

THE WHITE COLLAR OUTPUT GAP

*how to take into account
the differences in people*

American Businessmen look pretty much alike.

Ask any comedian or cartoonist and he will tell you that the corporation man wears a button-down shirt with a repp stripe tie, a dark synthetic blend material in the form of a single breasted suit and hair trimmed in an "Ivy League" cut.

Ask any writer and he will tell you that, if you scratch the surface of one businessman, you know the composition of all of them; that they are guided by the same standards of conduct and spurred on by the same motivations.

In short, they fit a mold.

Is this true? If so, then why all this fuss about motivational studies, variations in compensation plans, training, development and advancement?

Why should industry spend millions of dollars attempting to understand this predictable stereotype?

The obvious answer is that the businessman is *not* cast from a mold!

The man who functions within the relatively regimented, ordered confines of the American business structure is just as different from his fellow businessman as is one artist from the other or one poet from the other. Because the American business executive functions within the regulated society of the corporation, he is not allowed to exercise the "creative temperament" license. This does not mean that he is any less temperamental, nor any less creative. He has, however, one advantage over his artistic cousin — he has rather well-defined guideposts for the direction of his creative efforts. He is less likely to find the scenic route, but, he is more likely to get from point A to point B in the least amount of time.

AN IMPORTANT DIFFERENCE

Unless we are willing to accept the fact that significant human differences do exist in the business community, and utilize them to the advantage of the companies we represent, we are not doing our jobs. Let's discuss one such

difference (and some variations of it) — the difference in Output.

Individual job holders within a corporation vary in output and output potential. (At this point, let us consider output as a concept not as a measure; not the number of rivets a man can put into an airframe in a certain amount of time, but the current and potential capacity a man has for the assumption of responsibility.)

Figure 1 illustrates the concept of output level and the reasons for the "Output Gap." Here are some ground rules for the understanding of the graph and the hypothesis it introduces.

1. THE OUTPUT LEVEL (vertical axis) is fixed with the framework of the corporate job structure.
2. DURATION (horizontal axis) varies with the individual job or position.
3. OUTPUT applies to quantitative and qualitative job performance.
4. The resultant graph represents individual job performances within standards set by the corporation.
5. HI, LO and MID are theoretical "fix points," not cut-off levels.
6. There are an indefinite number of constant levels.
7. Spasmodic is not to be regarded as a clinical term but rather as an indication of erratic performance.

PERFORMANCE FACTORS

The premise introduced is that within every corporation there are three basic job performers:

1. The Constant Output Performer
2. The Spasmodic Slacker and
3. The Spasmodic Spurter

That the output level (and potential level) of a job holder can be determined by the combined and relative levels of the following factors: (1) Intelligence (native receptibility to development), (2) Education (general development), (3) Training (directed development) and (4) Motivation.

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Further, that erratic (cyclic) performance, as shown in the output pattern of the Spasmodic Slacker and Spasmodic Spurter, is an indication of the existence of problems in the work situation. That, since the existence of either condition is neither comfortable to the job holder, nor acceptable to the organization, remedial action is needed. That the size of the Output Gap, determined by a numberless, but arithmetic analysis, determines the severity of the problem.

THE CONSTANT OUTPUT PERFORMER

Fortunately within a normal corporate structure approximately (and hopefully more than) 70 per cent of the work force will consist of constant output performers. Due to variations in Intelligence level, Education level, level of Training, and Motivational factors, and

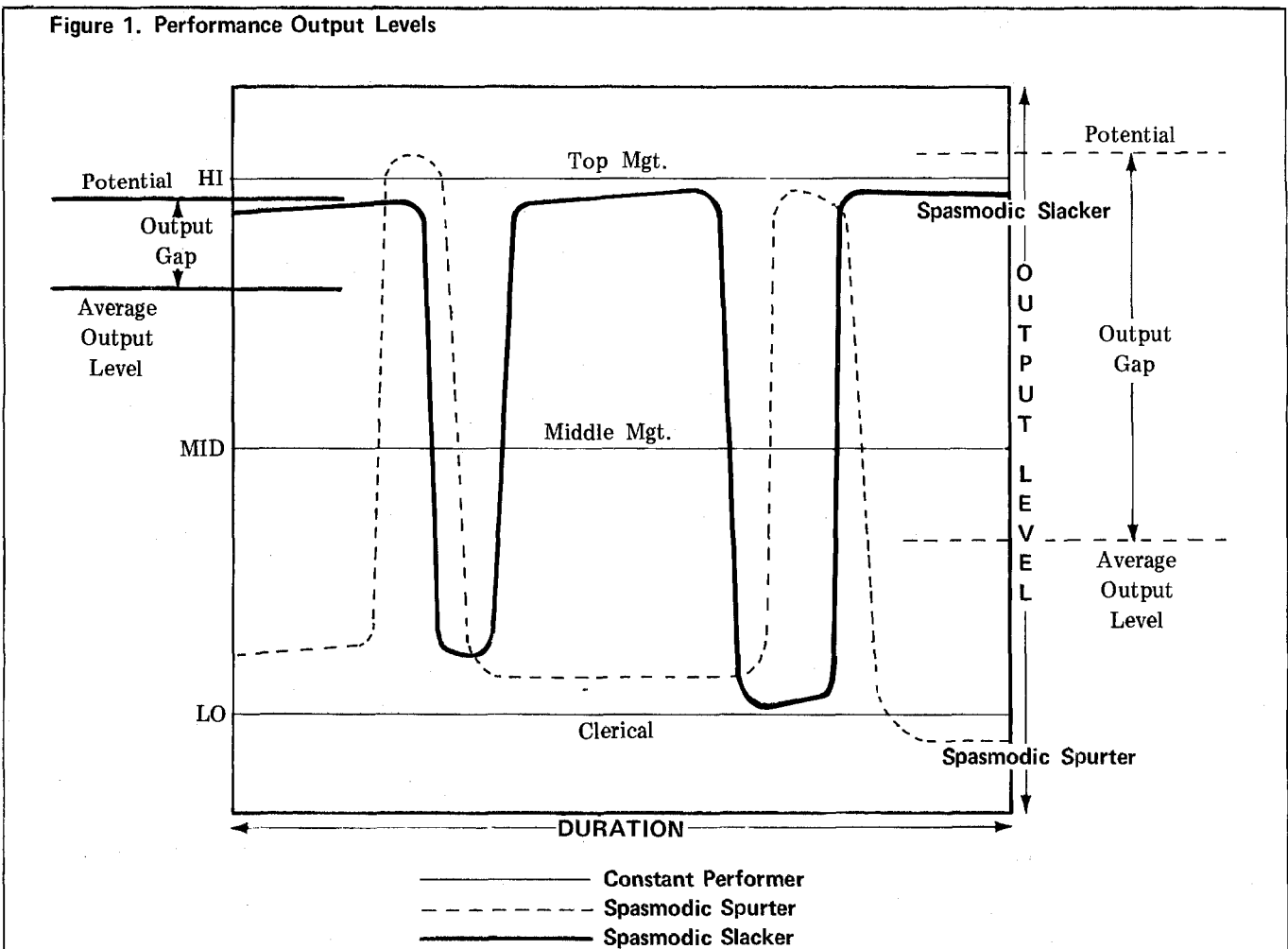
because of the concentration of employment efforts on specific job needs, and the development of personnel, there will be a spread of constant output performers from the routine clerical functions to the top management positions. You will find low-output level performers who can aspire only to "a more of the same" assumption of responsibility and who will remain in the lower occupational levels. You will find medium output level performers at various lower and limited responsibility job levels who, given development time and assistance, can aspire to occupying middle management positions. You will also find high-output level performers at high, middle and even low responsibility levels who, given proper and timely development, can grow into top management positions.

If your total work force consists of Con-

stant Output Performers, you are divinely blessed. You can forget any remedial efforts and concentrate on recognition and development only. Unfortunately this is unlikely in the extremes, for within most organizations we will find the erratic performer in the form of the Spasmodic Slacker and the Spasmodic Spurter in infinite varieties and in combinations.

It is my belief that approximately 20 per cent of your work force will consist of erratic job performers, the remaining 10 per cent being classified as transitional due largely to turnover and changes in job responsibility. Should the level of erratics exceed 20 percent, it may be an indication of corporate weaknesses in performance evaluation and development. It may indicate that an in-depth penetration into the corporate structure would be in order.

Figure 1. Performance Output Levels



THE SPASMODIC SLACKER

The Spasmodic Slacker is represented by the job holder whose normal performance can be rated at a relatively high level of output, but whose performance dips into low output levels, remains at this low level for a relatively short period of time, then climbs back to a rather high output level. Since most of his job performance is at a relatively high output level, his average output is high and the Output Gap (the difference between his potential output level and his average output level) is small. This is the IF man in our analysis, since he can aspire to performance at his potential output level, IF the causes of his slack performance can be found and eliminated. Successful remedial action will tend to bring the Spasmodic Slacker into "focus," not only on his current position, but also on future assignments, toward the full utilization of his potential within the corporation. You save a valuable man for your organization.

Serious though this condition is there is another job holder whose output pattern is the reciprocal of that of the Spasmodic Slacker, and whose existence is a much more serious threat to the achievement of corporate goals.

THE SPASMODIC SPURTER

The Spasmodic Spurter is represented by the job holder whose performance is normally at a low output level, but who spurts into a superior output level, remains there for a short period of time, then drops back to his normally low output level. Because most of his performance is at a low level, his average output is relatively low and, since the level of his spurts show a high potential, the Output Gap thus created, is large. The Spasmodic Spurter is the IF NOT man in our analysis for, IF the cause of this condition is NOT discovered and eliminated, the result must be the termination of the job holder. The Spasmodic Spurter poses a serious threat to the achievement of corporate goals regardless of his job assignment level. The apparent variations in his performance level will not normally go unnoticed and

the resultant unrest forces drastic action by the job holder or the corporation. Crash counselling action within a corporation should be directed to the Spasmodic Spurter first, if it is not too late for diagnostic and remedial efforts.

THE ERRATIC AND PERFORMANCE APPRAISAL

While it may be difficult to detect the Spasmodic Slacker and the Spasmodic Spurter, it is not impossible. The general change in the attitudes concerning employee evaluation from the traits approach to the performance approach makes the detection of the erratic performer considerably easier. There is, however, a fly in the ointment in that the erratic performer can be evaluated at any point in his performance (output) curve, with the result that you will often have conflicting appraisal results on succeeding rating periods. If you trace the output curve of the Spasmodic Spurter and arbitrarily pick a point at which to conduct a performance appraisal, you will see that the results are apt to be quite different depending upon where you elect to evaluate his performance. Or let us say that the supervisor doing the evaluation is aware that the Spurter's performance is not up to standard, but the date set for the rating follows a spurt during which the employee's performance is well above expectations. You can bet that the resultant rating will be substantially above, what analysis would show to be, his true average performance.

The same principles apply to the Spasmodic Slacker, blocking the way to a true performance evaluation. He is much less likely to receive undue credit and much more likely to become the victim of circumstances. We know from our "analysis" of his output curve that his average performance level is quite high but, if the performance appraisal takes place during one of his slack output periods, his supervisor will very likely rate him lower than his true average performance level.

If this situation sounds like the reward-
ing of the guilty and the punishment of

the innocent (while the examples are rather extreme), this is essentially what we are doing, by not being able to spot problem areas for what they are.

DIAGNOSIS - PROGNOSIS - REMEDIAL ACTION

So what? You may have agreed with everything I have said, and still wish to ask the poignant question — "So what?"

My plea is simply this: We must learn to dig deeper. We must do a more effective job of getting to know the people who occupy positions of responsibility in our industries. Borrowing from the medical profession, we can use the time honored steps of Diagnosis - Prognosis - Treatment in the handling of our personnel problems. If you have a health problem and consult with your family physician, he will use all of the medical know-how at his command to diagnose your condition, for he knows that without the proper diagnosis, his chances of effecting a cure are slim. Merely knowing "how poorly you feel" or "where it hurts" is not enough. In industry, we have a very important diagnostic and prognostic tool in the Personnel Evaluation Program, if we use it effectively. Too often, however, we conduct our appraisal programs under considerable duress and, depending upon the results, pat ourselves on the back or admonish ourselves, breathe a sigh of relief, and forget about it until next time.

With the importance of individual performance to the corporation, and the importance of the work situation to the individual, we must appreciate the importance of "people information" over and above the traditional quantitative reports to our greatest advantage. We should be using this diagnostic tool to pinpoint problem areas and, as they are uncovered, to direct our remedial action. We should be utilizing a performance evaluation program to direct our efforts in every phase of personnel administration — Wage and Salary Administration, Employment, Training, and most important, Management Development. A total Management Information System has a hierarchy! — Self evaluation.