

# sección especial en idioma inglés

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developing your management philosophy

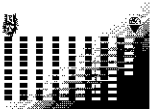
## first, fix the goal

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ONCE THE AUTHORITY or right to establish any kind of organization or even a job has been established, it is essential to verify and make firm the objective or objectives. Objectives are merely goals toward which all activities should be directed. It appears, however, that far too many managers today become so involved in the functions and minutiae of their work that they forget the major reasons for performing work—what the work is to accomplish. We in this country know how to do things. We have the drive, the physical factors, the environmental climate, and the systems. But the manager of today, and perhaps more so in the future, must concentrate on where he and his organization are going.

A major reason for failure to focus on objectives is that they are not clearly understood by the manager and his personnel. For example, if one asks the "typical" man in the street or even the college student what the objective of a business organization is he is more than likely to give a quick and definite answer, "profit". Unhappily, this opinion is not confined to the man in the street or the college student; a great many managers and others will answer in the same manner. It is not the purpose of this essay to discuss the erroneous assumption that profit maximization is the dominant objective of business concerns; that type of discussion has been handled many times. But it is fitting to take another brief



look at objectives within the profit making concern.

To understand the varied objectives of business concerns, it is necessary to keep in mind that an organization is merely a group of people acting together in some type of concerted effort in order that functions may be performed and goals may be obtained. In most such organizations, the people may be divided into distinct types—the owners and the employees. It is, of course, true that many times the owners are also employees. Let us look first at the objectives of the owners who may simply be stockholders or have other types of ownership. In most cases it can be safely said that a primary goal of these owners is profit or net return on their investments. Surely we do not usually buy stock in a company unless we expect a monetary return. Nevertheless, even owners of businesses do not always have profit as their primary goal. A "satisfactory" net return is important, but today business owners are also stressing their social responsibilities, the service objectives concerned with their customers' interest, employee interests, and others. And large sums of money are spent in recognition of such obligations on the part of owners. Thus, even with the risk takers, profit maximization is not always the major objective.

But what about the other major group of people forming the business organization? This group represents the employees—both managers and operative workers—most of whom own none of the business. About nine out of ten of these employees have no managerial duties. It is not logical to assume that employees have as a major objective that of profit for the firm. If this were true, perhaps wage and salary battles would be few. The worker joins the organization because he wants an income, he wants recognition, he wants something for himself. If the owners make a good profit, that's fine with him, but his own personal objectives are paramount. And the same thing can be said for most of the managers, assuming that they are not also owners. There is, then,

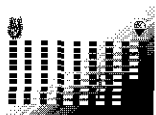
a conflict between the goals of the owners and those of the employees. Failure to recognize these differences often results in major organizational problems.

As if this discord is not enough, there is yet a third type of goal or purpose within the business organization. This has to do with the objective of individual functions or phases of activity. As an example, one may look at the function of training. The primary objective of training, simply stated, improvement in the performance of work—managerial or operative work. However, individuals who perform the jobs within the training department will have other objectives as indicated in the preceding paragraph. Furthermore, the owners will have established the training function to help attain their goals.

Thus objectives within the business organization may be different for different groups of people, they may be general or specific, they may apply to the entire firm, and they certainly will be different for different functions. Failure to recognize the various types of goals present is to risk the efficiency of the organization, labor troubles, government restrictions, and favorable customer response.

The human factor cannot be overlooked in establishing objectives. The individual interest, motivation, and reactions must be considered during the process of setting goals as well as during the processes of trying to attain them. There must be some unity of thought and action, and the entire managerial function must concern itself with measures to set attainable objectives and with rational and intelligent utilization of human efforts to perform the necessary functions. The manager should also look upon objectives, not as bonds or fetters, but as opportunities. They represent a challenge and give the manager a chance to show his creative ability in trying to get there in a most efficient manner.

However, the major problem may not be in deciding what the objectives should be, but in determining just how to establish them. The



difficulty hinges about the criteria which may be used to evaluate the attainment of the objectives. What, for example, is a reasonable profit? How does one measure the value of a training or public relations program? How well does a certain innovation pay off? Is it wise to continue a research project? It is not an easy task to set clear-cut and definite measures to ascertain just how well the goals are being reached.

Even so, there are some pointers available to the manager who is interested in setting feasible and worth-while objectives for his organization or function. One such pointer is that the main or primary objective at any period of time must be fully recognized and **specifically** stated. For example, the objective is not to raise sales, cut costs, or get 100 new customers; the objective is to increase net profit in the next fiscal period by 11 percent. Or the objective is not to install a good safety training program; it is to reduce lost-time accidents by 50 percent. This simply means that the end result must not be confused with means to reaching that end.

Of course the manager or group setting the objective must never lose sight the value of the communication process with all those who will be involved in helping to gain the objective. It is especially important that everyone have the same understanding of what the goal is really like. Furthermore, it is unlikely that the necessary stimulus and drive will be provided unless the personnel are allowed to participate fully. Each person needs to be continuously aware of his **precise** part in the functional processes.

An exact or quantitative measurement may not always be available for the contribution of each person or organization unit, and this lack is sometimes a deterrent to the goal setter. It need not be. Usually some aspects of the work can be objectively measured, and estimates can be made of others even though such valuations may have to be revised. Sometimes it helps to look at the objective with

reference to the functions to be carried out. Thus, performance may be measured against the goals. The tasks of one person or unit may be compared with those of another. Important in this connection is the scheduling of time and/or quantity. If the target date is one year away, sub-goals must be set along the way. Checks will then be made to see how well the schedule is being met.

Obviously, the objective of individual units or functions within the organization must be in line with, but subordinate to, the major goals of the firm. This is an important criterion to keep in mind; otherwise major conflicts will result. As goals are set at lower levels in the organization, the first question asked may well be, "Will this help in the attainment of the major goals?" Of course, the same question can be asked of each individual job. In short, each objective must be consistent with other objectives, but usually it will not be the same.

#### Again Management by Objectives

In the jargon of management today, management by objectives has become almost a cliché. It sounds good, and many firms are quick to inform us that their policy is just that. However, it appears that the number of business organizations which have really installed and utilized the philosophy of managing by objectives in the true sense of the terms are few. For those which carry out such a philosophy, the advantages and rewards can be great.

Another term closely related to management by objectives is "appraisal by results". The objective is set, and the managers, operative workers, function or department may be appraised according to how well the goal has been reached. Assuming that everyone involved fully understands the objectives and has been allowed an opportunity to participate, greater motivation is likely to result. Another major value resulting from managing by



objectives is that managers on all levels are aided in their roles since a basis for coordinating all efforts is provided. The management force will concentrate on the goals rather than emphasize functions too much. Furthermore, the manager on any level may work with his subordinate managers in evaluating how well the subordinate performed his managerial duties. For example, does the subordinate direct his planning process toward the objectives? Or how well does the subordinate establish and maintain the necessary standards?

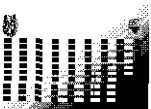
However, close scrutiny of the practice of managing by objectives and appraisal by results reveals that several flaws may crop up. In the first place it is often hard to set definite and measurable goals. Appraisal may thus be based largely on personal characteristics of the manager and not on what he actually does in helping to teach the objectives. Another difficulty lies in the fact that, once the goal has been set, managers may be too reluctant to change or even abandon it if the situation calls for such action. Also, managers may be so obsessed with the necessity of reaching the objectives that other good management practices are violated. In one such instance, so much time was spent in on-the-job safety training in order that an accident-reducing goal could be reached that production fell and costs rose.

An extreme case is the almost universal practice said to exist in the Soviet Union. Production objectives are set with reference to national requirements and without much regard for the plant capacities. Such objectives are

set according to what happened during the previous year. If the previous year's objective was surpassed, the current year is supposed to see a comparable increase. On the other hand, if last year's quota was not reached, this year's goal will be reduced. Since the Soviet director's (manager's) advancement, salary, and other benefits depend on his ability to reach the production goals, deception, the falsifying of records, and other defensive practices are common.

A basic tenet of the modern manager's philosophy is that a combination of objectives within the organizational setting must be defined and definitely established. And the objectives must be made known to all concerned. There are objectives of owners, employees, and functions, and the manager must recognize all three types as to their meaning and significance to the proper attainment of major goals. Profit maximization is not the primary guiding light of the typical American manager today, nor can it be used to explain his behavior.

Nevertheless, the business manager must consider that one of the goals of his organization is some profit for the owners. Objectives must be designed to satisfy various types of values desired or needed by people. Such values may be economic in nature, but they may also be psychological and social. The relative importance of such values is largely determined by the cultural influences to which an individual has been subjected. The important point is that the objective must be predetermined—**before** organizations, functions, or jobs are established; action is initiated **after** the goal is set.



# EVALUACIONES

**SUPLEMENTO de la Revista: INVESTIGACION ADMINISTRATIVA**

ORGANO OFICIAL DE LA SECCION DE GRADUADOS EN CIENCIAS ADMINISTRATIVAS DE LA ESCUELA SUPERIOR DE COMERCIO  
Y ADMINISTRACION DEL I. P. N.

Epoca I

Núm. 7

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Por:

**ING. MIGUEL VERGARA I.**

y

**DR. GUILLERMO CHAVOLLA C.**

## **EL CONCEPTO DE FILOSOFIA ORGANIZACIONAL:**

### **UN MECANISMO ADMINISTRATIVO PARA LA REINVIDICACION EMPRESARIAL**

Por: Miguel Vergara I.

La profunda crisis que actualmente contempla la empresa privada en México al cuestionársele su idoneidad como verdadera promotora del desarrollo económico y social del país en los términos demandados por nuestro actual régimen político, constituye un fenómeno cuya trascendencia va más allá del ámbito de los negocios y lo ubica como un problema de vivo interés general.

Evidentemente, la superación exitosa por parte de nuestras empresas, del fenómeno, en cuestión, requiere, que se busquen e implementen diversas medidas sobre los aspectos de productividad y eficacia operativa al través de crecientes perfeccionamientos técnicos y administrativos. Sin embargo, no debe pasarse por alto que el núcleo fundamental del problema señalado, no radica precisamente —a pesar de estar estrechamente vinculado a ellos— sobre los aspectos de eficiencia operativa.

Por el contrario, la crisis existente está sustentada en una deficiencia de carácter más profundo, consistente en la desproporcionada distribución de los beneficios producidos por la operación de los negocios. Razón por la cual, su solución implica la necesidad de un replanteamiento a fondo de la mentalidad con que tradicionalmente se ha realizado la conducción de las empresas en nuestro medio.

Ante tal perspectiva, el contexto administrativo proporciona un enfoque adecuado para abordar este problema de fondo que obviamente reclama soluciones del mismo orden. En efecto, la respuesta desde el punto de vista administrativo para la reivindicación de las empresas en nuestro medio, radica en el desarrollo, formulación y uso conscientemente deliberado de un conjunto explícito de valores fundamentales, que basado en la identificación y ponderación de las demandas ambientales tanto internas como externas, oriente la marcha total de cada una de ellas por los cauces de una verdadera eficacia económica y social.

En suma, la respuesta administrativa señala un camino: El desarrollo, por parte de las empresas, de filosofías organizacionales propias, que normen su administración y operación en armonía con las más relevantes directrices y tendencias nacionales, considerando al país en su carácter de entidad total.

Puesto que una filosofía organizacional, en su sentido administrativo, está orientada hacia la identificación y conciliación, en su base, de los intereses y demandas de los distintos sectores, grupos, e individuos mayormente afectados por la actuación de la empresa; cabe entonces afirmar: que aquella constituye un mecanismo al que debe recurrirse con la mayor urgencia. Así lo imponen, tanto las razones de orden social como las del más legítimo interés particular de los propios negocios.

# RESEÑA BIBLIOGRAFICA

## Artículos y Trabajos de Investigación

### ADMINISTRACION DE PERSONAL

Se señala que el uso indiscriminado e inconsistente del elevado número de hallazgos producidos por las ciencias del comportamiento puede resultar inefectivo y contraproducente; por lo cual, el autor recomienda que en los casos en que existen empleados descontentos, las empresas deben preocuparse primeramente por obtener un conocimiento preciso de los problemas antes de tomar medidas para resolverlos. David Sirota and Alan D. Wolfson; **Pragmatic Approach to People Problems**, HARVARD BUSINESS REVIEW, pp. 120-128, (January-February 1973).

### ADMINISTRACION MUNICIPAL

Tomando en cuenta las estructuras impositivas establecidas así como el esquema competitivo en vigor, el autor presenta un modelo que permite identificar los factores de mayor importancia para el análisis y la toma de decisiones sobre la asignación de los bienes y servicios públicos dentro del contexto municipal. Michael J. Boskin; **Local Government Tax and Product Competition and the Optimal Provision of Public Goods**, JOURNAL OF POLITICAL ECONOMY, Vol. 81, pp. 203-210, (January-February 1973).

### EL DESARROLLO CIENTIFICO Y LAS RELACIONES INTERNACIONALES

Examina la forma en que el desarrollo de la ciencia y la tecnología civiles han interactuado con las políticas nacionales y con las relaciones internacionales durante la década de los sesentas. Este estudio describe un número de experiencias de varios países y plantea las perspectivas que pueden resultar útiles para el presente decenio 1970-1980. Keith Pavitt; **Technology, International Competition, and Economic Growth: Some Lessons and Perspectives**, World Politics, Vol. 25, pp. 183-205. (January 1973).

## CONTROL DE PRECIOS Y SALARIOS

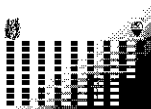
Análisis objetivo sobre las ventajas y desventajas que presenta la intervención gubernamental directa en la regulación de precios y salarios. Entre otros aspectos, se señala por ejemplo, que tales medidas son ambivalentes puesto que si bien resultan útiles para mantener la estabilidad económica, al mismo tiempo, dada su rigidez, los controles de precios y salarios pueden alterar en forma permanente una situación que se pretende afectar solo de manera temporal; ello debido a que los controles no son por sí mismos autoajustables. Arnold S. Weber; **Wage Price Policy**, PUBLIC INTEREST, No. 30 pp. 28-40, (Winter 1973).

## INTERCAMBIO TECNOLÓGICO ENTRE PAÍSES EN DESARROLLO

Un interesante documento que describe el reducido pero muy prometedor intercambio de conocimientos y de capacitación entre los países del tercer mundo, cuya viabilidad económica radica en la similitud de condiciones, problemas y soluciones posibles. En su exposición, el autor —asesor del F.M.I. y del Banco Mundial— indica la miopía con que se están desaprovechando actualmente valiosas oportunidades de intercambio, y describe tres casos concretos para indicar la forma en que los países en desarrollo, pueden aprender unos de otros y ayudarse recíprocamente. Amand G. Chandavarkar; **La Cooperación Técnica en el Tercer Mundo**, FINANZAS y DESARROLLO, Vol. 9, No. 4, pp. 17-22, (Diciembre 1972).

## PLANEACION

Enfocado principalmente sobre los aspectos presupuestarios de la planeación el presente artículo sostiene que para efectos de lograr una efectividad adecuada, todo sistema formal de planeación a largo plazo debe presentar un balance entre creatividad y aplicabilidad. Para ilustrar sus propuestas, el autor utiliza seis compañías como ejemplos. John K. Shank, y otros; **Balance Creativity and Practicability in Formal Planning**, HARVARD BUSINESS REVIEW, pp. 87-95, (January-February 1973).



## **LIBROS DE RECIENTE APARICION**

### **ADMINISTRACION FINANCIERA**

**DECISION STRATEGIES IN FINANCIAL MANAGEMENT.** Donald H. Shuckett and Edward J. Mock.; American Management Association (1973).

Un compendio sobre las técnicas usadas en la toma de decisiones tanto por los ejecutivos financieros como de otras áreas, con el objeto de maximizar las utilidades de la empresa.

### **ANALISIS DE SISTEMAS**

**SYSTEMS ANALYSIS IN PUBLIC POLICY; A CRITIQUE.** Ida R. Hoos; University of California Press, California (1972).

Contiene una revisión acerca del análisis de sistemas, sobre su origen y aplicaciones, sus usos y abusos, su impacto actual y sobre sus implicaciones a futuro.

### **CONTABILIDAD CON SISTEMAS DE COMPUTACION**

**ACCOUNTING AND COMPUTER SYSTEMS.** H. D. Ifftton and T. Lucey; Business Books Limited, London (1973).

Aborda con un enfoque práctico los aspectos más relevantes para el establecimiento y operación de sistemas de contabilidad empleando computadoras. Una guía útil tanto para el contador como para el analista de sistemas en la cual se señalen sus respectivos problemas y responsabilidades en lo concerniente a la implantación del sistema.

### **PROMOCION DE ARTICULOS INDUSTRIALES**

**HOW INDUSTRIAL ADVERTISING AND PROMOTION CAN INCREASE MARKETING EFFECTIVENESS.** W. H. Grosse.; American Management Association (1973).

Describe lineamientos precisos para la planeación, dirección y control de promoción de Ventas, publicidad, estrategias, y técnicas de mercados utilizables en la venta de productos industriales.

