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THE DEVELOPMENT OF EXECUTIVES

BY

JOSEPH R. MESSINEO

A THESIS

SUBMITTED TO THE FACULTY OF
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BY

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NEWARK, NEW JERSEY
1953
PREFACE

The ever-increasing trend toward improved industrial efficiency creates the problem of supplying capable executives. The supply of executive manpower in business corporations ever needs replenishing. Expansion of operations, retirements, and other circumstances cause executive demands and vacancies which must be filled. Therefore, the purpose of this thesis is to analyze and report on what industry is actually doing today to develop executives to meet present and future requirements. Also, it is the author's intent to formulate a comprehensive executive development program that can be adopted with some limitations by industry for the building of an executive reserve.

In order to obtain accurate information on this subject, it was necessary to first gather pertinent material from a considerable number of available sources. These sources consisted of textbooks, periodicals, magazine articles, and company publications. Upon conclusion of this particular phase, the material was analyzed and condensed, thereby forming the basis for Chapters I and II. These two chapters have been presented with a view toward furnishing background information for this thesis.

Upon the completion of the aforementioned phase of study, a questionnaire was designed with the object of eliciting answers from industry which would serve several purposes: (1) to assist in corroborating the authenticity that a definite need exists today for more capable executives, (2) to obtain up-to-date data on the development of executives, (3) to learn the viewpoint of industry on this important
subject and (4) to aid the author in the formulation of an executive
development program that would be acceptable to industry. The survey
covered 543 companies of various types and size located throughout
the United States. The results of this survey are presented and
analyzed in Chapters III and IV respectively.

By utilizing the survey questionnaire results and the additional
background material, an executive development program was formulated
as presented in Chapter V.

Upon completion of the above-mentioned program, a copy was pre-
sented to the Training Officer at Picatinny Arsenal, Dover, New
Jersey. It was suggested by the author that the Training Officer
review the proposed executive development program and express his
ideas and opinions. In this manner, the strength of the program
would be verified, and if any weak points existed, they could then be
eliminated. Conferences and discussions held in connection with the
proposed program are presented in Chapter VI together with a copy of
a letter received from the Training Officer.

Conclusions manifested as a result of this entire study, survey,
and analysis are contained in Chapter VII.

The problem of providing more capable executives is an extremely
important one. Executives today play a vital role in the proper
functioning of any organization. In order that an executive may
carry out his assigned responsibilities he must be fully developed.
No longer can key positions in a company be filled by personnel se-
lected simply on the basis of long service and experience in the
production shops. It is necessary to properly develop the individual for the position so that he will be capable of satisfactorily performing his required duties. Adherence to the development program outlined in Chapter V will prove valuable in producing successful executives; successful executives mean increased efficiencies and reduced costs. This, after all, is one of the basic aims of industry.

The author wishes to express his indebtedness to Mr. M. F. Fairheller of Picatinny Arsenal for reviewing and commenting on Chapter V; to Professor Joseph A. Rich of Newark College of Engineering for his guidance and assistance; to Mrs. Jean Weiler for her untiring patience in the typing of this thesis; and to all the companies cooperating in the executive development survey.

JOSEPH R. MESSINEO

Newark, New Jersey

October 1953
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CHAPTER I
INTRODUCTION

Historical Background

Personal development, in one form or another, has existed since the beginning of human life on the earth. However, the intentional development of man to perform duties within the complexities of the present industrial world is relatively new. From all sources of information available to the author it can be stated that planned development of executives originated seventeen years ago.

It was in 1936 that the United States Steel Corporation designed the first plan to develop business executives.\(^1\) Although literature indicated that several companies had thought about executive replacement and the building of executive reserves shortly before 1936, no evidence of an actual planned executive development program could be found. It can also be said that twenty-five years ago the development of executives was probably not even considered. At that time the office-boy to president formula was generally accepted by all industry.

Need for Executive Development

A series of events and several factors caused the present limited supply of capable executives.

The need for executive development today is attributed to a succession of events occurring in this country during the past two decades. Very few executives were developed during the depression of

the 1930's, not only because there was little interest at that time, but because few companies felt that they could afford such a program. The advent of World War II caused the loss of capable middle-management personnel to the armed services. Also, the almost complete termination of flow of competent young people into the lower levels of organizations created a substantial gap in management succession possibilities. Many key officers of companies stayed in their positions beyond the duration of the war and beyond their normal or expected retirement dates. The sharp drop in college recruitment during the war years also contributed to the low executive reserve of today. During the early post war years few companies made any comprehensive analyses of their needs for replacing executives who would die or become ill prior to retirement.

The striking need for the development of employees is apparent in small enterprises. In these companies the manager is usually the owner and typically makes all the management decisions. As the business grows, new employees are added, but the manager usually permits them to participate only through the performance of minor tasks. The main bottleneck preventing the further growth of the company is frequently the owner-manager himself who, as the result of his habits of work, finds it almost impossible to delegate responsibilities to his subordinates. Many people have had the experience of being associated with a company of this type. The owner-manager insists that all mail pass over his desk, that all sales and purchases be handled personally, and that he know about every entry made in the books. Although there are competent employees to perform these tasks, the size
of the company is limited by the capacities of one single individual. A company of the type described is actually a one-man business.

The same situation is frequently found in so-called family businesses. Starting in a small way, the father has created the business and has performed every job required. The son or sons occupy various positions of little actual responsibility. Turning the business over to the sons thrusts great executive responsibilities on unprepared shoulders. The enterprise then may languish for years while the newly created executive tries to learn quickly the "how" of management. Occurrences such as this are so familiar that further elaboration seems unnecessary. However, the significant point here is that succession of management, which is uniquely important in small business, should be achieved through adequate development of competent subordinates.

In some companies conscious attention to development appears unnecessary because the present organization is strong and operating effectively. That is, there is no evidence of urgency or that a need for executive development exists. Whenever replacements are required for key positions, someone always seems to be available and ready to move into new responsibilities. The company, therefore, concludes that good men have come along in the past, and there is no reason to expect that good men will not continue to be available as the occasion requires. In a four month study of the problems of executive development made by Professors J. Sterling Livingston and Myles L. Mace in 1949, it was learned that management cannot assume that because good
men have come along in the past, they will continue to do so. In nearly every company visited, executives reported that it had become unusual for men to rise from the work force into the executive levels of management. In one company the president stated that four out of the present top five officers had started at the bottom in the ranks of labor, but that he could not name more than one or two persons who had come into top executive positions from the hourly force during the last fifteen years. This situation was due largely to union seniority rules which require men to progress through each job classification, thus making it virtually impossible for outstanding men to acquire at an early age the experience needed for executive positions. Few hourly workers who reach the lower levels of supervision are young enough to be considered for promotion to the management group. Unless an executive development program is established to eliminate this barrier of union seniority rules, it is likely that the hourly wage group of employees will not constitute a significant source of executive personnel.

Another reason why a systematic plan for development is needed today is because companies have become so huge and complex. Also, responsibilities within the organization have become more and more specialized. Companies today, more than ever before, are groups of specialists. This functional specialization has tended to limit the points of view of potential executives and to confine them to very

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narrow functions. The specialization goes beyond functional specialization such as sales, production, and finance. In some companies the normal path of progression is up through some limited part of the sales, production, or the finance function. The result is that by the time a man has progressed upward in the organization and is a candidate for a position of wider responsibilities, it is too late in his career to give him actual experience in other areas of the business. Without conscious planning for the development of its personnel, many companies will continue to select specialists for broader administrative jobs, thereby causing industrial inefficiency.

Another factor which invalidates the assumption that good executive personnel will continue to be available is the continuously increasing tendency toward narrow technical education. Today many companies define their requirements for new employees not in terms of general engineering but in terms of engineers with certain specialized training. Many schools have modified their curricula to meet these changed demands. As scientific and technical knowledge has increased, students as well as faculties have been forced to concentrate on special subjects. Mr. Chester Barnard in 1940, then president of the New Jersey Telephone Company pointed out: "..... while men are concentrating upon techniques, machines, processes and abstract knowledge, they are necessarily diverted to a considerable extent from experience with men, organization, and the social situations, the distinctive fields of application of leadership ability. Thus, at the most impressionable period they become so well grounded in 'mechanical'
attitudes that they transfer these attitudes toward men."¹ New men coming into manufacturing companies today may have greater technical capacities to meet the specialized requirements of their job than did the new men of twenty years ago, but as Chester Barnard pointed out, this increased technical capacity has been achieved at the price of sacrificing education in the skills involved in dealing with people.

The foregoing paragraphs describe the series of events and the reasons why a need for more adequate executives exists today. However, the actual verification that there is a shortage of adequate executives today is made by the results of the author's survey presented in Chapters III and IV.

Who is an executive?

In searching for a satisfactory meaning of "executive" the author found that almost every definition considered included some unique elements. Literature on this subject showed that there was little agreement and that words seemed to convey different meanings to various authors. Some writers draw lines through various planes on the business organization chart. Those men occupying positions above the drawn line are described as "executives". Professors Glover and Hower state that: "The executive occupies a position of responsibility for and to others in getting things done through group effort in organizations. The qualities which distinguish the executive are his ability to think and act responsibly, to work cooperatively with

others, and to provide others opportunities to work effectively and
with satisfaction within the group". Referring to executive leader-
ship another author stated that "Leadership refers to the quality of
the behavior of individuals whereby they guide people or their
activities in organized effort". In the business world it is common practice to use the term "executive" to denote the highest levels of the men in the organiza-
tion. This author agrees with the definition expressed by Mr. Stephen
Habbe, that an executive is one who helps make and administer company
policies. It is in this sense that the word "executive" will be used throughout this entire thesis.
Precisely where the line separating executive from middle manage-
ment is drawn must be determined in each company. Sometimes salary
administration is used by companies whereby executives are then
designated as those on the top five or six steps. Often executives
are considered to be all who earn ten thousand dollars or more per
year. Regardless of definition, this study deals with the development
of personnel who help formulate and administer company policies and not
with the development of foremen, supervisors, or middle management.

Viewpoints on executive traits and qualities

The performance of this particular phase of the literature search

1 John D. Glover and Ralph M. Hower, "The Administrator", pp. 2-3
Chicago, Richard D. Irwin, Inc., 1949
2 Chester I. Barnard, "The Nature of Leadership, p. 3, Cambridge,
Harvard University Press, 1940
3 Stephen Habbe, "Company Programs of Executive Development",
p. 7, Studies in Personnel Policy No. 107, National Industrial
Conference Board, Inc., N. Y., 1950
conducted by the author revealed that numerous writers have attempted to tabulate a list of executive qualities that make a good executive. A typical listing of these qualities was made by Mr. Alfred M. Cooper and include such characteristics as intelligence, integrity, forcefulness, fairness, loyalty, kindness, knowledge of work, and health.\(^1\) However, whether a list of characteristics such as this can be established as the criteria for the success of an executive is questionable. Mr. Ralph M. Stagdill has stated that "Executive leadership is not a matter of passive status, or of the mere possession of some combination of traits. It appears rather to be a working relationship among members of a group, in which the leader acquires status through active participation and demonstration of his capacity for carrying cooperative tasks through to completion".\(^2\)

Mr. Irving Knickerbocker, too, takes exception to the belief that an executive has certain quantities of certain qualities. He states: "The leader (executive) is a product not of his characteristics, but of his functional relationship to specific individuals in a specific situation. As a result, the variability of leaders' characteristics upsets all but the broadest statistical efforts at analysis." He adds: "The leader, realistically and factually, is not a person endowed with a list of characteristics which make him what he is".\(^3\)

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According to Professor Myles L. Mace there are at least two main obstacles which prevent the formulation of a definitive check list of characteristics of an executive. The first is the absence of any generally accepted set of objective criteria as to what is a good executive. Such criteria are necessary to provide a basis for measuring the validity of any list of personal characteristics or traits. In the case of a salesman it is possible to measure his success by a number of factors, for example, total sales, profit on those sales, rate of returned goods, bad debt losses, expenses, etc. But when it comes to measure the success of one who supervises, mathematical terms cannot be used. In the higher levels of management, such as the executive category, it becomes increasingly difficult to find objective measures. This does not mean that there is no value in the company use of a list of qualities, but only emphasizes the fact that the absence of objective criteria precludes the creation of a single list of characteristics that is applicable to good executives in all companies.

A second obstacle, according to Professor Myles L. Mace, to the possibility of having a single check list of factors is that there is no such thing as the executive position. Different positions in different companies have different technical and job knowledge requirements. Although there may be a general list of personal qualities desired for executives, such as imagination, adaptability, and

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intellectual capacity, present knowledge does not permit defining how much of what personal qualities are required for all executive positions.

These two obstacles, namely, the lack of criteria as to what a good executive is and the lack of uniformity in executive positions appears to Professor Mace to deny the validity of any single list of personal traits for executives.

This author is inclined to agree with the viewpoints expressed by Professor Mace. However, it is felt that there is a limited number of general executive traits that are mandatory for success of an executive in any organization.

These traits, described by Mr. Erwin Haskell Schell, are as follows:1 The executive must have:

(1) **An interest in, and affection for, people.**

Executives, in the last analysis, are moulders of human behavior. In the usual organization they are in intimate contact with a larger number of personalities than other officials in the company. Their problem is that of human relationships, which are ever-complex, ever-changing, and ever-defying standardization. To one without an interest in people, the ability to guide and direct is enormously weakened.

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(2) **Strength or power of personality.**

It is not easy to describe this quality, but it can be thought of as vigor which seems to spring from the nervous system. It is a vitality which is not confined to any particular type of physical or intellectual make-up. Many times this quality does not manifest itself actively but creates the impression of reserve force which may be drawn upon if need be. In other cases it may flower in a characteristic forcefulness of speech or gesture, or may find outlet in a sturdy determination which never lessens until the goal is reached.

(3) **Scientific trend of mind.**

The executive is constantly facing problems which yield most readily to the analytical approach of the scientifically-minded thinker. The technical problems involved in coordinating the work of a group of men, materials, and equipment in such a way that maximum quality and quantity are obtained are often exceedingly complex. They require solution well in advance of their actual doing. Thus to plan and schedule the future calls for a process of thought which is distinctly scientific in nature.

Summarizing, these three traits: interest in and affection for people, power or personality, and a scientific trend of mind, are believed to be the outstanding requirements of executive success.
Historical Background

Executive development in industry is relatively new. The first plan to develop executives was formulated by the United States Steel Corporation only seventeen years ago. Little consideration was given to the development of executives prior to 1936.

The Need for Executive Development

Factors contributing to the inadequate supply of executives today can be traced to the following events and circumstances:

1. During the depression years of the Thirties, companies were not interested in and felt that they could not afford an executive development program.

2. World War II caused the loss of a considerable number of "potential executives" to the armed forces. The termination of flow of competent young people into industry, due to the war, created a substantial gap in management succession possibilities.

3. Many elderly key officers of companies stayed in their positions beyond the duration of the war or their normal retirement dates.

4. The great drop in college attendance during the war created a shortage of executive material during the years immediately following World War II.

5. After World War II few companies made any comprehensive analyses of their needs for replacing executives who would die or become too ill to carry out their duties.
The majority of small companies are usually of the "owner-manager type" precluding the establishment of an executive development program in the organization.

"Family businesses" gave little or no consideration to the development of executives.

Many companies, operating strong and effectively, did not realize the urgency of the situation since by chance executive replacements were always obtainable.

Union seniority rules, which require men to progress through each job classification, made it virtually impossible for outstanding men to acquire at an early age the experience needed for executive positions.

Extreme functional specialization in industry today has limited the points of view to many outstanding employees such that their executive potential has been minimized.

The increasing tendency toward narrow technical education is sacrificing education in the skills involved in dealing with people.

Who is an Executive?
In the sense applicable to this thesis an executive is one who helps formulate and administer company policies.

Viewpoints on Executive Traits and Qualities
It is questionable as to whether a list of executive traits such as intelligence, integrity, forcefulness, fairness, loyalty, kindness, knowledge of work, health, and adaptability can simply
be established as the criteria for the success of an executive. Although all specific traits that make a good executive in all organizations cannot be listed due to the variations in conditions, three general required traits can be established. These are: (1) interest in and affection for people, (2) power or personality, and (3) a scientific trend of mind.
CHAPTER II

General Aspects of Executive Development

It may be said that the development a person obtains from the day he starts his first job, to and including, his final promotion represents executive development. However, in this study attention is concentrated entirely on development that is intentionally designed to prepare people for executive positions, or to improve the performance of those already in such jobs.

Selection

Work record and growth potential are the two factors which have most to do with selection of trainees for executive development. Position, age, and training background are also important.1

The individual's work record may be appraised by periodic merit ratings or performance reviews. His growth potential may be appraised by tests and multiple interviews. The final selection of the executive trainee should be made by a committee of top company officers. Consultants may also cooperate in the selection of the trainee.

Selecting the right trainee is critical to the success of the entire development program. The full process, only outlined here, deserves careful and concentrated study. Since this thesis covers the actual development of the executive trainee, selection is merely being mentioned. However, this does not in any way mean that selection is a matter of secondary importance.

Executive Development Goals or Objectives

Executive development has several objectives. These are: to keep executives alert, to attract and hold men of executive calibre, to improve morale, to provide a proving ground for future executives, to make good men better, and to increase the effectiveness of the executive group as an operating team. However, the overall objective of any executive development program is to assure an adequate reserve of capable, well-trained executives.

To insure an adequate reserve of capable well-trained executives, several experts in the field of personnel development believe that the formulation of a suitable executive development program should be based on the following five development objectives:

1. **Human relations** - Increasing the trainee's skills in working harmoniously with others.

2. **Job competence** - Increasing his ability to analyze and deal with management problems not directly related to personnel.

3. **Company knowledge** - Increasing his understanding of all company operations and how they contribute to the final product or service.

4. **Personal development** - Increasing his personal insights so that he can correct weaknesses and capitalize abilities and thus work with maximum effectiveness.

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1 It was the opinion of the author that the five executive development objectives, although comprehensive, warranted further study and analysis as presented in later chapters of this thesis.
(5) Creative imagination - Broadening his business and social perspectives so that he can view company problems thoughtfully and with imagination.

All of the above five goals are important. The objectives of a program might also be considered in terms of what an executive should know and be able to do. While a longer list might easily be made the following short one will serve to indicate the wide scope of executive responsibility:

- Principles of business organization
- Elements of supervision
- Management fundamentals
- How to think logically and how to arrive at sound decisions
- How to delegate work and get things done through others
- How to work with people
- A knowledge of what goes on in all departments of the company
- Company policies
- How to speak and write effectively
- Practices of competing companies
- A broad picture of country and world affairs and how they affect the company

Executive Development Methods and Techniques

In order to formulate a program of executive development, it is, of course, necessary to understand as fully as possible executive development methods. Mr. Earl G. Planty, Executive Counselor for Johnson and Johnson, and Carlos A. Efferson, Staff Training Director for the Chicopee Manufacturing Corporation, New Brunswick, New Jersey
have prepared a report covering methods in executive development. A copy of this report was furnished the author through the courtesy of Johnson and Johnson, New Brunswick, New Jersey. Summaries of some executive development methods described therein and the benefits obtainable from each are presented below:1

**Conference Method**

In this method an in-plant conference leader attempts to stimulate group discussion of a selected subject, such as the excess profit tax, advisable levels of inventory, scientific wage and salary administration, the company's promotional policies, upward communications, etc. Sometimes emphasis is placed upon solving a particular problem; sometimes upon providing information about it.

**Benefits:**

(1) This is a relatively active way of learning by participation. For this reason it appeals to people and secures ready cooperation.

(2) It appeals to practical men and to those of long experience who wish to talk about their experiences.

(3) It has the traditional approval of training men of long standing.

(4) In some degree it makes it possible for anyone who is a skilled conference leader to teach almost anything, since the most common conference involves drawing of ideas from the trainees.

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1 This report was published by Dun and Bradstreet, Inc, in their January and February 1952 issues of *Dun's Review*
(5) As much as any other "group" method of teaching, this can deal with actual problems where decisions are reached and plans made to put them into effect.

Job Rotation

This is one of the oldest forms of executive development. In it a man is moved from one position to another in order to increase his understanding of the business and his ability to make large scale decisions. Sometimes the man is moved within the area of his specialty; sometimes outside it. Changes from engineering to production, sales to advertising, or even manufacturing to labor relations can be made. Usually the rotations are made after the candidate has performed satisfactorily on one or more assignments and has shown promise of ability to make good at a higher level.

Benefits:

(1) Rotation broadens an individual by exposing him to different problems, functions, and people.

(2) It brings new challenges and new interests to men who may have become conditioned to a routine pattern of action.

(3) It increases industrial efficiency by putting jobs in the hands of new men, with new ideas and abilities.

(4) Rotation meets the needs of keen and able people who are ready or almost ready for promotion at times when no appropriate vacancies exist.

(5) Rotation permits men to find the field in which they do best.
College and University Advanced Management Programs

Courses offered by colleges and universities for the development of executives vary in length from two weeks to thirteen weeks. Some consist of a two-week series of lectures on various aspects of business management presented by business leaders and able college professors. Lectures deal primarily with functional aspects of business, with emphasis on management coordination. Attention is also given to finance and money. The formal lectures are followed by group discussions. The course is designed for top level executives only, and is especially valuable to men who are moving from supervision of a single function to general management. The longer courses present typical cases from sales, marketing, labor and human relations, administration, and finance.

Benefits:

(1) The prestige of a great college or university helps arouse the interest of mature, self-made, top-level executives - men who might otherwise resent "schooling".

(2) Executives from varied companies share ideas and experiences.

(3) The social responsibilities of business are effectively emphasized.

(4) The program teaches men to isolate and solve their own problems under the guidance of mature and skillful teachers.
Counseling by Staff Specialists or Outside Consultants

This is a service rendered by skilled counselors working outside the line organization. It is an individualized method wherein men with problems are free to talk over their affairs with skilled interviewers who help executives to see their problems clearly and the manner of their solution. It is a method which helps provide insight into one's own behavior. Some companies use the service of consulting psychologists for this purpose, others have internal counselors.

**Benefits:**

1. Counseling enables executives to secure help with personal problems involving home, children, themselves, their work, or their superiors.

2. Counseling also can deal with internal business problems too delicate for executives to discuss with their superiors. This method also gets at the problems involving jealousies, fears, personal ambitions and relationships of one executive to another - problems that might otherwise be suppressed, with serious results.

3. Counseling provides individualized help to meet highly individual needs.

4. This method of development is useful for complex, difficult problems that individuals must be skillfully led to see and solve for themselves.

Committee Assignments

Many companies have management boards, policy and coordinating
committees, and other high level groups which deal with problems to be solved at executive levels. Primarily designed to do work, these groups may also be used to develop the abilities and personal qualities of executives. Some organizations try men out on temporary committees before assigning them to permanent committees with greater responsibilities.

Benefits:

1. Group activities enable men to become acquainted with the problems and operations of divisions with which they may have been unfamiliar.

2. Committees and similar groups enable men to practice the art of working together effectively and without friction.

3. Participants gain experience in solving problems that exceed the responsibility of any one executive.

4. Group membership cultivates a feeling of "belonging". It also gives status and develops a sense of responsibility.

Multiple Management Method

The use of an auxiliary, or junior, board is a form of multiple management that seeks to develop executive ability while using it in the solution of practical problems. The board brings together a group of junior executives, each of whose daily work lies within a single department. They meet to locate and solve problems in any and all areas of the business; they are free to suggest new products, improved methods, new policies, or any details that might improve operation. When a member suggests a project which the board accepts
as significant, it sets up a committee to investigate and report. If this report proposes a sound course of action, a prospectus is prepared and submitted to the senior board of directors. If the latter approves, the junior board institutes action.

Benefits:

1. The junior board develops strong feelings of responsibility and belonging among its members.

2. Young executives are broadened by contacts with others who represent different specialties and departments.

3. Board activities and their practical nature appeal to many men who resist academic approaches to development.

4. Gives executives who are specialists added opportunity for broad decision making and in taking responsibility for such decisions.

5. Board activities are real, not make-believe exercises.

The values of merit or performance ratings in executive development have not been overlooked. Like any employee, the executive wants and needs to know how he is doing. The importance of talking over the rating, of resolving any differences of opinion which may exist, and of arriving at mutually satisfactory goals cannot be overstressed.

Other methods or techniques that have been used by companies to develop their executive trainees include:

Visits to other companies

Distribution of reading lists and management bulletins
Group meetings
Executive inventories
Job descriptions
Special trainee positions
Management cabinets
Understudy or assistant-to positions
Community leadership
Health and fitness programs
Assignment to training or sales department
Sponsor plan

Most companies with programs for executive development use a multiple approach.¹ That is, they may employ two or more of the aforementioned development methods or techniques. The frequency of use of all the techniques or methods mentioned is presented in Chapter III of this thesis.

¹ See questionnaire results presented in Chapter III
In Summary

In this study attention is concentrated entirely on development that is intentionally designed to prepare people for executive positions, or to improve the performance of those already in such jobs.

Selection

Work record and growth potential are the two factors which have most to do with selection of trainees for executive development programs. However, position, age, and training background must also be given due consideration.

Selecting the right trainee is critical to the success of any executive development program.

Executive development goals or objectives

To insure an adequate reserve of capable well-trained executives it is necessary that the formulation of a suitable program be based on the following five development objectives:

(1) Human relations
(2) Job competence
(3) Company knowledge
(4) Personal development
(5) Creative imagination

Executive development methods and techniques

In outline form specific methods of developing executives are described together with the benefits obtainable from each. Methods and techniques applicable to the development of executives include:
(1) Merit or performance reviews
(2) Visits to other companies
(3) Attendance at technical meetings and management conferences
(4) Distribution of reading lists and management bulletins
(5) Group meetings
(6) Job rotation
(7) Advanced management courses at colleges and universities
(8) Consultants
(9) Committee assignments
(10) Executive inventories
(11) Job descriptions
(12) Special trainee positions
(13) Multiple management plans
(14) Management cabinets
(15) Understudy or assistant-to positions
(16) Community leadership
(17) Health and fitness programs
(18) Individual counseling
(19) Assignment to training or sales department
(20) Sponsor plan

Most companies with programs of executive development use a multiple approach.
CHAPTER III

SURVEY OF EXECUTIVE DEVELOPMENT IN INDUSTRY

Introduction

In attempting to discover what industry is actually doing today toward the development of executives, a questionnaire was prepared and sent to various industries throughout the United States. A major purpose of the survey was to assist in corroborating the authenticity that a definite need exists today for more capable executives. It was also felt that the opinions and viewpoints of industrial leaders would prove to be both interesting and valuable. Still another objective of the survey was to determine the methods and techniques that are being used by industry to develop executives. In this manner, considerable control could be exercised in the formulation of an executive development program that would be acceptable to industry.

To accomplish the above-mentioned objectives, a questionnaire was designed such that a considerable amount of information would be obtained with a limited amount of effort on the part of the industries. In order that each company contacted would be aware of the intended use of the information requested, a form letter was prepared explaining the author's position. A sample form letter and questionnaire are shown on the following pages.

It is to be noted that all questions asked required either a simple "yes" or "no", a check mark, or a brief statement. The questionnaire was designed in this manner in order that cooperation would be obtained from even the busiest executives.
ATTENTION: Personnel Director

Sir:

In partial fulfillment of the requirements for the Degree of Master of Science in Management Engineering from the Newark College of Engineering, Newark, New Jersey, I am attempting to compile data to be used in the preparation of a thesis. The subject of my paper is "Executive Development in Industry." Consequently, I would greatly appreciate having the enclosed questionnaire filled out by the proper person within your organization and the completed form returned to me in the self-addressed envelope.

Thanking you in advance for your cooperation in this survey, I remain

Sincerely yours,

______________________________
Joseph R. Messineo

2 Encls.
Questionnaire
Envelope
Executive Development Questionnaire

Company Address

Please check either "Yes" or "No"

1. Is your company interested in developing its executives? Yes____ No____
2. Do you have a formal executive development program? Yes____ No____
3. Do you have an informal executive development program? Yes____ No____

Answer briefly: (If applicable to your company)
4. What is the age group of personnel being developed under the program?
5. How long does the executive trainee undergo development?
6. Please number the following five executive development goals in their order of importance as considered by your company (No. 1--Most Important; No. 2--Next, etc.)
   - Job Competence
   - Human Relations
   - Personal Development
   - Company Knowledge
   - Creative Imagination

7. Please check the technique or techniques listed below used by your company in its development program:
   1. Merit or performance reviews
   2. Visits to other companies
   3. Attendance at technical meetings and management conferences
   4. Distribution of reading lists and Management Bulletins
   5. Group meetings
   6. Job rotation
   7. Advanced management courses at universities or colleges
   8. Consultants
   9. Committee assignments
   10. Executive inventories
   11. Job descriptions
   12. Special trainee positions
   13. Multiple Management plans
   14. Management cabinets
   15. Understudy or assistant-to positions
   16. Community leadership
   17. Health and fitness program
   18. Individual counseling
   19. Assignment to training or sales department
   20. Sponsor plan
   21. (Other techniques--specify)

8. How many employees does your company have?
9. What are your major products?
10. What is the estimated cost to your company for development of an executive?
11. Do you consider executive development worth while?

E: Please furnish any other information that will aid in learning what your company is doing in the way of developing executives.
The first question (Is your company interested in developing its executives?) was placed on the questionnaire in order that knowledge would be gained as to whether the company was even considering this category of personnel development.

The second and third questions (Do you have a formal or informal executive development program?) were asked in order that information would be obtained regarding the extent each company was developing their executives.

The purpose of Question No. 4 (What is the age group of personnel being developed under the program?) was to learn what industry considered to be the optimum age group for potential executives. It was believed that such information would be of value to industries planning to install a program of executive development.

Similarly, Question No. 5 (How long does the executive trainee undergo development?) was asked in order that the results would reveal the extensiveness of the development and aid in formulating a program that would be acceptable to industry.

Question No. 6 (rating of the goals in their order of importance) was placed on the questionnaire so that each company's main objectives of executive development would be made known. Similarity in the results among the industries would certainly prove not only interesting, but would also be of considerable value in designing a suitable executive development program.

The seventh question was asked in order to determine the methods and techniques most commonly used by industry today to develop
executives. The twenty techniques specified on the questionnaire was the result of a literature search conducted to enable the listing of every technique that could possibly be employed to develop executives. In the event a company was using a technique not known to the author, space for a write-in was made available on the questionnaire. Since the title of the technique explained the method, to some degree, it was felt that further elaboration was not necessary. Also, it was believed that companies utilizing certain techniques in their program would recognize their methods by the titles specified on the questionnaire. It was felt that knowing the techniques most favored by industry, the formulation of a program acceptable to industry would be facilitated.

Question No. 8 (How many employees does your company have?) and Question No. 9 (What are your major products?) were included in the survey to determine the relationship, if any, between the size of the company, type of product and the extent to which the company emphasized executive development.

The tenth question (What is the estimated cost to your company for development of an executive?) was asked to determine whether industry had given any consideration to the amount of funds required for an executive development program. It was considered desirable to learn whether any cost control was being exercised in this field of development.

The last question (Do you consider executive development worthwhile?) was placed on the questionnaire in order to learn industry's
viewpoint and to find out whether any company had analyzed costs of executive development in relation to advantages gained.

The annotation (Please furnish any other information that will aid in learning what your company is doing in the way of developing executives) was placed at the bottom of the questionnaire in order that the author would learn additional details of industry's development programs through company reports, bulletins or publications, and letters.

In order to obtain a representative cross-section of U. S. industry, questionnaires, designed as described above, were forwarded, as an enclosure to the form letter, to 543 companies located in all 48 states. An attempt was made to forward the questionnaires in quantities proportional to the volume of business or number of facilities in that particular state. It was believed that the above-mentioned procedure would tend to increase the validity of the survey results.

The names and addresses of the companies were selected from "Poor's Register of Directors and Executives" dated 1953. Although the companies and facilities were selected at random, the lists were examined to insure that the selection offered a considerable variation in company size (number of employees) and type of business. In several cases it was necessary to supplement the list with additional companies of certain size in order that a good industrial cross-section of the United States would be obtained.

The survey, in actuality, consisted of three distinct phases as
described below:

Phase I - the manufacturing industry
Phase II - the food industry
Phase III - the service industry

It was the opinion that a survey and analysis of each of the three major categories of business, together with an analysis of the combined survey results, would reveal valuable information.

For clarity, an analysis of specific findings and overall results is being deferred until the next chapter.

The results and information obtained for each specific phase of the executive development survey is presented in the pages that follow:
SURVEY RESULTS

Phase I - The Manufacturing Industry

This particular phase of the survey covered 183 manufacturing enterprises. Products manufactured by these industries included aircraft engines, machine tools and precision instruments, hardware, automobiles, electrical components and appliances, jewelry, typewriters, television tubes, clothing, photography equipment, toys, surgical goods, materials handling equipment, machinery, airplanes, etc.

Of the total 183 questionnaires forwarded, 92 replies, including letters, were received. The replies can be grouped as follows:

I - companies having both an informal and formal executive development program -------------- 14

II - companies having a formal executive development program (only) ---------------------- 17

III - companies having an informal executive development program (only) ------------------ 45

Total 76

IV - companies not having an executive development program of any type ------------------- 16

Total 92

In addition to returning the completed questionnaire form, many of the companies cooperating in this phase of the survey furnished supplementary information by letter, pamphlets, and company publications.

The total number of replies, 92, represents slightly over 50% of the total number of inquiries made.
Companies that answered the questionnaire and furnished additional information ranged in size from 40 to 216,000 employees. On a few of the questionnaires, it was indicated that the company had no program of executive development of any type. However, since the company went on to indicate the techniques used in development, it was assumed that the questionnaire was misinterpreted. Therefore, these few results were disregarded in the analysis.

Also, several companies did not answer all questions directly, but sent a formal letter explaining their position in general terms. In these cases an attempt was made to translate the body of the letters in terms of the specific questions on the questionnaire.

Following is a summary of the results of the returned questionnaires:

No. 1: "Is your company interested in developing its executives?"
In answer to this question, 100% of the 92 companies replying stated or indicated by letter that they were definitely interested in developing their executives. Of the 92 companies, 76 or 82.6% indicated they had a program to develop executives.

No. 2: "Do you have a formal executive development program?"
Of the 76 companies, 17 or 22.4% had programs that were of the formal type only.

No. 3: "Do you have an informal executive development program?"
Of the 76 companies, 45 or 59.2% had programs that were of the informal type only.

Of the 76 companies, 14 or 18.4% had both a formal and informal program for the development of executives.
No. 4: "What is the age group of personnel being developed under the program?"

<table>
<thead>
<tr>
<th>Age group</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>No specific age</td>
<td>28</td>
</tr>
<tr>
<td>25 to 35</td>
<td>5</td>
</tr>
<tr>
<td>30 to 45</td>
<td>5</td>
</tr>
<tr>
<td>25 to 40</td>
<td>3</td>
</tr>
<tr>
<td>25 to 50</td>
<td>3</td>
</tr>
<tr>
<td>25 to 45</td>
<td>2</td>
</tr>
<tr>
<td>30 to 50</td>
<td>2</td>
</tr>
<tr>
<td>30 to 60</td>
<td>2</td>
</tr>
<tr>
<td>29 to 64</td>
<td>2</td>
</tr>
<tr>
<td>Under 40</td>
<td>2</td>
</tr>
<tr>
<td>Under 50</td>
<td>2</td>
</tr>
<tr>
<td>22 to 28</td>
<td>1</td>
</tr>
<tr>
<td>18 to 30</td>
<td>1</td>
</tr>
<tr>
<td>25 to 64</td>
<td>1</td>
</tr>
<tr>
<td>21 to 65</td>
<td>1</td>
</tr>
<tr>
<td>30 to 65</td>
<td>1</td>
</tr>
<tr>
<td>33 average</td>
<td>1</td>
</tr>
<tr>
<td>28 average</td>
<td>1</td>
</tr>
<tr>
<td>25 to 60</td>
<td>1</td>
</tr>
<tr>
<td>30 to 35</td>
<td>1</td>
</tr>
<tr>
<td>22 to 45</td>
<td>1</td>
</tr>
<tr>
<td>21 to 45</td>
<td>1</td>
</tr>
<tr>
<td>Age group</td>
<td>No. of companies</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
</tr>
<tr>
<td>27 to 40</td>
<td>1</td>
</tr>
<tr>
<td>30 to 40</td>
<td>1</td>
</tr>
<tr>
<td>35 to 55</td>
<td>1</td>
</tr>
<tr>
<td>30 to 38</td>
<td>1</td>
</tr>
<tr>
<td>20 to 60</td>
<td>1</td>
</tr>
<tr>
<td>23 to 45</td>
<td>1</td>
</tr>
<tr>
<td>20 to 30</td>
<td>1</td>
</tr>
<tr>
<td>28 to 40</td>
<td>1</td>
</tr>
<tr>
<td>21 to 40</td>
<td>1</td>
</tr>
</tbody>
</table>

Total 76

No. 5: "How long does the executive trainee undergo development?"

<table>
<thead>
<tr>
<th>Length of time</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuously</td>
<td>29</td>
</tr>
<tr>
<td>No definite or specific period</td>
<td>25</td>
</tr>
<tr>
<td>1 year</td>
<td>2</td>
</tr>
<tr>
<td>1 to 10 years</td>
<td>2</td>
</tr>
<tr>
<td>5 years</td>
<td>1</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>1</td>
</tr>
<tr>
<td>2 to 5 years</td>
<td>1</td>
</tr>
<tr>
<td>4 years</td>
<td>1</td>
</tr>
<tr>
<td>6 months to 5 years</td>
<td>1</td>
</tr>
<tr>
<td>2 to 3 years</td>
<td>1</td>
</tr>
<tr>
<td>3 years</td>
<td>1</td>
</tr>
</tbody>
</table>
Length of time | No. of companies
---|---
1 to 2 years | 1
8 to 16 weeks | 1
(Unanswered) | 9

Total | 76

No. 6: "Please number the following five executive development goals in their order of importance as considered by your company (No. 1, most important; No. 2, next; etc.)."

Job competence
Human relations
Personal development
Company knowledge
Creative imagination

A tabulation of the results follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Order of Importance</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Job competence</td>
<td>------</td>
</tr>
<tr>
<td>Human relations</td>
<td>------</td>
</tr>
<tr>
<td>Personal development</td>
<td>-</td>
</tr>
<tr>
<td>Company knowledge</td>
<td>---</td>
</tr>
<tr>
<td>Creative imagination</td>
<td>-</td>
</tr>
</tbody>
</table>

Rearranging the five executive development goals in order of importance as considered by the manufacturing industries participating in this phase of the survey, it becomes:
1. Job competence
2. Human relations
3. Creative imagination
4. Personal development
5. Company knowledge

No. 7: "Please check the technique or techniques listed below used by your company in its development program."

A tabulation of the results follows:

<table>
<thead>
<tr>
<th>Techniques</th>
<th>Frequency of use by manufacturing companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Attendance at technical meetings and management conferences</td>
<td>70</td>
</tr>
<tr>
<td>2. Merit or performance reviews</td>
<td>69</td>
</tr>
<tr>
<td>3. Group meetings</td>
<td>65</td>
</tr>
<tr>
<td>4. Understudy or assistant-to positions</td>
<td>56</td>
</tr>
<tr>
<td>5. Individual counseling</td>
<td>54</td>
</tr>
<tr>
<td>6. Distribution of reading lists and management bulletins</td>
<td>53</td>
</tr>
<tr>
<td>7. Job descriptions</td>
<td>52</td>
</tr>
<tr>
<td>8. Committee assignments</td>
<td>49</td>
</tr>
<tr>
<td>9. Visits to other companies</td>
<td>47</td>
</tr>
<tr>
<td>10. Advanced management courses at universities or colleges</td>
<td>39</td>
</tr>
<tr>
<td>11. Job rotation</td>
<td>38</td>
</tr>
<tr>
<td>12. Special trainee positions</td>
<td>37</td>
</tr>
<tr>
<td>13. Community leadership</td>
<td>32</td>
</tr>
</tbody>
</table>
No. 6: "How many employees does your company have?"

Answers to this question ranged from 40 to 216,000 employees.

No. 9: "What are your major products?"

Answers to this question covered a great variety of products and types of businesses in the manufacturing field. A typical listing of the products was presented in the introductory section of this phase of the survey.

No. 10: "What is the estimated cost to your company for development of an executive?"

The majority of companies, in answer to this question, stated that it was impossible to estimate, that the cost varied too widely to permit a meaningful average, that the cost had not been computed as yet, or they just did not know. Those few companies that did make an attempt to specify costs gave values ranging from $500 to $25,000.
No. 11: "Do you consider executive development worth while?"

All 92 companies cooperating in this phase of the survey stated or gave the indication that they definitely considered executive development worth while. Many of the companies emphasized its necessity.

Upon conclusion of this initial portion of the survey covering the manufacturing industry, the results, presented above, were analyzed. It was readily apparent from some of the answers received that in several cases the Executive Development Questionnaire may have been misinterpreted by the company.

For instance, 29 companies in answer to Question No. 5 stated that the development of the executive trainee is continuous and does not last for a specific length of time as the question implied. Additional comments received indicated that confusion existed between personal development (that which one obtains from environment or everyday life) and planned, systematic, company sponsored development. The confusion was manifested by comments such as the following:

An aircraft company located in Wichita, Kansas, writes, "As long as he works for our company!"

A medium sized company, manufacturer of radio and television components, located in Erie, Pennsylvania, says, "All his life, we hope."

A company of 42,000 employees located in Akron, Ohio, states, "Constantly - when he stops, he is no longer an executive."

A company of 216,000 employees says, "Throughout his career."
A company of 1,900 employees located in Milwaukee, Wisconsin, states, "...varies, depending on circumstances - actually never ends!"

Although the author does not disagree with the statements made by many of the companies, the purpose of the question was to determine the length of time the potential executive was enrolled in the company sponsored Executive Development Program. In view of this, it was necessary to modify the questionnaire slightly. Question No. 5 was revised to read "How long does the executive trainee undergo company sponsored development?"

In reviewing the weighted values given to each of the five executive development goals of Question No. 6, it was apparent that this question also might have been misinterpreted. One company implied that the objectives are so intermingled that a clear distinction and rating could not be made. It was believed, after reviewing the diversified opinions of industrial enterprises, that perhaps defining each goal for the company would tend to increase the validity of the results. Therefore, next to the group of goals under Question No. 6 an annotation (see Definitions) was placed. The definitions of each goal was placed on a separate sheet. In addition, to prevent any further misinterpretations, the definition of an executive, as applicable to this survey, was also furnished. A sample of the supplement to the revised questionnaire is shown on the following page.

After printing the improved questionnaires and supplement definition sheets, the manufacturing industries cooperating in this
DEFINITIONS

Executive ----------- One who helps formulate and administer company policies.

Job Competence ------ Increasing his ability to analyze and deal with management problems not directly related to personnel.

Human Relations ------ Increasing the trainee's skills in working harmoniously with others.

Personal Development - Increasing his personal insights so that he can correct weaknesses and capitalize abilities and thus work with maximum effectiveness.

Company Knowledge ---- Increasing his understanding of all company operations and how they contribute to the final product or service.

Creative Imagination - Broadening his business and social perspectives so that he can view company problems thoughtfully and with imagination.
phase of the survey were again contacted by mail. These companies were requested to resubmit replies to Questions No. 5 and No. 6 in view of the revised wording and with reference to the furnished definitions of the executive development goals.

A tabulation of the new results obtained follows:

Question No. 5: "How long does the executive trainee undergo company sponsored development?"

<table>
<thead>
<tr>
<th>Length of time</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuously</td>
<td>4</td>
</tr>
<tr>
<td>No definite or specific period</td>
<td>41</td>
</tr>
<tr>
<td>1 year</td>
<td>3</td>
</tr>
<tr>
<td>1 to 10 years</td>
<td>2</td>
</tr>
<tr>
<td>6 years</td>
<td>2</td>
</tr>
<tr>
<td>5 years</td>
<td>1</td>
</tr>
<tr>
<td>3 to 10 years</td>
<td>1</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>1</td>
</tr>
<tr>
<td>2 to 5 years</td>
<td>1</td>
</tr>
<tr>
<td>4 years</td>
<td>1</td>
</tr>
<tr>
<td>6 months to 5 years</td>
<td>1</td>
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<tr>
<td>3 years</td>
<td>1</td>
</tr>
<tr>
<td>1 to 2 years</td>
<td>1</td>
</tr>
<tr>
<td>8 to 16 weeks</td>
<td>1</td>
</tr>
<tr>
<td>(Unanswered)</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76</strong></td>
</tr>
</tbody>
</table>
No. 6: "Please number the following five executive development goals in their order of importance as considered by your company (No. 1, most important; No. 2, next; etc.):"

- Job competence
- Human relations
- Personal development (see Definitions)
- Company knowledge
- Creative imagination

A tabulation of the results follows:

<table>
<thead>
<tr>
<th>No. of companies</th>
<th>Order of Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 2 3 4 5 Unanswered</td>
</tr>
<tr>
<td>Job competence</td>
<td>35 14 9 3 0 15</td>
</tr>
<tr>
<td>Human relations</td>
<td>19 30 5 5 2 15</td>
</tr>
<tr>
<td>Personal development</td>
<td>3 10 16 19 13 15</td>
</tr>
<tr>
<td>Company knowledge</td>
<td>3 2 10 20 26 15</td>
</tr>
<tr>
<td>Creative imagination</td>
<td>2 12 25 15 7 15</td>
</tr>
</tbody>
</table>

Rearranging the five executive development goals in order of importance as considered by the companies after making reference to the definitions furnished, it becomes:

1. Job competence
2. Human relations
3. Creative imagination
4. Personal development
5. Company knowledge

Receipt of the above information concluded the survey of manufacturing enterprises.
Phase II - The Food Industry

The second phase of the survey of U. S. industry covered concerns dealing with the preparation, packing, and supplying of food products. These included the canning of fruits and vegetables; preparation of soups, candy, confectionery and related products; preparation of dairy products, ice cream, beverages, bread, meats, etc.

A total of 180 such industries were contacted and 74 replies, including letters, were received. These companies were furnished the newly revised questionnaire with an attached definition sheet. The total number of replies, 74, represents approximately 41% of the total number of inquiries made. The replies can be grouped as follows:

I - companies having both an informal and formal executive development program --------------- 4

II - companies having a formal executive development program (only)------------------------ 9

III - companies having an informal executive development program (only)------------------ 38

Total - 51

IV - companies not having an executive development program of any type ------------------ 23

Total - 74

In addition to returning the completed questionnaire form several of the companies cooperating in this phase of the survey furnished supplementary information by letter and company publications.

The companies ranged in size from 45 to 76,000 employees.
Here again, several companies did not answer all questions directly, but sent a formal letter explaining their position or plans in general terms. In these cases an attempt was made to translate the body of the letters in terms of the specific questions on the questionnaire.

Following is a summary of the results of the returned questionnaires:

In answer to the first question, 96.5% of the 74 companies replying stated or indicated by letter that they were definitely interested in developing their executives. One company stated that they were not interested in developing their executives. Of the 74 companies, 51 or 69% indicated they had a program to develop executives.

Of the 51 companies, 9 or 17.7% had programs that were of the formal type only.

Of the 51 companies, 38 or 74.6% had programs that were of the informal type only.

Four or 7.7% of the companies had both a formal and informal program for the development of executives.

Age groups of personnel being developed under the programs:

<table>
<thead>
<tr>
<th>Age group</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>No specific age</td>
<td>22</td>
</tr>
<tr>
<td>25 to 35</td>
<td>7</td>
</tr>
<tr>
<td>30 to 45</td>
<td>4</td>
</tr>
<tr>
<td>25 to 40</td>
<td>4</td>
</tr>
<tr>
<td>25 to 50</td>
<td>3</td>
</tr>
</tbody>
</table>
### Age Group

<table>
<thead>
<tr>
<th>Age group</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 to 45</td>
<td>2</td>
</tr>
<tr>
<td>30 to 50</td>
<td>2</td>
</tr>
<tr>
<td>30 to 60</td>
<td>2</td>
</tr>
<tr>
<td>29 to 64</td>
<td>1</td>
</tr>
<tr>
<td>Under 40</td>
<td>1</td>
</tr>
<tr>
<td>25 to 64</td>
<td>1</td>
</tr>
<tr>
<td>21 to 65</td>
<td>1</td>
</tr>
<tr>
<td>28 to 40</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
</tr>
</tbody>
</table>

### Length of Time the Executive Trainee Undergoes Company Sponsored Development

<table>
<thead>
<tr>
<th>Length of time</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuously</td>
<td>2</td>
</tr>
<tr>
<td>No definite or specific period</td>
<td>27</td>
</tr>
<tr>
<td>1 year</td>
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<tr>
<td>5 years</td>
<td>3</td>
</tr>
<tr>
<td>6 years</td>
<td>2</td>
</tr>
<tr>
<td>1 to 5 years</td>
<td>2</td>
</tr>
<tr>
<td>2 to 7 years</td>
<td>2</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>1</td>
</tr>
<tr>
<td>1 to 10 years</td>
<td>1</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td>1</td>
</tr>
<tr>
<td>(Unanswered)</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
</tr>
</tbody>
</table>
Rating of the five executive development goals in their order of importance:

<table>
<thead>
<tr>
<th></th>
<th>No. of companies</th>
<th>Order of importance</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Job competence</td>
<td>16</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>Human relations</td>
<td>22</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>Personal development</td>
<td>7</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Company knowledge</td>
<td>5</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Creative imagination</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

Rearranging the five executive development goals in order of importance as considered by the food industries participating in this phase of the survey, it becomes:

1. Human relations
2. Job competence
3. Company knowledge
4. Personal development
5. Creative imagination

Techniques used by the food industry in the development of their executives:

<table>
<thead>
<tr>
<th>Techniques</th>
<th>Frequency of use by companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Group meetings</td>
<td>46</td>
</tr>
<tr>
<td>2. Understudy or assistant-to positions</td>
<td>43</td>
</tr>
<tr>
<td>3. Attendance at technical meetings and management conferences</td>
<td>42</td>
</tr>
<tr>
<td>Techniques</td>
<td>Frequency of use by companies</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>4. Distribution of reading lists and management bulletins</td>
<td>39</td>
</tr>
<tr>
<td>5. Merit or performance reviews</td>
<td>32</td>
</tr>
<tr>
<td>6. Individual counseling</td>
<td>30</td>
</tr>
<tr>
<td>7. Visits to other companies</td>
<td>29</td>
</tr>
<tr>
<td>8. Committee assignments</td>
<td>20</td>
</tr>
<tr>
<td>9. Job descriptions</td>
<td>19</td>
</tr>
<tr>
<td>10. Advanced management courses at universities or colleges</td>
<td>17</td>
</tr>
<tr>
<td>11. Job rotation</td>
<td>16</td>
</tr>
<tr>
<td>12. Assignment to training or sales department</td>
<td>16</td>
</tr>
<tr>
<td>13. Special trainee positions</td>
<td>15</td>
</tr>
<tr>
<td>14. Executive inventories</td>
<td>10</td>
</tr>
<tr>
<td>15. Consultants</td>
<td>9</td>
</tr>
<tr>
<td>16. Sponsor plan</td>
<td>7</td>
</tr>
<tr>
<td>17. Management cabinets</td>
<td>6</td>
</tr>
<tr>
<td>18. Community leadership</td>
<td>4</td>
</tr>
<tr>
<td>19. Multiple management plans</td>
<td>2</td>
</tr>
<tr>
<td>20. Health and fitness programs</td>
<td>1</td>
</tr>
</tbody>
</table>

The majority of companies, in answer to the question "What is the estimated cost to your company for development of an executive?", stated that such costs are not available and are impossible to even estimate. Several companies gave costs ranging from $1,000 to $15,000. However, it was emphasized that the values given were merely rough estimates.
With reference to the last question on the questionnaire, all companies cooperating in this phase of the survey stated or implied that they definitely considered executive development worthwhile.
Phase III - The Service Industry

The third phase of the survey of U. S. industry covered facilities offering services or intangible products. The companies covered the following fields and products: transportation service including rail-road, bus, and air lines; electricity, gas, and water supply; telephone and telegraph service; financing and insurance businesses.

A total of 180 such industries were contacted throughout the United States and 110 replies, including letters, were received. The total number of replies, 110, represents approximately 61% of the total inquiries made.

The replies can be grouped as follows:

I - companies having both an informal and formal executive development program 16

II - companies having a formal executive development program (only) 20

III - companies having an informal executive development program (only) 58

Total 96

IV - companies not having an executive development program of any type 14

Total 110

As in Phases I and II of the survey, many of the companies were very cooperative in furnishing additional information by letter and company publications. Information received in this manner was analyzed to determine its value for this particular study. Much of
the material was of value in formulating opinions and conclusions presented in the chapters that follow.

The companies included in this phase of the survey ranged in size from 190 to 40,000 employees.

Following is a summary of the results of the returned questionnaires:

In answer to the first question, 100% of the 110 companies replying stated or indicated by letter that they were definitely interested in developing their executives.

Of the 110 companies, 96 or 87.5% indicated they had a program to develop executives.

Twenty companies out of the 96, or 21%, had programs that were of the formal type only.

Of the 96 companies, 58 or 60.3% had programs that were of the informal type only.

Eighteen companies or 18.7% of the companies had both a formal and informal program for the development of executives.

Age groups of personnel being developed under the program:

<table>
<thead>
<tr>
<th>Age group</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>No specific age</td>
<td>13</td>
</tr>
<tr>
<td>25 to 35</td>
<td>10</td>
</tr>
<tr>
<td>30 to 45</td>
<td>8</td>
</tr>
<tr>
<td>25 to 40</td>
<td>8</td>
</tr>
<tr>
<td>25 to 50</td>
<td>7</td>
</tr>
<tr>
<td>25 to 45</td>
<td>7</td>
</tr>
<tr>
<td>30 to 50</td>
<td>7</td>
</tr>
<tr>
<td>Under 40</td>
<td>6</td>
</tr>
<tr>
<td>Age group</td>
<td>No. of companies</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Under 30</td>
<td>5</td>
</tr>
<tr>
<td>22 to 30</td>
<td>5</td>
</tr>
<tr>
<td>18 to 30</td>
<td>5</td>
</tr>
<tr>
<td>21 to 65</td>
<td>5</td>
</tr>
<tr>
<td>30 to 65</td>
<td>5</td>
</tr>
<tr>
<td>25 to 60</td>
<td>2</td>
</tr>
<tr>
<td>30 to 35</td>
<td>2</td>
</tr>
<tr>
<td>22 to 45</td>
<td>1</td>
</tr>
</tbody>
</table>

Total 96

Length of time the executive trainee undergoes company sponsored development:

<table>
<thead>
<tr>
<th>Length of time</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuously</td>
<td>5</td>
</tr>
<tr>
<td>No definite or specific period</td>
<td>43</td>
</tr>
<tr>
<td>1 to 5 years</td>
<td>8</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td>7</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>7</td>
</tr>
<tr>
<td>2 to 5 years</td>
<td>6</td>
</tr>
<tr>
<td>2 to 3 years</td>
<td>5</td>
</tr>
<tr>
<td>1 to 2 years</td>
<td>3</td>
</tr>
<tr>
<td>1 to 10 years</td>
<td>3</td>
</tr>
<tr>
<td>3 years</td>
<td>3</td>
</tr>
<tr>
<td>2 years</td>
<td>3</td>
</tr>
<tr>
<td>(Unanswered)</td>
<td>3</td>
</tr>
</tbody>
</table>

Total 96
Rating of the five executive development goals in their order of importance:

<table>
<thead>
<tr>
<th>No. of companies</th>
<th>Order of importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Job competence</td>
<td>45</td>
</tr>
<tr>
<td>Human relations</td>
<td>25</td>
</tr>
<tr>
<td>Personal development</td>
<td>22</td>
</tr>
<tr>
<td>Company knowledge</td>
<td>9</td>
</tr>
<tr>
<td>Creative imagination</td>
<td>10</td>
</tr>
</tbody>
</table>

Rearranging the five executive development goals in order of importance as considered by the service industries participating in this phase of the survey, it becomes:

1. Job competence
2. Human relations
3. Personal development
4. Creative imagination
5. Company knowledge

Techniques used by the service industry in the development of their executives:

<table>
<thead>
<tr>
<th>Techniques</th>
<th>Frequency of use by companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Merit or performance reviews</td>
<td>82</td>
</tr>
<tr>
<td>2. Attendance at technical meetings and management conferences</td>
<td>79</td>
</tr>
<tr>
<td>3. Group meetings</td>
<td>75</td>
</tr>
<tr>
<td>Techniques</td>
<td>Frequency of use by companies</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>4. Understudy or assistant-to positions</td>
<td>73</td>
</tr>
<tr>
<td>5. Distribution of reading lists and management bulletins</td>
<td>65</td>
</tr>
<tr>
<td>6. Job rotation</td>
<td>54</td>
</tr>
<tr>
<td>7. Visits to other companies</td>
<td>53</td>
</tr>
<tr>
<td>8. Individual counseling</td>
<td>49</td>
</tr>
<tr>
<td>9. Committee assignments</td>
<td>45</td>
</tr>
<tr>
<td>10. Special trainee positions</td>
<td>42</td>
</tr>
<tr>
<td>11. Executive inventories</td>
<td>34</td>
</tr>
<tr>
<td>12. Advanced management courses at universities or colleges</td>
<td>26</td>
</tr>
<tr>
<td>13. Assignment to training or sales department</td>
<td>25</td>
</tr>
<tr>
<td>14. Consultants</td>
<td>20</td>
</tr>
<tr>
<td>15. Job descriptions</td>
<td>19</td>
</tr>
<tr>
<td>16. Multiple management plans</td>
<td>9</td>
</tr>
<tr>
<td>17. Sponsor plan</td>
<td>8</td>
</tr>
<tr>
<td>18. Health and fitness programs</td>
<td>5</td>
</tr>
<tr>
<td>19. Management cabinets</td>
<td>4</td>
</tr>
<tr>
<td>20. Community leadership</td>
<td>4</td>
</tr>
</tbody>
</table>

Here again, in this phase of the survey, the majority of companies, in regard to the question "What is the estimated cost to your company for development of an executive?", could not specify such costs to any degree of accuracy. Many of the companies simply stated "impossible
to compute" or "not available". However, some costs that were specified ranged from $500 to $20,000.

With reference to the last question on the questionnaire, all companies taking part in this phase of the survey stated or implied that they definitely considered executive development worthwhile.
Overall Survey Results

In order to obtain a broad viewpoint of executive development in U. S. industry as a whole, the results obtained from the three phases of the survey have been tabulated and combined. The combined results of the manufacturing, food, and service industries are presented below:

Total number of inquiries made -------------- 543
Total number of replies received ----------- 276
Percent response by industry -------------- 50.8%
Total number of companies interested in developing their executives ---------------- 275

Of the 276 replies received, 223 or 81% of the companies had a program to develop their executives. The balance, 53 or 19% of the 276 companies cooperating in the survey did not have any executive development program.

Of the 223 companies having a program, 46 or 20.6% had programs that were of the formal type.

Of the 223 companies having a program, 141 or 63.2% had informal executive development programs.

Of the 223 companies, 36 or 16.2% had both an informal and formal executive development program.

Breakdown of results in tabulated form

Manufacturing Industry

(1) No. of inquiries made -------------- 183
(2) No. of replies received -------------- 92 or 50.3% of (1)
(3) No. of companies with a program ----- 76 or 82.6% of (2)
(4) No. of companies without a program --- 16 or 17.4% of (2)
(5) No. of companies with a formal program ----------------------------- 17 or 22.4% of (3)
(6) No. of companies with an informal program ----------------------------- 45 or 59.2% of (3)
(7) No. of companies with both an informal and formal program -------- 14 or 18.4% of (3)

<table>
<thead>
<tr>
<th>Food Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) No. of inquiries made --------------- 180</td>
</tr>
<tr>
<td>(2) No. of replies received ------------- 74 or 41% of (1)</td>
</tr>
<tr>
<td>(3) No. of companies with a program ----- 51 or 69% of (2)</td>
</tr>
<tr>
<td>(4) No. of companies without a program -- 23 or 31% of (2)</td>
</tr>
<tr>
<td>(5) No. of companies with a formal program ----------------------------- 9 or 17.7% of (3)</td>
</tr>
<tr>
<td>(6) No. of companies with an informal program ----------------------------- 36 or 74.6% of (3)</td>
</tr>
<tr>
<td>(7) No. of companies with both an informal and formal program -------- 4 or 7.7% of (3)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) No. of inquiries made --------------- 180</td>
</tr>
<tr>
<td>(2) No. of replies received ------------- 110 or 61% of (1)</td>
</tr>
<tr>
<td>(3) No. of companies with a program ----- 96 or 87.5% of (2)</td>
</tr>
<tr>
<td>(4) No. of companies without a program -- 14 or 12.5% of (2)</td>
</tr>
<tr>
<td>(5) No. of companies with a formal program ----------------------------- 20 or 21% of (3)</td>
</tr>
<tr>
<td>(6) No. of companies with an informal program ----------------------------- 58 or 60.3% of (3)</td>
</tr>
<tr>
<td>(7) No. of companies with both an informal and formal program -------- 18 or 18.7% of (3)</td>
</tr>
</tbody>
</table>
Of the 223 companies having a program to develop executives, the age groups of personnel being developed were as follows:

<table>
<thead>
<tr>
<th>Age group</th>
<th>Total number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>No specific age</td>
<td>63</td>
</tr>
<tr>
<td>25 to 35</td>
<td>22</td>
</tr>
<tr>
<td>30 to 45</td>
<td>17</td>
</tr>
<tr>
<td>25 to 40</td>
<td>15</td>
</tr>
<tr>
<td>25 to 50</td>
<td>13</td>
</tr>
<tr>
<td>25 to 45</td>
<td>11</td>
</tr>
<tr>
<td>30 to 50</td>
<td>11</td>
</tr>
<tr>
<td>Under 40</td>
<td>9</td>
</tr>
<tr>
<td>Under 30</td>
<td>7</td>
</tr>
<tr>
<td>21 to 65</td>
<td>7</td>
</tr>
<tr>
<td>30 to 65</td>
<td>6</td>
</tr>
<tr>
<td>18 to 30</td>
<td>6</td>
</tr>
<tr>
<td>22 to 30</td>
<td>5</td>
</tr>
<tr>
<td>30 to 60</td>
<td>4</td>
</tr>
<tr>
<td>29 to 64</td>
<td>3</td>
</tr>
<tr>
<td>25 to 60</td>
<td>3</td>
</tr>
<tr>
<td>30 to 35</td>
<td>3</td>
</tr>
<tr>
<td>25 to 64</td>
<td>2</td>
</tr>
<tr>
<td>28 to 40</td>
<td>2</td>
</tr>
<tr>
<td>22 to 45</td>
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</tr>
<tr>
<td>22 to 28</td>
<td>1</td>
</tr>
<tr>
<td>33 average</td>
<td>1</td>
</tr>
<tr>
<td>28 average</td>
<td>1</td>
</tr>
</tbody>
</table>
The length of time the executive trainee undergoes company sponsored development was as follows:

<table>
<thead>
<tr>
<th>Length of time</th>
<th>Total number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>No definite or specific period</td>
<td>111</td>
</tr>
<tr>
<td>Continuously</td>
<td>11</td>
</tr>
<tr>
<td>1 to 5 years</td>
<td>10</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>9</td>
</tr>
<tr>
<td>1 year</td>
<td>8</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td>8</td>
</tr>
<tr>
<td>2 to 5 years</td>
<td>7</td>
</tr>
<tr>
<td>1 to 10 years</td>
<td>6</td>
</tr>
<tr>
<td>2 to 3 years</td>
<td>5</td>
</tr>
<tr>
<td>5 years</td>
<td>4</td>
</tr>
<tr>
<td>6 years</td>
<td>4</td>
</tr>
</tbody>
</table>
The overall rating of the five executive development goals in their order of importance as considered by industry as a whole was:

<table>
<thead>
<tr>
<th>Order of importance</th>
<th>Total No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Job competence ------</td>
<td>96</td>
</tr>
<tr>
<td>Human relations ------</td>
<td>66</td>
</tr>
<tr>
<td>Personal development -</td>
<td>32</td>
</tr>
<tr>
<td>Company knowledge ----</td>
<td>17</td>
</tr>
<tr>
<td>Creative imagination -</td>
<td>18</td>
</tr>
</tbody>
</table>

In order of importance, the goals are:

1. Job competence
2. Human relations
3. Personal development
4. Creative imagination
5. Company knowledge
<table>
<thead>
<tr>
<th>Techniques</th>
<th>Frequency of use based on total number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Attendance of technical meetings and management conferences</td>
<td>191</td>
</tr>
<tr>
<td>2. Group meetings</td>
<td>186</td>
</tr>
<tr>
<td>3. Merit or performance reviews</td>
<td>183</td>
</tr>
<tr>
<td>4. Understudy or assistant-to positions</td>
<td>172</td>
</tr>
<tr>
<td>5. Distribution of reading lists and management bulletins</td>
<td>157</td>
</tr>
<tr>
<td>6. Individual counseling</td>
<td>133</td>
</tr>
<tr>
<td>7. Visits to other companies</td>
<td>129</td>
</tr>
<tr>
<td>8. Committee assignments</td>
<td>114</td>
</tr>
<tr>
<td>9. Job rotation</td>
<td>108</td>
</tr>
<tr>
<td>10. Special trainee positions</td>
<td>94</td>
</tr>
<tr>
<td>11. Job descriptions</td>
<td>90</td>
</tr>
<tr>
<td>12. Advanced management courses at universities or colleges</td>
<td>82</td>
</tr>
<tr>
<td>13. Executive inventories</td>
<td>74</td>
</tr>
<tr>
<td>14. Assignment to training or sales department</td>
<td>67</td>
</tr>
<tr>
<td>15. Consultants</td>
<td>47</td>
</tr>
<tr>
<td>16. Community leadership</td>
<td>40</td>
</tr>
<tr>
<td>17. Health and fitness programs</td>
<td>25</td>
</tr>
<tr>
<td>18. Sponsor plan</td>
<td>22</td>
</tr>
<tr>
<td>19. Multiple management plans</td>
<td>21</td>
</tr>
<tr>
<td>20. Management cabinets</td>
<td>12</td>
</tr>
</tbody>
</table>
The response by U. S. industry to this survey was surprisingly very high and will be invaluable in the formulation of a suitable executive development program. No attempt has been made in this chapter to evaluate the results or give reasons for the answers obtained from the questionnaires. However, the analysis and discussion of the meaning of the results is presented in the chapter that follows.
CHAPTER IV

STUDY AND ANALYSIS OF SURVEY RESULTS

Overall Analysis

In analyzing the overall executive development questionnaire results presented in the previous chapter, it is to be noted that the percentage of companies having an executive development program, either formal or informal, is 81%. However, this percentage was computed on the basis of 276 companies complying with the author's request for information. Since a total number of 543 companies were contacted by mail, the validity of this percentage may be questioned. It may be argued that the survey does not reveal the executive development status of the remaining 267 companies. It would not be justifiable to assume that these 267 companies were not taking any action toward developing executives and potential executives to meet future needs. Similarly, it would not be justifiable to assume that all of the 267 remaining companies have executive development programs.

It is therefore the opinion of the author that the 276 companies taking part in this survey should be considered as a representative sample of U.S. industries. Another viewpoint is to assume that twice the number of original inquiries were made. Based on the results of this survey, it would be expected that close to 50% of the increased number of inquiries would be answered. Approximately 81% of these companies would have executive development programs. Therefore, it appears logical to conclude that of the 267 companies not participating in this survey the same percentage or approximately
81% were doing something toward the preparation of tomorrow's executives. From the list of variety of products, types of businesses, and the wide range of number of employees, it is felt that the group of 276 facilities reporting in the survey is definitely representative of industry.

An overall study and analysis of the entire executive development questionnaire results presented in Chapter III reveals a major trend—considerable "interest" on the part of industry to develop their leaders. The keen interest in this important field is shown by the extremely high percentage (slightly over 50%) of companies taking part and cooperating in the survey. It is understood that surveys of this type conducted in the past have had a much lower percentage of companies cooperating. The extremely great interest shown by all the industries definitely indicates that there is a need today for more capable executives. Interest was also displayed by many of the companies by their correspondence and requests for copies of the executive development questionnaire results.

A second major trend that is manifested by the results is "industry's recognition of the problem". From the high percentage of companies (approximately 81%) having programs of one type or another, it is believed that these companies realize that there is a limited supply of capable well-developed executives. Being aware of the shortage, these companies have decided to take action to prevent the situation from becoming critical. However, this is not to be considered an end in itself. When further review is made of the
survey results, it is found that of the 81% (approximately) of the companies with programs, 63% of these companies merely have programs of the informal type. A great majority of these companies can and should be doing much more toward the further development of their present executives and their potential executives. This is also substantiated by the numerous requests for the survey results. These requests lead the author to believe that many of the companies realize they are not exerting maximum effort in this important field and therefore desire to know how they compare with other industries.

Verification that many of the companies can and should be doing much more in the formulation of a well-rounded executive development program is expressed by the following excerpts from typical correspondence received by the author:

The director of industrial relations of a large concern that manufactures photography equipment, located in Rochester, New York, writes, "---We recognize that we have not fully utilized all of the techniques that are available for executive development and we are currently studying the applications of several additional techniques. Even though these may prove to be very helpful, it is doubtful whether we will have a highly formalized plan at any time in the near future".

A small company of only 170 employees, located in Cambridge, Massachusetts, replies, "---We have come to the realization that an executive development program is needed and hope to start a formal program this fall".
A company located in St. Paul, Minnesota and employing 12,000 people, writes, "---We are now studying the problem of developing our executives but as yet have no specific plan; the problem, however, is recognized".

Another relatively small company of 1,300 employees, located in Galion, Ohio, states, "---We contemplate a formal executive development program in the future".

A facility employing 3,300 people, located in Stevens Point, Wisconsin, says, "---We are now attempting to improve our methods of executive development---".

No attempt has been made to present all comments received. However, it is felt that the aforementioned excerpts will suffice as being typical of the executive development status and viewpoint of many companies.

Summarizing the survey results, thus far, from an overall analysis, it can be said that (1) there is an intensified interest on the part of all industry to develop a reserve of capable executives and that (2) industry, recognizing the need for more capable executives, is now initiating action to alleviate the situation.

In view of the aforementioned results, a study was initiated in an effort to determine the cause underlying the sudden acceleration of interest by industry in this particular field. A review of general business literature written by industrial leaders during recent months reveals that the results obtained from this survey agree substantially with other such studies. Also, there is an increasing number of
articles and books on executive development becoming available. Professional societies and universities are devoting a great deal of attention to the subject. Many of the major industries have published reports covering their own accomplishments and have experimented with plans to increase executive competence. Milon Brown, Chief, Supervisor Training Branch, Office of Civilian Personnel, Department of the Army, believes "this sudden acceleration of interest may be due to a widespread recognition of the contributions that a maturing science of industrial psychology can make to the somewhat less mature science of administrative management".¹ He continues to say that undoubtedly the world-wide conflict between a totalitarian ideology of subservience to the state and the democratic concept of the significance of human beings as individuals has been a contributing factor to the sudden acceleration in interest. These two reasons given by Mr. Milon Brown may have been, to a certain extent, the basis for the survey results obtained. However, to say that they are the sole reasons requires a considerable stretch in one's imagination. The author agrees with Mr. Brown in his opinion that the strength of the American economy is generally agreed to be based to a large degree upon the management "know-how" of its executives. Also, as the emphasis shifts from resources and processes to the people who utilize them, there is a tendency for both government and private industry to emphasize executive development.

¹ Brown, M., "A Basis for Executive Development", Personnel, AMA, March 1953, p. 401
Owing to the vagueness and generality of the above-mentioned causes underlying the sudden intensified interest on the part of industry to develop a reserve of capable executives, the analysis of business literature continued. It was considered desirable to present the causes in specific and exact terms. In order to do this it was necessary to review company publications covering specific executive development programs in an effort to learn why the programs were initiated. Also, many companies furnished such information by correspondence during the survey. By compiling and studying the information, the cause underlying the increased emphasis being placed on the development of executives was manifested. It was found that nearly every company initiated action for the same reason and followed the same approach. One large public utility, requesting that their company not be identified, furnished the author with a historical summary which led to the increased interest being placed on the development of executives. The senior assistant Personnel Director of this company said that their Executive Development Program really had its inception back in the Thirties, when the job rotation idea was first used by some of the separate departments as part of management development. With retirement compulsory at age 65 for males, management recognized the need for early development of men for potential management positions. To avoid developing mere specialists and to provide a strong management team, flexible enough to keep up with a rapidly changing organization, the rob rotation plan was developed. It is of interest to note here that the plan was conceived, instituted and
maintained first by the line organization. The program was started originally by a small group of department heads who represented the several engineering and operating departments and who functioned together as a committee. This group arranged to interchange, among their own departments, a few supervisory employees where the need for broader experience was indicated. During this early period, the company learned that knowledge of the job, alone, is less important in upper management positions than the knowledge of an ability to carry out company policies. This interchange also established the means for determining an individual's ability to handle management problems of broad scope.

Then in 1943, at a time when many of the key men were away on Military Leaves of Absence, this company took a close look at their organization and found that they were faced with the situation wherein many of their executives who had grown up with the organization were nearing retirement age. Back of this group were their junior administrative people, most of whom had been brought up as specialists. For the most part, these individuals had only a sketchy knowledge of the many activities of the company and had not been given an opportunity to broaden their experience and their knowledge of the company's operation. Certainly these people would be under a serious handicap if asked to step into a higher management position requiring ability to handle problems covering the entire organization. In addition to the replacement problem, there was also a real need for more management employees with a broader knowledge of the company's various functions. As a result, effort was directed toward the
formulation of a suitable program to develop present and potential
executives of the company. In view of the many companies reporting
to have become involved in situations similar to that described above,
the overall survey results begin to take on some meaning.

The causes underlying the intensified interest of industry today
to develop a reserve of capable executives is elaborated still further
by Messrs. Bernard J. Muller-Thym and Melvin E. Salveson in their
article "Developing Executives for Business Leadership".¹ They state
that the success of a number of leading companies in developing
executive material on a planned basis, plus today’s shortage of
qualified executives, has focused the attention of business leaders
on the value of executive development programs. It is stated that
management is placing developing of its executive resources high on
the priority list for action. A corporation president is quoted in
their article as saying "We have just awakened to the fact that a lot
of our top men are close to retirement. The men on our second team
haven’t yet been tested in action. Here we are", he continued, "going
full speed ahead on problems of production, marketing, and cost, when
this large gap in our organization structure suddenly becomes visible.
We need good men - and need them quickly! Where are we going to get
them from?" Other companies, facing expansion problems, are having
trouble finding the men to head up new enterprises within their own
organizations.

¹ Muller-Thym, B., and Salveson, M., "Developing Executives for
Business Leadership", Personnel, AMA, January 1949, p. 250
In studying the overall survey results and the events which led to these results, it can be said that a shortage of qualified executives exists today. Because of this, there is an intensified interest on the part of all industry to develop a reserve of capable executives. The keen interest has been carried a step further by many companies by their action to set up an executive development program in an attempt to alleviate the situation.

Detail Analysis

Further investigation and analysis of the questionnaire results from a less broad viewpoint reveals several important factors.

First there is no correlation between the size of the company, that is, number of employees and the extent to which top management is developing their present or potential executives. This is readily apparent when a study is made of the tabulation shown below:

<table>
<thead>
<tr>
<th>Type of Industry</th>
<th>Size (No. of Employees)</th>
<th>Percent of Companies having Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>40 to 216,000</td>
<td>82.6%</td>
</tr>
<tr>
<td>Food</td>
<td>45 to 75,000</td>
<td>69%</td>
</tr>
<tr>
<td>Service</td>
<td>190 to 40,000</td>
<td>87.5%</td>
</tr>
</tbody>
</table>

It is felt that had there been a correlation, the results would have indicated the manufacturing industry, due to its size, to have a higher percentage of companies with a program to develop executives. Rather than company size being an indication as to what to expect in connection with the development of personnel in the executive category, the type of industry appears to have some bearing. It is to be noted that the service industry has the highest percentage of companies with
an executive development program; followed by the manufacturing and food industries. In view of this it is believed that the stability of an organization's business plays an important part in this field of development. For example, the survey of the service industry covered mainly public utilities in which the business does not fluctuate to any great extent either throughout the year or even over several years. In this industry the organization has been built up over a period of years and offers conditions under which long range executive development planning may be put into effect. On the other hand, the food industry appears to be unstable to a certain extent and the volume of business in all probability varies throughout the seasons and possibly from year to year. For instance, in the canning and packing of fruits and vegetables, it is not difficult to visualize an organization having peak work loads during a certain portion of the year. Consequently, it is felt that long range planning for executive development in this industry is somewhat more difficult than in the service industry. The percentage of companies having programs within the manufacturing group appears to be in order on the basis of business stability correlation. Here it is believed that variation in the volume of business conducted is greater than the service industry but not quite as great as the food industry. It may be well to point out that business stability and organization stability are closely allied. In view of the above analysis, it can be said that there is a tendency for stable organizations to emphasize executive development.
The fact that small as well as large facilities are actually taking steps to develop top management's successors is encouraging. This may be a trend toward improved management of so-called "one-man businesses" described earlier in Chapter I of this thesis. In regard to the age groups of personnel being developed by companies having programs of executive development, it is interesting to note that while 63 of the total 223 companies have no specific age limits over twice that number do have age requirements. Of the total 180 companies specifying age limits, it is desirable to point out that the limits of several companies are so wide, such as 21 to 65, that it is felt they might well be placed in the "no specific age" group. The reason why some companies specify age limits for personnel to be developed and some companies do not, can only be surmised from these survey results. It may be that the few companies with low age groups, such as 18 to 30, 22 to 28, and 20 to 30, are overlooking development of their present elderly executives and are thinking in terms of the future only.

The great variation in ages specified by the companies does, however, being out a very important factor. That is, each company's executive development program is peculiar to the specific needs of that company. This confirms the author's belief that executive development programs are not interchangeable among companies. If programs were interchangeable, it would be a relatively simple project to standardize a successful program and make it applicable to all organizations. Needless to say, this cannot be done because of the variations in company needs and requirements.
Further study of the age groupings obtained as a result of the executive development survey shows that a correlation exists between specific age requirements and the extent to which the industry develops their executives. This becomes apparent when a review is made of the following table:

<table>
<thead>
<tr>
<th>Type of Industry</th>
<th>Percent of Companies Specifying Age</th>
<th>Percent of Companies Having Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>86.4%</td>
<td>87.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>63.2%</td>
<td>82.6%</td>
</tr>
<tr>
<td>Food</td>
<td>56.8%</td>
<td>69.0%</td>
</tr>
</tbody>
</table>

It can be seen that the industry concentrating the most on developing executives also specifies more than the others that the candidate be of a certain age. Also, the converse is true. That is, the food industry having the lowest percentage of companies with a program to develop executives also has the lowest percentage of companies specifying age requirements. Such a correlation is conceivable when it is realized that an industry reluctant, in comparison to other industries, to develop their executives would not establish stringent age requirements. On the other hand, a company having a well-planned systematic program most likely has given considerable thought to the executive candidate's age.

A review of the results of the length of time an executive trainee undergoes company sponsored development indicates that approximately fifty percent (49.7%) of the total number of companies with programs do not specify a specific development period. In attempting to discover whether any correlation exists between emphasis being placed
on executive development by each industry and the establishment of a specific program time limitation, the following tabulation was made:

<table>
<thead>
<tr>
<th>Type of Industry</th>
<th>Percent of Companies Specifying Program Length</th>
<th>Percent of Companies Having Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>55.2%</td>
<td>87.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>46%</td>
<td>82.6%</td>
</tr>
<tr>
<td>Food</td>
<td>47%</td>
<td>69.0%</td>
</tr>
</tbody>
</table>

In studying the above results it is noted that no correlation exists between the manufacturing and food industries. However, there appears to be a correlation between the service industry and manufacturing industry; also, between the service industry and food industry. That is, the service industry with the highest percentage of companies having programs to develop their executives also has the highest percentage of companies with a systematic and planned course for development of their personnel. Specifying of program length, although not entirely necessary to accomplish the executive development objectives, does show that considerable control and formality is being exercised by these companies. However, it is the opinion of the author that in order for the program to be totally effective, the development must necessarily be of the continuous type. Although companies specifying a definite time period may allow the executive candidate to continue with development courses on his own, it is nevertheless felt that considerable benefits can be gained by the candidate under continuous company sponsored development.

In this connection, the personnel director of a large public utility advised the author that a survey and analysis of their...
Executive Development Program (abbreviated E. D. P.) has been made. It was considered desirable to obtain the opinions of their E. D. P. graduates regarding the length of time a candidate should undergo development in the program. In addition, various other questions pertaining to the suitability of the program were asked of the graduates. The results of this company's survey will be presented in this chapter as they apply to the topic under discussion.

Since the beginning of their Executive Development Program, approximately ten years ago, 220 individuals have participated, 200 have graduated and 20 are presently assigned. The following breakdown of the 200 graduates shows that several levels of management, including officers of the company, are represented in the alumni.

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controller</td>
<td>1</td>
</tr>
<tr>
<td>Assistant to President</td>
<td>1</td>
</tr>
<tr>
<td>Assistant Vice President</td>
<td>1</td>
</tr>
<tr>
<td>Department Heads</td>
<td>13</td>
</tr>
<tr>
<td>Assistant Department Heads</td>
<td>12</td>
</tr>
<tr>
<td>Bureau Heads</td>
<td>29</td>
</tr>
<tr>
<td>General Superintendents or Equivalent</td>
<td>43</td>
</tr>
<tr>
<td>Engineers</td>
<td>49</td>
</tr>
<tr>
<td>Other Professionals</td>
<td>51</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>200</strong></td>
</tr>
</tbody>
</table>

An evaluation study showed that during the past several years E. D. P. men of the company have received on a ratio basis 5 promotions to one received by a man on the monthly roll who had not been in the Executive Development Program.
An analysis of the annual amount of increase for E. D. P. men of this company, against other men on the monthly roll not on the E. D. P. program, revealed the ratio of total amount of increase for the E. D. P. men was approximately 50% more than that received by the non-E. D. P. men. It was recognized, of course, that in the vast majority of cases the E. D. P. men were picked because they were outstanding and promising to begin with. It cannot be said that some or many would not have received the promotion if they had not been on E. D. P. However, it can be said that these men moved faster and received higher amounts of increases because they did have the E. D. P. experience.

Questions were asked regarding the duration of individual assignments while on the E. D. P. Each assignment on the program averaged about one year. The E. D. P. employees reported what they thought this period should be changed to:

<table>
<thead>
<tr>
<th>Employees</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six months</td>
<td>19</td>
</tr>
<tr>
<td>Year and a half</td>
<td>6</td>
</tr>
<tr>
<td>Leave as is (1 year)</td>
<td>117</td>
</tr>
</tbody>
</table>

It can be seen by inspection that 83%, which is a very substantial majority, believe that on the whole the one year period is about right.

The average number of years which these E. D. P. employees were active on the program was 3.2 years. In answer to the question "Was the time you were on the program adequate?", the answers were:
In answer to the question "Would a longer period on the program have been helpful to you?", the answers were:

<table>
<thead>
<tr>
<th>Employees</th>
<th>Percent</th>
<th>Average Number of Years on E. D. P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85</td>
<td>64%</td>
</tr>
<tr>
<td>No</td>
<td>48</td>
<td>36%</td>
</tr>
<tr>
<td>Unanswered</td>
<td>18</td>
<td></td>
</tr>
</tbody>
</table>

The above results are rather interesting. The average time on the Program of the men who answered this question was 3.2 years. The men who said that their time on the Program was adequate actually averaged 3.6 years. The men who said it was not adequate actually averaged 2.3 years. In a similar manner, the men who said that a longer period on the Program would have been helpful averaged 2.4 years; the men who said that a longer period on the Program would not have been helpful averaged 3.7 years. In view of these results, a program length of 3.2 or approximately 3 years duration may prove to be the optimum length of the formal program for this particular company under consideration. It is emphasized that the length of time depends solely on the individual needs and company demands. It is concluded that no fixed time can be established and made applicable to all organizations. Further, a continuous company sponsored executive development program is considered by the author to be the most
advantageous to the candidate and the organization. It is, therefore, somewhat discouraging to note from the overall survey results presented in Chapter III that only 11 or 4.93% of the 223 companies having a program realize this. In this connection it was found that the service industry, followed by the manufacturing and then the food industry, had the highest number of continuous-type executive development programs. Here again, it is believed that organization stability is the cause underlying such results.

In analyzing the weighted values given to each of the five executive development goals obtain as a result of Question No. 6 of the questionnaire considerable diversity of opinion among industrial enterprises is apparent. A wide variation in the weighted values is noted not only among companies of one specific type of industry but also among the types of industries. Although the objectives may be placed in a specific order of importance for each industry, it is to be realized that in several cases the results are such that a change in opinion of only three or four companies could offset the rating for that industry. In view of this, it is believed that a generalization of the importance of the objectives may not be valid. However, the rating of the goals or objectives does give some idea of what the companies believe to be the most important. It is apparent from the results that job competence and human relations are considered to be the most important goals. Although the overall rating shows that 11 companies consider job competence more important of the two, the author believes that both are of equal importance and should be the basis of
a well-planned executive development program. In addition, it is desirable to stress that development should be concentrated toward the executive development goal most needed by the particular individual.

Reference is made to the overall executive development methods or techniques placed in order of frequency of use by industry today. It is readily apparent that practically all companies use a combination of techniques in their programs. From a frequency distribution approach it is noted that a considerable gap in frequency values exists between certain techniques. Using an arbitrarily selected gap value of 20 or more, the list may be broken down into 3 major categories as follows:

**Almost Always Used**

1. Attendance of technical meetings and management conferences
2. Group meetings
3. Merit or performance reviews
4. Understudy or assistant-to positions
5. Distribution of reading lists and management bulletins

**Often Used**

6. Individual counseling
7. Visits to other companies
8. Committee assignments
9. Job rotation
10. Special trainee positions
11. Job descriptions
12. Advanced management courses at universities or colleges
13. Executive inventories
14. Assignment to training or sales department

Sometimes Used
15. Consultants
16. Community leadership
17. Health and fitness programs
18. Sponsor plan
19. Multiple management plans
20. Management cabinets

It is needless to say that any technique, regardless of its above category, may prove to be effective for a given company. An examination of the above grouping shows that job rotation, one of the oldest methods of development, is halfway down the list of techniques actually being used today. Also, it would appear that advanced management courses at colleges and universities are not receiving the emphasis that they should to improve executive ability. In view of this, a more comprehensive analysis of the results was made. It was found that the majority of companies having an informal type of executive development program were utilizing to a great extent the first five executive development methods. On the other hand, companies having a formal type of program were utilizing the methods under the second or "Often Used" category. Therefore, when considering techniques or methods being used today by companies having a formal program, job rotation, advanced management courses, and the other methods of this
grouping may actually be placed in the "Almost Always Used" category.
Since a greater percentage of the companies had informal programs, the
above grouping resulted which may mislead one into believing techniques
of a particular category are unimportant or useless. It cannot be
overstressed that this is not the case. A review of business literature
shows that many companies are taking advantage of college courses,
visits to other companies, job rotation, and individual counseling
to improve the competence of their executives.

The majority of companies, in answer to Question No. 10 of the
executive development questionnaire stated that it was impossible
to even estimate the cost of an executive development program or the
cost to fully develop an executive. Whether this can be attributed
to poor cost accounting cannot be stated. However, this much can be
said. A capable executive increases industrial efficiency. With
increased industrial efficiency reduced costs must necessarily follow;
a reduction in costs is of primary concern to all industry. The author
agrees with the point of view of a relatively small manufacturer of
piston rings, located in Hagerstown, Indiana, who said, "---We are
only convinced it costs less to develop executives than not to." The
results of the survey made shows that in spite of the fact companies
cannot specify exactly the costs involved in development of executives,
it is definitely considered worthwhile. One company informed the author
that it would not be possible to estimate the cost to their company
for the development of an executive, but they certainly considered it
worthwhile to insure that those who formulate and administer company
policy are fully equipped to work effectively. This attitude appears
to be common to practically all the companies cooperating in the survey.

To determine what the graduates of an executive development program thought of the development procedures, one company made a survey and evaluation. The results were furnished the author through correspondence in reply to Question No. 11 on the executive development questionnaire. The graduates of this company's program were asked:

"With your present knowledge of the E. D. P. and if you had the opportunity to do it over again would you repeat the assignment or would you decline?"

<table>
<thead>
<tr>
<th></th>
<th>Employees</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would do it over again</td>
<td>136</td>
<td>91%</td>
</tr>
<tr>
<td>I would pass it up</td>
<td>14</td>
<td>9%</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

This company felt that this is a very high endorsement of the program, in that of the 150 men who actually answered, 91% felt that they got enough out of it so they would repeat the experience.

Then the company asked, "How do you evaluate the results as far as you are personally concerned?"

<table>
<thead>
<tr>
<th></th>
<th>Employees</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly satisfied with results</td>
<td>42</td>
<td>28%</td>
</tr>
<tr>
<td>Well satisfied with results</td>
<td>67</td>
<td>45%</td>
</tr>
<tr>
<td>Just fairly satisfied with results</td>
<td>40</td>
<td>27%</td>
</tr>
<tr>
<td>No answer</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
Again the figures spoke for themselves. Of course the company said that they would have liked to see more than the 28% who answered the questionnaire as highly satisfied. However, it was felt that the first two categories which total 73% make the program worthwhile.

As a result of the study and analysis of the executive development survey results presented in Chapter III, the author believes that carefully planned and systematically directed executive development programs will become a reality, in the not too distant future, for all American business. Those companies providing it now will develop even better leaders for themselves, thus enjoying a real competitive advantage.

To undertake executive development requires only a belief in its importance and value, a familiarity with the methods or techniques, and a willingness to place executive personnel and their needs in the highest category of priority.
Summary and Conclusion

Analyzing the survey results from an overall viewpoint it can be said that:

1. There is an intensified interest today on the part of all industry to develop a reserve of capable executives.

2. Industry recognizes that the need for more capable executives exists and is initiating action toward the development of their executives.

Further study and analysis of the Executive Development Questionnaire results from a less broad point of view reveals several important factors:

1. There is no correlation between company size and the extent to which top management is developing their present or potential executives. Small companies as well as large are actually taking steps to develop a reserve of capable executives.

2. There is a correlation between organization stability and emphasis being placed on executive development.

3. A majority of the companies today (approximately 63%) have development programs of the informal type only. This is an indication that industry is not exerting maximum effort toward the development of executives.

4. Age should not be a limiting factor in the development of an executive.

5. Development programs must necessarily be of the continuous type in order to be totally effective.
(6) Job competence and human relations are executive development objectives of equal importance and should be the basis of a well-planned program.

(7) A generalization, for all industry, of the five executive development goals in a specific order of importance is not justifiable. Development should be concentrated toward the executive development goal most needed by the particular individual.

(8) Attendance at technical meetings and management conferences, group meetings, and merit or performance reviews are the three most frequently used executive development methods in industry today. However, other techniques are often used. A grouping of the techniques relative to frequency of use is presented in this chapter.

(9) Although the cost to develop an executive cannot be accurately estimated, an executive development program is definitely considered to be of value in increasing industrial efficiency thereby reducing costs.
CHAPTER V

A PROPOSED EXECUTIVE DEVELOPMENT PROGRAM

Program Requisites

First it is desired to make several important requisites understood in order that the executive development program to be formulated will be a success.

(1) The program should be initiated and supported by the highest executive officer of the company. He should be willing to prove his support and interest by devoting time to the program.

(2) The highest executive officer should assign to one individual the responsibility for carrying out the program. With this great responsibility the individual selected for accomplishment of the program should be given adequate authority by the highest executive officer to do an effective job. He should be a staff assistant, and report directly to the highest executive officer of the company.

(3) A committee should be established to work out the details of the executive development program under the direction and supervision of the staff assistant. A title such as "executive development coordination committee" could be assigned to this group. The duties of this committee should be (1) to establish the development objectives for each individual who participates in the program, (2) to set up the scope and policy of the program, (3) to approve the development techniques to be employed, (4) to periodically submit progress reports to the staff assistant, and
(5) to make the necessary changes in the program as conditions demand. Policy-making action by the committee must be approved by the highest executive officer and his assistant.

Summarizing what has been said thus far, the success of any executive development program depends upon the following requisites:

(1) Support and interest by the highest executive officer of the company.

(2) Assignment to one individual the responsibility and authority for carrying out the program.

(3) Establishment of an "executive development coordination committee" to formulate scope, policies, and details of the program.

The Program

Preparatory Steps

The executive development program consists of several steps that are preparatory to the actual development of the individual.

The first step is organization planning. This is to be performed by the executive development coordination committee with the cooperation of the highest executive officer and his delegated staff assistant. Two organization charts are to be prepared. The first chart should show the present organization with the names, titles, and responsibilities of each man in the management group. The second chart should show the future organization based on expected retirements of executives, expansions, and changes in company operations. This chart should indicate the titles and requirements of positions to be filled. An analysis of the two aforementioned charts by the committee will serve as a guide in selection of candidates and in planning techniques for developing them.
The second step is for the committee to prepare a replacement table which is to be approved by the highest executive officer and his assistant. The replacement table should consist of a list of position titles with position specifications that exists at the present time and those that will exist in the future. Next to each position title the name should be listed of one or more persons who may be considered candidates to fill this position in case of a vacancy. It is felt that in this manner, a working list of the best prospects for leadership within the company can be obtained. The replacement table may be considered as tentative and should be revised continually as the conditions demand.

The third step preparatory to the actual development of the executive candidate is an appraisal by the committee of the persons whose names appear on the replacement table. The qualifications of these individuals should be given careful consideration. Emphasis should be placed on executive abilities, the candidate's integrity, growth potential, drive, ability to get along with others, as well as technical proficiency. The appraisal report of a prospective executive should cover the following three points:

1. What he is (his strength and weaknesses).
2. What he may become (his growth potentials).
3. What qualifications he is lacking or what qualifications are weak relative to the position for which he is being considered.
A good appraisal report requires considerable thought and effort on the part of the executive development coordination committee. Appraisals should show whether a man is (1) promotable, (2) adequate for his present job, or (3) unsatisfactory.

Mainly the appraisal report should specify briefly a planned executive development course for the individual under consideration. The planned course should indicate the executive development technique to be employed.

It is essential to the success of the entire program that no promotions or position changes be made that deviate from the latest approved replacement table. In the event changes are necessary the executive development coordination committee should be consulted and the replacement table may then be revised and resubmitted to the highest executive officer and his assistant for approval.

At this point it is felt that the company has now completed all steps preparatory to the actual development of the executive candidate. It is to be noted that the appraisal report merely indicates the executive development technique or techniques to be employed for the particular individual, such as group meetings, job rotation, advanced management courses at a certain college, counseling, etc.

The detailed planning and operation of the development plan is considered as the last step in the executive development program.
It is readily apparent that the technique employed will vary among individuals in a given company depending upon the candidate's qualifications and needs.

Assume that an executive candidate's appraisal report shows that he is eligible for promotion in every respect except that his knowledge of the company is very limited. A review of the replacement table by the executive development coordination committee shows that a position, due to a retirement, will be vacant 4 years from September 1953. The position requires a broad management outlook and a complete understanding of company operations. For purpose of identification this particular candidate will be named John Smith. The committee, under the appraisal report, has recommended that John Smith's executive development course include the following techniques:

(1) Job rotation
(2) Visits to other companies
(3) Advanced management courses at Harvard University
(4) Individual counseling
Executive Development Schedule for John Smith

Job Rotation

Full time assignment to:

1. Industrial Relations Department:
   
   **Length of assignment** - 3 months (starting date 9/1/53).
   
   **Objective** - to become familiar with placement, training, and wage and salary administration. To become acquainted with labor relations and personnel problems.
   
   **Duties** - to act as labor relations representative and attend all conferences conducted by the department.

2. Industrial Engineering Department:

   **Length of assignment** - 2 months (starting date 12/1/53).
   
   **Objective** - to become familiar with time standards, controls, and methods.
   
   **Duties** - to take time studies and develop standard time. Assist in formulation of man-hour budget and forecast.

3. Engineering Department:

   **Length of assignment** - 4 months (starting date 2/1/54).
   
   **Objective** - to become familiar with department organization and functions.
   
   **Duties** - to study and solve production engineering problems.

4. Tool Department:

   **Length of assignment** - 2 months (starting date 6/1/54).
Objective - to become familiar with planning and scheduling of jobs; become acquainted with tool making operations.

Duties - assist in project planning and scheduling. Observe manufacturing methods and techniques. Act as assistant to superintendent.

5. Assembly Department:
   Length of assignment - 2 months (starting date 8/1/54).

Objective - to become familiar with assembly operations and techniques.

Duties - assist foreman in preparation of daily production reports and related work. Substitute for foreman in his absence.

6. Finance and Accounting Department:
   Length of assignment - 4 months (starting date 10/1/54).

Objective - to learn and become familiar with the cost system used, to understand the relationships between production and costs.

Duties - assist in preparation of financial statements; work under direction of department head and responsible worker.

7. Sales Department:
   Length of assignment - 3 months (starting date 2/1/55).

Objective - to become familiar with sales techniques, department functions, and contract negotiations.

Duties - make sales contacts and assist in actual sales; work under direction of department head and responsible worker.
8. **Production Control Department:**

   **Length of assignment** - 3 months (starting date 5/1/55).

   **Objective** - to become acquainted with production control techniques and department functions.

   **Duties** - assist in material planning and production scheduling; work under direction of department head and responsible worker.

9. **Inspection Department:**

   **Length of assignment** - 3 months (starting date 8/1/55).

   **Objective** - to become acquainted with inspection procedures and statistical quality control.

   **Duties** - observe department activities, learn department functions, study quality control program; work under direction of department head and responsible worker.

10. **Shipping Department:**

    **Length of assignment** - 1 month (starting date 11/1/55).

    **Objective** - to become familiar with procedures of receiving and shipping materials and finished products.

    **Duties** - assist head of department in preparation of tally-in and tally-out reports and other related work; learn Interstate Commerce Regulations.

*Completion date of Job Rotation* - December 1, 1955

*Total time expended* - 27 months
Company Visits

Upon satisfactory completion of the above assignment, the executive development coordination committee is to arrange for Mr. J. Smith to visit other industrial plants. The date of each visit is to be left to the discretion of Mr. Smith depending on his present work load so as not to cause exorbitant interruption of activities. The length of time for each visit is also to be determined by Mr. Smith. However, an approximate schedule is to be established:

<table>
<thead>
<tr>
<th>Company</th>
<th>Department</th>
<th>Month of Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Industrial Relations</td>
<td>December 1955</td>
</tr>
<tr>
<td>B</td>
<td>Industrial Engineering</td>
<td>January 1956</td>
</tr>
<tr>
<td>C</td>
<td>Engineering</td>
<td>February 1956</td>
</tr>
<tr>
<td>D</td>
<td>Tool</td>
<td>March 1956</td>
</tr>
<tr>
<td>E</td>
<td>Assembly</td>
<td>April 1956</td>
</tr>
<tr>
<td>F</td>
<td>Finance and Accounting</td>
<td>May 1956</td>
</tr>
<tr>
<td>G</td>
<td>Sales Department</td>
<td>June 1956</td>
</tr>
<tr>
<td>H</td>
<td>Production Control</td>
<td>July 1956</td>
</tr>
<tr>
<td>I</td>
<td>Inspection</td>
<td>August 1956</td>
</tr>
<tr>
<td>J</td>
<td>Shipping</td>
<td>September 1956</td>
</tr>
</tbody>
</table>

After each trip a report is to be prepared by Mr. Smith outlining his findings. The report is to include a description of the methods, techniques, and policies of other company departments. In these reports recommendations for department changes may be made by the candidate. These reports are to be studied by the committee.
and each respective department head for possible improvements in their present functions or operations.

It is desired to point out that succeeding candidates under the executive development program will visit different departments of each of the above companies until a complete series of reports covering all departments in all the cooperating companies is available. Depending upon the number of candidates in the program, the complete cycle may take several years. New companies may be added to the visit list and old ones may be revisited by new candidates in order that an up-to-date status may be maintained. It is to be understood that candidates from the other cooperating companies will be visiting Mr. Smith’s company.

Advanced Management Courses at Harvard University

Since it is desired that the candidate receive a broad type of management development instruction, the executive development coordination committee is to enroll Mr. J. Smith in the Advanced Management Program of the Harvard Graduate School of Business Administration. The course, commencing in the fall of 1956, will be conducted on a full-time basis and will run for thirteen weeks.

Advanced Management Program

Course commencing October 1, 1956

Subject - Administrative Practices

Length - 2 weeks

Mornings - class session (lecture type)

Afternoons - group discussion
Subject - Business and American Economy
Length - 2 weeks
Mornings - class session (lecture type)
Afternoons - group discussion
One evening meeting with guest speaker

Subject - Cost and Financial Administration
Length - 2 weeks
Mornings - class session (lecture type)
Afternoons - group discussion

Subject - Production Management
Length - 2 weeks
Mornings - class session (lecture type)
Afternoons - group discussion
Two evening meetings with guest speakers

Subject - Market Management
Length - 2 weeks
Mornings - class session (lecture type)
Afternoons - group discussion
One evening meeting with guest speaker

Subject - Problems in Labor Relations
Length - 3 weeks
Mornings - class session (lecture type)
Afternoons - group discussion
Two evening meetings with guest speakers

Completion date of course for Mr. J. Smith - January 1957.
Individual Counseling

The position for which Mr. Smith is being developed is due to become vacant in September 1957. The candidate, therefore, is to work closely with the individual who is due to retire. He is to assist him in the performance of his daily tasks and is to obtain an overall perspective of the responsibilities of the position. Current problems are to be discussed between the two individuals and agreement as to their solution should be reached. In June of 1957, Mr. John Smith is to take full responsibility for the position under the guidance and direction of the individual scheduled to retire. Assistance, when necessary, is to be given the newly appointed executive so that harmony of activities will be maintained in the company.

Continued Executive Development

Upon assuming full responsibility for the aforementioned position, Mr. J. Smith is to continue development under an established program. Dependent on company needs and future requirements, the extensiveness of the continued development program is to be determined by the committee. It may be that Mr. Smith's name appears on the replacement table for a position of greater responsibility requiring more specific abilities. Therefore, the planning and charting of another development course similar to the above will necessarily be repeated. Regardless of the future for Mr. Smith, he is now in an executive position and must continue development until he retires from the company.
Continued Executive Development Schedule for John Smith

Technical meeting - each week, Tuesday 9:30 - 10:30 A.M.

Management conference - each week, Thursday 1:00 - 3:00 P.M.

Typical discussions and lectures:
- Management Principles
- Modern Management Practices
- Employee Relations
- Functions of Management
- Stockholder Relations
- Meeting Leading
- Human Relations
- Understanding People
- Public Relations
- Salary Administration
- Government Relations
- Planned Approach to Better Personnel Management
- Full Utilization of Personnel
- Current Company Problems

Reading lists and Management Bulletins - each week

Advanced management courses at Harvard University - 3 weeks per year until retirement

At discretion of Mr. Smith:
- Visits to other companies (for specific purpose)
- Community leadership and professional societies
- Health and fitness programs
Evening meetings, guest speakers
Public speaking and reading courses

The above concludes a proposed executive development program for one individual, in one company, under one set of assumed conditions. It is needless to say that it is not necessary for all companies to adhere to the illustrated schedule proposed for Mr. Smith. The schedule and techniques utilized were merely presented to show the author's viewpoint of what can be done to develop an executive to meet a company's needs. However, it is emphasized that the first three preparatory steps of the program are necessary for success in any organization.

Summarizing, the four steps of the entire proposed executive development program are:

1. Organization planning
2. Preparation of replacement table
3. Executive appraisal report
4. Individual development
CHAPTER VI

SUBSTANTIATION OF THE PROGRAM

In order that the proposed executive development program could be substantiated, Chapter V of this thesis was submitted to Mr. M. F. Fairheller, Training Officer, Personnel and Training Division, Picatinny Arsenal. Since Mr. M. F. Fairheller has spent the major portion of his life dealing with the problems involved in the development of personnel, it was desired to obtain his indorsement of the formulated program. The original draft of the program was submitted to him for review and comment. Also, several informal conferences were held between Mr. Fairheller and the author. During these conferences the program as proposed was discussed and viewpoints regarding its adaptability were expressed. In addition, a general discussion was held regarding the reasons why many personnel development programs fail to bring about the desired results. Mr. Fairheller agreed with the author that any executive development program must have the full support of the organization's highest executive officer in order to be a success.

As a result of the aforementioned conferences the original draft of the program was revised slightly and several minor changes were made. Although the majority changes were made for clarity, a few changes were made in order that the program would be of a general nature. An example of the latter was the elimination of the word "president" and the substitution thereof the words "highest executive officer".
Upon conclusion of the revision of the original draft of the program, Chapter V was resubmitted to the Personnel and Training Division for final review and comment. A letter expressing the opinion of Mr. Fairheller and other individuals in his Division was received by the author. A copy of this letter, which is self-explanatory, is shown on the page that follows.
Dear Mr. Messineo:

I have reviewed carefully Chapter V of your thesis covering a proposed executive development program for industry. Based on my twenty years experience in the development of personnel here at Picatinny Arsenal and in private industry, I believe that the formulated program will offer a solution to some of the problems of providing an adequate supply of well developed executives.

Since this Arsenal is at the present time planning to install a program for the development of personnel in the executive category, I found your work to be of considerable interest and value. I also took the liberty of submitting it to several individuals in my Division who will be connected with our program. They were confident that adherence, by any organization, to the requisites and the step-by-step procedure of your proposed executive development program will bring about improved results.

M. F. FAIRHELLER  
Training Officer  
Personnel & Training Division
CHAPTER VII
CONCLUSIONS

Since executives today play a vital role in the functioning of any organization, the problem of developing more capable executives, to obtain a resultant increase in industrial efficiency is extremely important.

This entire research study has brought out certain conclusions which may not have been readily apparent or heretofore known:

1. There is a definite need for more capable executives today.

2. There is an intensified interest on the part of all industry to develop a reserve of capable executives.

3. Industry realizes that a need for more capable executives exists and is, therefore, at the present time initiating action to alleviate the situation.

4. A good portion of industry is only in the preliminary or initial stages of executive development.

5. Small as well as large industries are attempting to prepare personnel for future executive positions.

6. Attendance at technical meetings and management conferences, merit or performance reviews, and group meetings are the three most frequently used executive development methods in industry today.
(7) Development should be continuous and concentrated toward the executive position requirements most needed by the particular individual.

(8) Age should not be a limiting factor in the development of personnel for executive positions.

(9) The cost to develop an executive is negligible when compared to the increase in industrial efficiency obtainable and the resultant reduction in costs.

(10) Establishment of an executive development program depends on:

a. Support of the company's chief executive.

b. Assignment to one individual the responsibility and authority for carrying out the program.

c. Establishment of a committee to formulate the scope, policies, and details of the program.

(11) The four steps of an executive development program that will insure companies to maintain and prepare a staff of well-developed executives are:

a. Organization planning.

b. Preparation of replacement tables.

c. Executive appraisal.

d. Individual development.

(12) Individual development methods are to be so selected and scheduled as to give maximum beneficial results to the executive trainee of the particular company.
Executives today play a major role in the proper functioning of any organization. Executives must be fully developed in order that maximum utilization may be made of their abilities to organize and direct the efforts of others. No longer can key positions in a company be filled by personnel selected simply on the basis of seniority or experience in the production departments. It is mandatory, for organization efficiency, to properly develop the individual for the position in order that he will be capable of satisfactorily performing his required duties. This can best be accomplished by the installation of well-planned executive development program. Carefully planned and systematically directed programs will become a reality, in the not too distant future, for all American business. Those companies providing it now will develop even better leaders for themselves, thus enjoying a real competitive advantage. To undertake executive development requires only a belief in its importance and value, a familiarity with the methods or techniques, and a willingness to place executive personnel and their needs in the highest category of priority. By the proper development of executives, management will not only insure itself of success in maintaining high efficiencies and low costs, but also will have a reservoir of capable persons to fill positions of higher executive level whenever needed.
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