to help each other, but hold each accountable for his or her own work. Foster competition.

Enhance career insight through support for career development:

- Encourage managers to develop

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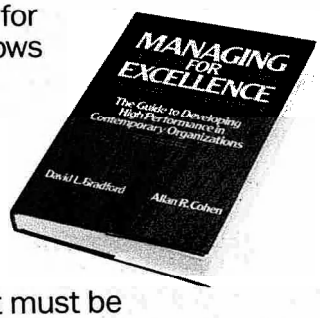

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career plans and to think about the long-term effects of current behavior.
- Encourage goal setting and action plans to achieve goals.
- Institute mechanisms for periodically revising career plans.
- Clarify the basis for performance appraisals and promotion and transfer decisions.
- Provide fair and accurate feedback.
- Foster realistic expectations.
- Provide information about career options and the individual's role in making decisions that affect his or her career.
- Clarify possible effects of company changes on career goals and provide assistance in adapting to change.

Enhance career identity by encouraging individual involvement:
- Maximize job challenge, professionalism, the importance of the management role and benefits of remaining with the organization.
- Provide opportunities for advancement, recognition, leadership and financial gain.
- Clarify time and experience requirements for promotion, salary increases and leadership opportunities.

Submitted by Manuel London, district manager, basic human resources research AT&T Basking Ridge, N.J.

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