MANAGER'S DILEMMA WORK SHEET

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Background: Paul is group manager for the housewares department of McClurkens, a national discount-store chain that is located in a regional shopping complex just outside of Wheeling, West Virginia.

Paul, who graduated from a two-year college, has held this position for the past year. An hour ago, the store operations manager stopped by to tell Paul that his spring shortage was higher than that of the previous fall. The operations manager was upset because other departments also fared poorly and the total store was soon going to be under considerable pressure from the home office. Paul was surprised at his department's shortage. The fall figure had been acceptable, and things seemed to have gone well with the inventory.

During a fifteen-minute session, the operations manager stated that Paul's future with the company might be in jeopardy and that his shortage percentage had better be in line by the summer inventory. Paul is worried because he recently received an invitation from the director of executive development to join the executive training class at the home office in September. Paul has aspired to a buyer's job for the last two years and he does not want to destroy his chances now.

Nine employees, full and part-time, report to Paul. They all have appeared to be reliable. Their backgrounds are varied—a few are attending college part-time. Most, however, are older workers with longer service and modest levels of aspiration.

For the past hour, as he has tried to complete some paperwork, Paul's mind has been rambling over his possible courses of action. He finally decides to write them down and creates a list of twenty actions that he could take in response to the problem.

Instructions: Using the following scale of 1-5, in column I write the number that corresponds to the level of importance you would give to each of the twenty alternatives.

Rating Scale:
1 = Very important. You would do it immediately.
2 = Important. You would do it when time permits.
3 = Of some importance. You may or may not do it, depending on a number of variables.
4 = Not really important. You probably would not do it.
5 = You would try to avoid doing it.

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<th>I</th>
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<tr>
<td>Your</td>
<td>The Group's</td>
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<td>Ratings</td>
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A. Insist that the training representative retrain all the sales and stock people in the proper cash-register and sales check procedures.

B. Call a meeting of your employees and explain the shortage problem firmly, making the point that "heads will roll" if the next inventory is not substantially better.
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- C. Ask the security department for closer surveillance of your employees.
- D. Call a meeting of your employees and ask everyone for ideas and suggestions.
- E. Meet with a select few of the sales and stock people to explain the problem.
- F. Put up a variety of shortage-improvement slogans and signs in the stock rooms and office areas.
- G. With your employees, develop a specific action plan aimed at reducing the shortage in the department.
- H. Remove or physically secure all the higher priced items in your area. Keep the keys on your person at all times.
- I. Without further discussion, tighten all the paperwork controls in your department.
- J. Although the store does not have such a policy, insist that all employees bring their personal purchases to you for checking and sealing.
- K. Ask the store manager if you can establish an incentive program for your employees, to encourage a reduced shortage percentage.
- L. You are suspicious of one of your employees, although you have no facts. Just to be on the safe side, find a way to fire that person.
- M. Ask each employee to give serious thought to the possible causes of the shortage in your department and to give those thoughts to you in writing. Review the best ideas with the entire group.
- N. Ask the store manager to give your employees an emotional, fire-and-brimstone speech about shortage, profits, and job security.
- O. After your initial meeting with your employees, continue to meet weekly to share information and to check progress.
- P. Make unscheduled visits to your department when your employees are likely to think that you have gone for the day.
- Q. After sufficient input from your employees, establish a shortage objective and review it with the store manager.
- R. Ask the personnel manager to raise standards and to get you better qualified, younger employees.
- S. Personally develop a comprehensive check list of possible causes of the shortage in your department and review it in detail with the members of your department to get their input.
- T. Closely monitor each person's work and let it be known that everyone is under suspicion.

MANAGER'S DILEMMA
INTERPRETATION SHEET

Background: The problem that Paul faces is much like ones faced by all supervisors, from time to time. Paul is under considerable pressure to take effective action to solve his department's problem. As with any business problem, time is limited and a wide range of alternative actions is available. How Paul chooses to deal with the shortage probably reflects, to a great extent, the assumptions that he makes about people and how they are capable of acting at work.

In this activity, you take Paul's role. The actions that you consider important or unimportant may reflect your own attitudes about your employees and whether or not you feel that they should be involved in helping you to manage your department.

Douglas McGregor, an industrial psychologist, provided a convenient way of understanding the kinds of assumptions that managers make concerning their subordinates. He identified two sets of common attitudes, which he labeled Theory X and Theory Y.¹

Theory X

People, by nature, generally:
1. Do not like to exert themselves and try to work as little as possible.
2. Avoid responsibility.
3. Are not interested in achievement.
4. Are incapable of directing their own behavior.
5. Are indifferent to organizational needs.
6. Prefer to be directed by others.
7. Avoid making decisions whenever possible.
8. Cannot be trusted or depended on.
9. Need to be closely supervised and controlled.
10. Are motivated at work by money and other gains.
11. When they mature, do not change.

Theory Y

People, by nature, generally:
1. Work hard toward objectives to which they are committed.
2. Assume responsibility within these commitments.
3. Have a strong desire to achieve.
4. Are capable of directing their own behavior.
5. Want their organization to succeed.
6. Are not passive and submissive and prefer to make decisions about their own work.
7. Will make decisions within their commitments.
8. If trusted and depended on, do not disappoint.
9. Need general support and help at work.
10. Are motivated at work by interesting and challenging tasks.
11. Are able to change and develop.

Theory X and Theory Y represent extremes in thinking. They are polarities. Although individual managers may hold "pure" Theory X or Y attitudes, it probably is more likely that their attitudes "tend" toward X or Y or are a blend of the two.

Before scoring your responses to the case, you may want to take a moment to mark the continuum below to indicate your own perception of your X/Y philosophy. Later, you can check your actual rating against what you predicted; this will give you some insight into the

accuracy of your self-perception. Also, you can solicit feedback from others about how they perceive your attitudes. People's self-perceptions often do not coincide with the perceptions that others have of them.

| Theory X | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Theory Y |

**Effects of X and Y Assumptions**

A manager's assumptions have a direct effect on his or her managerial behavior. Attitudes about how employees view their work will cause people to manage in various ways. A strong Theory-X manager, for example, will try to compensate for people's unwillingness to direct their own activities by doing most of the planning, organizing, and controlling of the work to be done. This person will monitor employee behavior closely.

A Theory-Y manager, on the other hand, thinks of people as having a great deal of unused potential and will manage in ways to exploit that potential, both for the organization and for the individual. This person's behavior will be geared toward getting employees involved in the planning process, in problem solving, and in the control of the work. This role is one of coach and facilitator.

**Scoring and Interpretation**

Manager's Dilemma is not a test. It is a learning instrument designed to assist you in discovering the assumptions that you may be making about your employees.

- The following items, if rated 1 or 2, suggest a Theory-X orientation: A, B, C, E, F, H, I, J, K, L, N, P, R, T.
- The same items, if rated 4 or 5, suggest a Theory-Y orientation.
- The following items, if rated 1 or 2, suggest a Theory-Y orientation: D, G, M, O, Q, S.
- The same items, if rated 4 or 5, suggest a Theory-X orientation.
- Any item rated 3, although possibly appropriate, should be considered an "avoidance-of-the-issue" response. A high percentage of such responses indicates an unwillingness to take a stand, for whatever reason.

**Theory-X Orientation**

Count the number of the following items that you rated 1 or 2 on the Manager's Dilemma Work Sheet and enter the total number of items on the line to the right.


Count the number of the following items that you rated 4 or 5 and enter the total number of items.

D, G, M, O, Q, S

Total of both lines: 1
Theory-Y Orientation

Count the number of the following items that you rated 4 or 5 on the Manager's Dilemma Work Sheet and enter the total number of items on the line to the right.


Count the number of the following items that you rated 1 or 2 and enter the total number of items.

D, G, M, O, Q, S

Total of both lines: (2)

Avoidance

Count the number of items you rated 3 and enter the total number of items.

Total: (3)

% of X responses: total for (1) \[ \frac{\text{_____}}{\text{_____}}\] divided by 20

% of Y responses: total for (2) \[ \frac{\text{_____}}{\text{_____}}\] divided by 20

% of Avoidance responses: total for (3) \[ \frac{\text{_____}}{\text{_____}}\] divided by 20