

In Practice

Accounting for Change

When *Business Week* last year asked a thousand chief executives where the next generation of CEOs would come from, the largest number—fully 25 percent—said most of tomorrow's top dogs are today's finance and accounting whizzes. History may eventually prove them right, but current trends indicate otherwise.

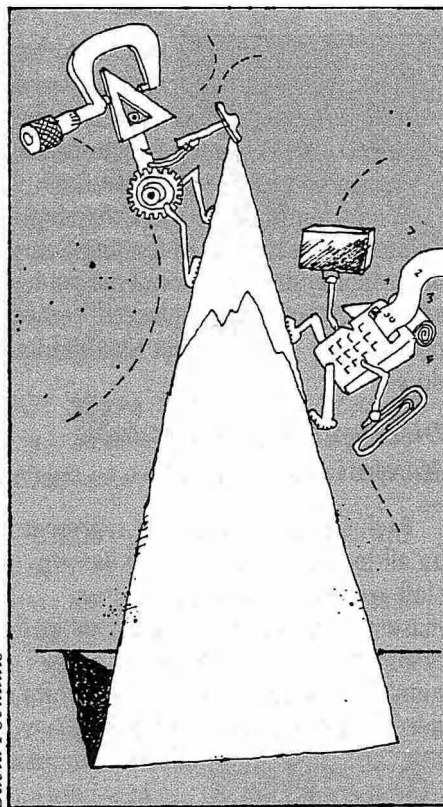
After five years of querying CEOs about their own career backgrounds, the consulting firm Management Practice Inc. has concluded that finance and accounting executives are less likely than ever to reach the pinnacle of corporate power. Leading the way instead are execs who have hands-on experience making products or designing services.

Operations, production, and technical specialists now outpace their pencil-pushing peers in the race for the chief executive's suite.

It's a pattern that makes sense in light of the cost cutting and corporate restructuring that has defined business in the eighties. When American firms began slimming down and tightening their belts a few years ago, they looked in-house first.

Money was a prime motivator. Many companies realized they simply didn't need—or couldn't afford—a full roster of front-office employees to balance the books, prepare payroll, and manage capital. As accounting firms began providing a broad menu of business services and the temporary-services industry grew beyond the steno market to include professionals who worked on a contract basis, employers found they could reduce overhead and benefit expenses by outsourcing staff functions.

Perhaps even more important was the realization that the quest for profitability requires organizations to stick to their knitting, emphasizing



David Fovillatits

products and customers over processes and controls. Businesses today put the people who design, make, and market products and services at the top of the organization chart, with staff departments such as administration, finance, and accounting filling important but clearly supporting roles. Organizations bent on effective competition focus on external relationships instead of internal procedures.

With staff functions either moving out the door or down the org chart, it's little wonder that Management Practice found fewer finance and accounting specialists ascending to CEO status.

As recently as 1984, they dominated the ranks of chief executives, according to the surveying firm. In fact, finance spawned the most CEOs, some 22 percent. In the five years since, however, their numbers have declined steadily. Now only 16.8 percent of CEOs arrive via the financial route.

Operations, production, and technical executives have stepped in to fill the gap. In 1988, 39.5 percent of all CEOs came from one of these disciplines, with the combined category of operations/production accounting for 20.2 percent.

The trend away from finance appears likely to continue. Of 83 executives named CEO during 1988, 22.9 percent had technical experience, while operations/production types made up 18.1 percent. Only 14.4 percent of new CEO appointees came from the financial ranks.

Distaff Expat Numbers Low

Only five percent of American employees on overseas assignment are females, according to a survey of 70 U.S.-based multinational corporations.

Small though that number seems, the management consulting firm Moran, Stahl, & Boyer Inc. also reports that most companies are encouraging their women employees to pursue international careers. Seventy-two percent of the organizations surveyed said they expect the number of distaff expatriates to increase in the near future.

Michael F. Tucker, who heads Moran, Stahl & Boyer's international division, believes the rise is inevitable. "If American companies are going to be successful in the increasingly competitive global business environment, they cannot afford to overlook the increasing numbers of qualified females available for international duty," he said.

Indeed, those firms that have placed women in overseas assignments reported that they are pleased with the results. More than nine out of 10 said their female expatriates have been "very successful" in foreign postings. The Moran, Stahl & Boyer survey asserted that U.S. multinationals increasingly consider foreign experience a career booster

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for women employees.

Nonetheless, 69 percent of the organizations polled said assigning a woman instead of a man to an overseas position produces little competitive advantage for the corporation. Some respondents blamed this on a lack of technically qualified women workers, but most said that local cultural biases can hinder women's effectiveness.

A look at where companies send female expatriates seems to support that contention: U.S. women are most likely to work in countries that already have large populations of native women workers. Most of America's distaff expats are assigned to European offices, and more than half of those work in Great Britain. Canada has the second-highest concentration.

But in other parts of the world, women in general—and American women in particular—have a hard time taking on prime postings. Although 91 percent of the companies surveyed have operations in Asia and the Pacific Rim, only 1.3 percent of the American expatriates assigned there are women. The figures are equally unequal in Latin America, the Middle East, and in Africa.

But women who manage to make the global shift can expect to take on big responsibilities. Almost three-fourths are sales and marketing, finance and accounting, or production and technical professionals. Only 12.3 percent serve in staff support roles.

After the Fall

Sound and fury have characterized much recent discussion of workplace substance abuse, and most of it has focused on ferreting out the abusers and keeping them away from the factory or office.

A poll conducted by the American Management Association last year, for example, indicated that 48 per-

cent of U.S. companies test current or prospective employees for drug abuse, and more than a quarter of those fire or refuse to hire those who test positive. The detection mentality may work sometimes, especially in organizations that view substance abuse as a moral or legal issue.

But for companies more intent on maintaining productivity than on punishing transgressors, dismissal is often an unrealistic option. As many as 60 percent of all employers refer drug- or alcohol-addicted personnel to treatment programs, in the hope that they will eventually recover and return to work. Employee-assistance programs and enlightened insurance provisions now make it easier for companies to retain workers with substance-abuse problems.

That doesn't mean rehabilitation and reassimilation into the workplace is a simple process—for either the employee or the employer. Even

when treatment is successful, both parties face the awkward but critical post-care phase that begins when the substance abuser comes back to work.

Next month, Jossey-Bass Publishers will introduce a new text that addresses this difficult process, along with several other important issues relating to workplace substance abuse. *Executives in Crisis*, by Jeffrey Lynn Speller, emphasizes the problems that attend drug-dependent, alcoholic, or mentally ill managers and executives, but its recommendations on after-care apply equally well to all employees.

Speller urges supervisors to take the following steps to ease the transition from the rehabilitation center to the workplace:

■ **Meet with the employee during treatment.** A visit to the hospital or rehab center gives supervisors a chance to understand how the recovering employee is progressing

NATIONAL HRD EXECUTIVE SURVEY

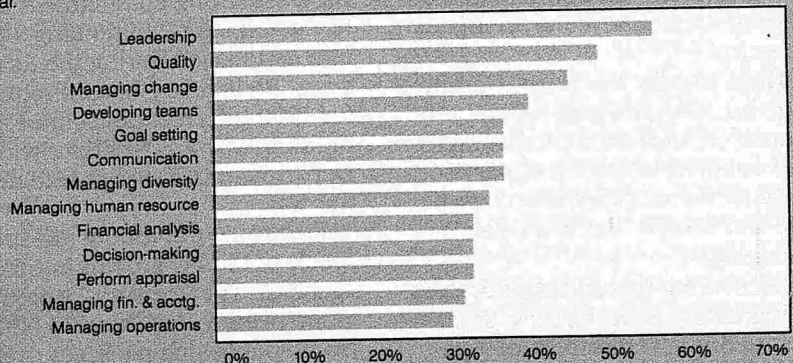
Back to School for the Top Brass

Leadership, quality, and change management head the list of topics today's top executives are studying according to the companies polled for the latest edition of ASTD's HRD Executive Survey.

Where do corporate America's corner-office dwellers head when they seek executive-development programs? Some 38 percent take advantage of in-house programs, but a growing number look beyond the office park to the ivy-covered halls of academia. A full 59 percent of the firms surveyed said they send their executives to university-based executive-development programs. Forty-seven percent said they favor other types of external leadership-development settings.

Interestingly, only 10 percent of respondents said they use either mentoring systems or assessment centers during the executive development process.

The Survey revealed that today's top brass don't spend very much time improving their skills. Only six percent annually take part in more than 10 days of T&D activities. More than half—52 percent—devote between one and five days to executive development, while 23 percent do so for less than one day per year.



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and to lend support. It's also a good opportunity to meet with treatment staff, with the employee's consent.

■ **Meet with those who will assist in after-care planning.** They may include physicians, counselors, support groups such as Alcoholics Anonymous, family members, and, of course, the recovering employee. The goal here is to understand the after-care process and how work fits in. Supervisors need to determine how job responsibilities and expectations will be affected during the time immediately after the employee ends inpatient treatment.

■ **Meet with the employee once inpatient treatment ends.** The employee will reenter work routines gradually, so supervisors must devise a work plan that reduces the employee's work activities. A half-time schedule might be appropriate during the first few weeks. The meeting also gives both the employee and the supervisor a chance to determine the status of critical projects suspended when the employee entered treatment. A priority listing of projects and due dates should be drawn up during this phase.

■ **Determine what to do if the employee has a relapse.** The supervisor needs to know what to do if he or she notices declining performance or on-the-job impairment, because relapse is a distinct possibility. A formal plan often helps here; it should include provisions for discussing problems with the employee, meeting with after-care providers, and reexamining or readmitting the employee to an inpatient program.

■ **Hold regular meetings.** Getting together with the recovering employee, treatment professionals, and counselors lets the supervisor evaluate the employee's recovery rate and modify the work plan as necessary.

Recovering from alcohol or drug dependency is an ongoing process that defines every aspect of a patient's life. And because work makes

up a significant part of an employee's life, supervisors need to be aware of the roles they can play in the recovery process. *Executives in Crisis*, subtitled *Recognizing and Managing the Alcoholic, Drug-Addicted, or Mentally Ill Executive* stands to contribute greatly to that awareness.

It will be published November 30 by Jossey-Bass Publishers, 350 Sansome Street, San Francisco, California 94104. At 194 pages, it will sell for \$19.95.

Uncle Sam Plugs In

Three of every 10 U.S. government employees have personal computers sitting on their desks, reports *Computer Digest*. That figure soon will increase dramatically, signaling golden opportunities for PC trainers.

By 1991, at least 60 percent of all civilian and military federal workers will use PCs at their workstations. While many of Uncle Sam's 4.5 million minions will learn about hardware operations and software applications in courses offered by suppliers who provide the equipment, many agencies will turn to in-house trainers and external training-services suppliers.

Federal agencies have more flexibility than they used to in choosing where and how they train their employees.

So far the Bush administration has shown a strong commitment to office automation, continuing a pattern established during the Reagan years. Preliminary budget requests for 1990 information-technology funding total \$18.5 billion, with the Department of Defense leading the way.

Electronic publishing has spurred much of the PC growth in other agencies. The Treasury Department alone plans to purchase 23,000 electronic-publishing packages over the next four years.

Random Stats

Taking care of business, part one

Male middle managers who believe their organizations have employees' best interests in mind: 49 percent.

Female middle managers who believe their organizations have employees' best interests in mind: 19 percent.

So indicated a survey conducted by the Center for Organizational Effectiveness.

Taking care of business, part two

Office workers who believe their organizations' managers should deal with employees and the community in an "honest, upright, and ethical manner": 87 percent.

Office workers who feel "very confident" that their organizations' managers really do deal with employees and the community in an "honest, upright, and ethical manner": 38 percent.

A Lou Harris poll conducted for Steelcase, Inc. revealed those cheery numbers.

Keeping \$core

Top human resource management executives in large companies earned, on average, just under \$200,000 last year including an average base salary of \$150,000, according to a survey released this summer by the American Society for Personnel Administration and William M. Mercer Meidinger Hansen.

This represents a 75 percent increase over the median total compensation reported by the same study ten years ago. "If salary is any indication, it's obvious that the importance of the human resource professional in the corporate world has increased substantially in the last decade," said ASPA President Ronald C. Pilenzo.

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The survey reported that 77 percent of top HR executives are now eligible for bonuses.

ASPA members, incidentally, have voted to change their organization's name. On September 1 it became the Society for Human Resource Management.

Using a No. 2 Lead Pencil . . .

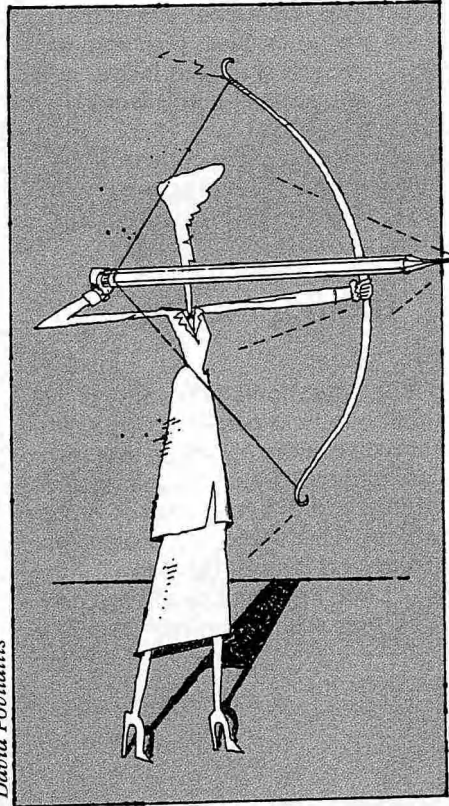
The above salary stats made you feel a tad underpaid? You say your department's FY 1990 budget couldn't fund a new pencil sharpener, let alone the new instructional systems your trainees so desperately need? Does deciding where to go for lunch provide the biggest mental workout of your business day? Did you spend your summer vacation dreading the prospect of working with cretins for the next 50 weeks? Perhaps it's time to consider a career move.

Autumn can be an ideal time to start a job search, but career advisor Marilyn Moats Kennedy recommends a go-slow approach. Before you begin clipping want ads and pumping your network for news about open positions, you'll need to prepare your resume to do its job.

This vital document acts as a foot in the door. To make sure prospective employers see a shiny dress shoe instead of a scruffy sneaker, polish your resume-writing skills by taking this quiz. It's reprinted by permission from *Kennedy's Career Strategist*.

Questions

1. If a headhunter tells you that no one will read a resume that's longer than one page, he or she is right.
True False
2. A job objective that is more than five typed lines says the job hunter is flexible and open-minded.
True False
3. A curriculum vitae is the same as a resume.
True False



David Povilaitis

4. Dates on a resume should be complete, giving months as well as years. Be precise.
True False
5. Most readers will read the first one-third of a resume and then skip to the end.
True False
6. A functional resume works better for someone whose work history is blotchy because a chronological resume spotlights the gaps.
True False
7. A well-crafted resume scans easily and shows integration between the job objective and the supporting data.
True False
8. When writing a resume, spend most of the time on results statements.
True False

Answers

1. False. He or she is telling his or her truth. There is no universally acceptable length for a resume. If a

headhunter tells you he or she wants a one-page resume, condense. Otherwise, writing two or three pages is far more appropriate (and is the trend) than torturing 10 to 20 years of your life into one unreadable and indigestible page.

2. False. We've never seen a job objective five or more lines long that didn't wander from specifics to alternatives. No resume can support alternative job objectives. Yes, you can have several different resumes with a different objective on each, but doesn't it make more sense to commit to what you're looking for before you begin writing?

3. False. A curriculum vitae is not the same as a resume. A CV is meant for an academic audience, interested in scholarship, not results. (You could argue that they're the same, but we'd argue that they're not.) For example, even an experienced writer wouldn't list every article he or she had published on a resume. This is often done on a CV. If you're aiming at a nonacademic audience or role, use a resume.

4. False. Are you inviting the reader to check your results or your whereabouts? Years are quite sufficient. If someone wants to check days and months, let him or her invite you for an interview. You can then review every day of your working life in mind-numbing detail.

5. True. If you were to watch someone read a resume, you'd notice that the present job and the education section at the end are checked first. Are those the interviewer's top priorities? No. An interviewer screens for a job-and-education match first. If you're short either place, your cover letter will have to make up the difference.

6. False. Functional resumes have fallen into disuse because they are confusing. If you are past imperfect, spend time creating outstanding results statements. Don't waste time trying to disguise your background.

7. True. Here's the test: If you showed only your job objective to

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five peers and asked them what background someone would need for that job, they should respond with what you've written in the supporting data. You can reverse that by passing around the body of your resume and asking what the job objective should be. If your reviewers don't agree that the objective and supporting data match, you need a rewrite.

8. **True.** Results statements do two things: They validate your job objective and focus your thinking. Too many results statements imply, rather than state with examples, that the writer *can* get the result. Tell *what* you did and *how* your results made a difference.

Kennedy advises reexamining your resume if you correctly answered fewer than six of the quiz

questions. Of course, she notes, the best way to evaluate your resume's effectiveness is to read it over and then ask yourself if you would hire this person.

To receive a free copy of *Kennedy's Career Strategist*, write to 1153 Wilmette Avenue, Wilmette, Illinois 60091.

Heard in Passing

"The outer limits of training is the ability to help people recognize alternative slices of reality, that there are different ways of thinking about things and different ways of doing things. That is simultaneously the value and limit of training. . . .

"I don't think any training that I've ever seen or experienced, in

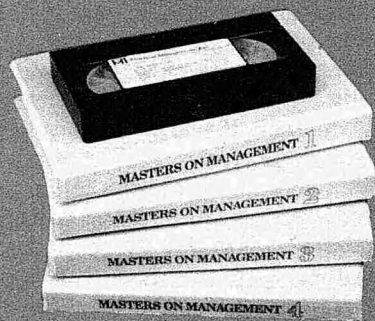
and of itself alone, has been able to cause long-term behavioral changes in the people who participated."

—*Richard E. French, senior consultant/management development, Apollo Computer, speaking before MOHR Development's Technology Advisory Council.*

The proceedings of the meeting, in which 19 senior executives in high-tech industries debated key HRD issues of the 1990s, are available free from MOHR Development. Contact MOHR, using your organization's letterhead, at 30 Oak Street, Stamford, CT 06905.

"In Practice" is edited and written by John Wilcox. Send items of interest to *In Practice*, Training & Development Journal, 1630 Duke Street, Box 1443, Alexandria, VA 22313.

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