

# **MEASURING A MANAGER'S PREFERENCE FOR MANAGING**

**J. C. Kable**

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Why is it that when you present a report to some managers, they read it through in great detail whilst others scarcely read it at all?

Why is it that some managers sit down often and discuss company problems with you whilst others seem to avoid talking to you?

Why is it that some managers make clear headed and logical decisions in some situations but disastrous in others?

I have pondered over the answers to these questions for a long time now and each time I do, one common element seems to emerge. They act like this because managers *have* to make decisions, and because all managers are different, they therefore react differently in the various decision making roles they must fill.

In fact, the single, most vital requirement of successful management appears to be the ability and need to make good decisions. Attempts are constantly being made to find better tools to assist managers to do this. To date, the search has been disappointing. In fact, the use of some of the more popular techniques has often increased conflict in organisations, produced little increase in productivity and left behind a cynical disregard for later developments in decision making know-how.

Research into the problem of making good decisions commenced at the Queensland Institute of Technology some years ago. Now labelled Decision Preference Analysis (DPA), the research analyses a manager's perception of the correct decision along two dimensions - quantitative (QN) and qualitative (QL). It has been found that the combination of these dimensions provides a unique frame of reference through which every manager formulates a decision.

The dimensions themselves have been carefully defined. The following examples are typical, chosen after analysing the results of some thousands of tests spread over a period of five years:

- (1) An *authoritarian, decisive accountant, serious and formal* in his relationships with other people, *analytical* but *practical*, with a *dominant* personality favouring the rule of *law* (regulations and procedures) would be highly QN.
- (2) A *sensitive and flexible, friendly* personnel manager, *supportive* of his people and *responsive to people-oriented* problems, with an *open communicative* style would be highly QL.
- (3) A *well adjusted, honest, marketing* manager *attentive* and *confident* in his job with *balanced but firm* opinions and the *courage* to support independent conclusions would be both QN and QL.

On the basis of these definitions, a picture emerges of the use of QN and QL as descriptions of the preferences of people, especially but not exclusively, in the work situation.

To measure the degree to which QN and QL dimensions are present, a simple testing device, which takes only 20 minutes to complete and mark, is used. The test is a forced choice preference/interest inventory, which measures the proportion of QN:QL judgement preferred and used by any decision maker. It has been fully validated over more than 3,000 individual results.

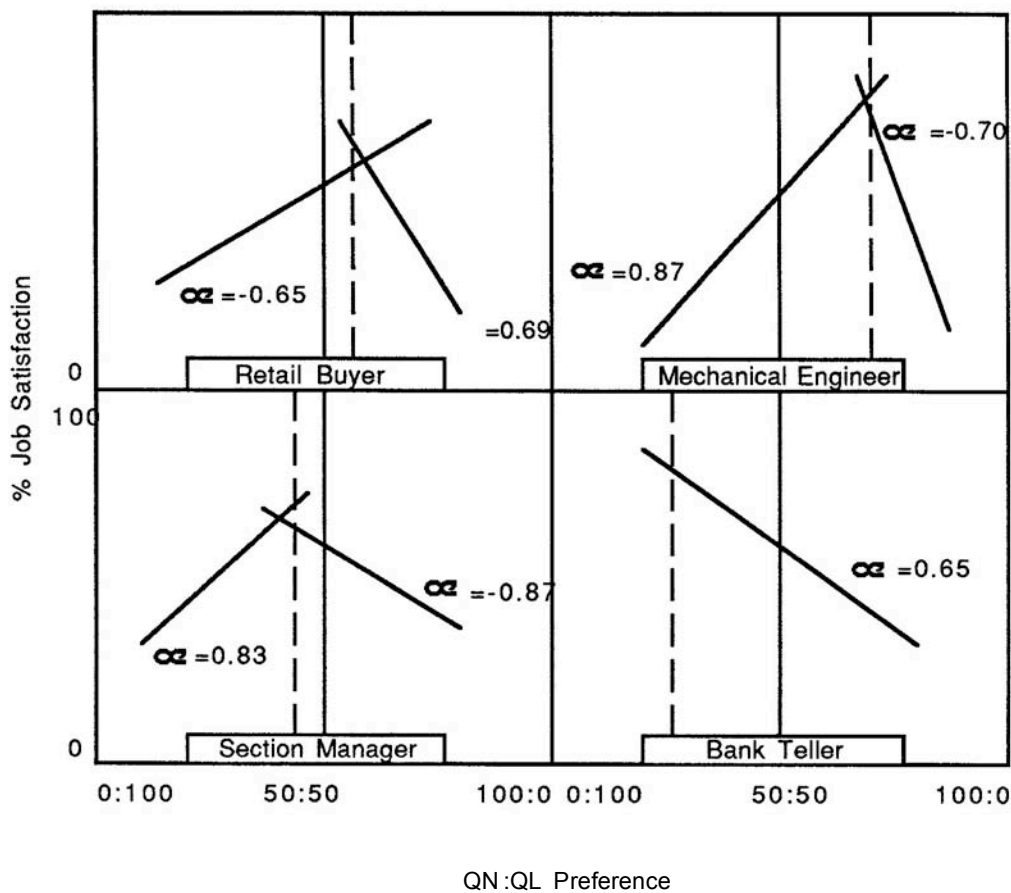
Through the use of the test, it has already been found that architects, for example, are highly QL in their decision-making preferences (typically 30 per cent QN and 70 per cent QL - a 30:70 decision maker). Engineers on the other hand are quantitative - typically 70:30. This difference in the decision-making frames of reference of these two professionals, leads to a great deal of conflict. They see the correctness of their decisions through quite different frames of reference.

Problems in decision making not only occur between managers with different frames of reference. They also occur between managers with different frames of reference. They also occur when a manager has to make a decision in a job which, itself, requires a different frame of reference. In other words, we need 30:70 managers doing 30:70 jobs; 60:40 managers doing 60:40 jobs, and so on.

The reason this seldom occurs is that most managers get into their jobs by accident. Although a great deal of effort is put into assessing past experience and ability, little, if any, effort is put into assessing a manager's *preference for* the job he applies for.

Using DPA, a method of assessing the QN:QL requirements of the manager's job has also been developed. It has been shown that both job satisfaction and productivity rise as a person's decision making preference approaches the decision making requirements of the job. Typical analyses of four jobs are shown in Figure 1. Correlation coefficients vary from -0.65 to 0.87.

**Figure 1. Typical Results of DPA Job Analysis.**



The general conclusion drawn from this work is that managers should be placed in jobs where there is a close match between the manager's decision making preference (as measured by the DPA test) and the decision making requirements of the job. Unless this is done, then it will be impossible to tap the full potential of each manager.

Let us now look at the application of Decision Preference Analysis in real life situations. Since the development of the technique, a number of organisations have used DPA in the following areas:

- In developing a sense of awareness of a manager's own decision making frame of reference.
- In selecting managers for jobs.
- In organisation development.

## Case Examples

In looking at developing a manager's sense of awareness, let us consider the case of John Newton, an accountant who had recently been promoted to Manager in a large multinational corporation. He had been in the new job for about six months. As part of his promotion package John enrolled in a week long DPA seminar.

When he arrived at the seminar, John was obviously uneasy. In introducing himself to his fellow delegates, he admitted frankly that he was not enjoying his new job nearly as much as the old one. He put this down mostly to inexperience and lack of training. He did say, however, that he felt that he could not get all the facts he needed in the new job.

On the second day of the seminar, along with everyone else, John completed the DPA preference test. He had a 67:33 preference in decision making, that is, a high quantitative preference. This was not surprising. He was an accountant (who enjoyed the role), he did not make friends easily and admitted to writing a lot of reports containing lots of tables and figures. All these attributes were typical of a highly QN person. John accepted the results of the test as an accurate measure of his own preferences.

On the third day, however, John became very concerned. After completing a Job Satisfaction test, he found that his level of satisfaction was low - around 50 per cent and one of the lowest on the course. Although he realised that he was less happy in this new position, he did not realise that he was so dissatisfied. He discussed the results with one of the seminar directing staff. On reflection, he agreed that he had answered the questionnaire accurately and that his present job satisfaction was, in fact, low.

The final key in John's awareness of his job situation came when his job was analysed by a team comprising himself plus three other members of the seminar. His job came out as a 48:52 job - that is, marginally qualitative. In fact, John had been promoted into a job where he found it difficult, if not impossible, to match his own preferences with the requirements of the new job.

Subsequently, John's previous job was also analysed. It turned out to be a 61:39 job, much closer to his own QN:QL score. Interestingly, it was also discovered that he had resigned from a number of social activities soon after being promoted. At the time John had blamed a high work load for this change in his leisure activities. After participating in the seminar, however, he felt that one of the reasons may have been that he was attempting to cut down on the number of QL activities because he had to carry out too many in his new job.

This incident has been duplicated many times over since the DPA research commenced. The DPA test measures characteristics which are very deeply ingrained. The six month test/retest coefficient averages out at 0.91. The results do not change very much over time. So the only solution to John's lack of job satisfaction was to transfer him back to his original position or find another job closer to his own frame of reference.

Coincidentally, I met John Newton again about 18 months after he had attended the DPA seminar. He had persevered with his new appointment but had changed the job significantly. He had taken upon himself a great deal more QN work by delegating a lot of the QL activities. He confessed that his subordinates were now less happy and that a number of new problems had emerged.

Let us now look at the second real live application of DPA. The scene is the subsidiary of a major national retail chain. The company's personnel manager, David McLean, has to select a number of buyers and section managers both from inside and outside the company. The mechanics of the selection process is no real concern because David has done this often in the past. The problem lies in the effectiveness of that selection process.

The statistics show that labour turnover in these jobs is running at 135 per cent a year. Although David has often reviewed his selection procedures, this figure has remained constant for some time. In his search for a new direction, David became interested and involved in the application of DPA in job selection.

In applying DPA to the problem, the first thing to do was to measure the decision making preferences of buyers and section managers who were currently doing the job. The results varied from 28:72 to 58:42 for section managers. Clearly, there was a large range of preferences. There was also a large discrepancy in the performance of individual managers, varying from very poor to outstanding.

The next step was to analyse the decision making requirements of the job. The starting point was the job specification. Incumbents were asked to assess their jobs in QN:QL terms. However, there was such a large discrepancy between individual assessments that this method of analysis was discontinued.

On further investigation, it was found that each incumbent tended to assess the job according to his or her own perception of the job. This invariably approximated the individual's DPA test result. It appeared that each incumbent had tried to change the job into one which more closely fitted the incumbent's own frame of reference. In analysing the section manager's job, for example, individual assessments ranged from 34:66 to 62:38, although the majority lay between 45:55 and 55:45.

Because of the large discrepancy in results, we then decide to use a team approach in assessing the QN:QL requirements of the job. To do this, we selected a team which comprised employees who were closely associated with the job (boss, subordinates, colleagues) as well as incumbents. In the case of the retail buyer and section manager, four team members were chosen in each case. These were:

- (1) Personnel manager, David McLean
- (2) Senior training officer
- (3) One buyer/section manager
- (4) One subordinate of the buyer/section manager.

Using this approach the job of buyer was assessed at 52:48 and section manager as 46:54.

Although these job assessments were successfully carried out on existing and detailed job specifications already available in the retail industry, it has now been found that the format does not sufficiently fulfil the requirements of a DPA analysis. Subsequent assessments have therefore been based on a job activity analysis in which incumbents are asked to write down each activity carried out as part of the job and to estimate the percentage of time actually devoted to that activity during the period over which the job is described. This routine has been found to be accurate and easy to administer.

Once David McLean became aware of the results, he made a number of changes to his selection procedures.

First, he gave a DPA preference test to all new applicants for the positions of buyer and section manager. He then selected those who not only had the experience and ability to do the job but whose preferences were close to the job requirements. This had the effect of eliminating some applicants who otherwise might have been chosen.

The next step was then to transfer all mismatched buyers and section managers into jobs which more closely matched their individual frames of reference. David did this gradually with the full knowledge of all employees, as part of a total company re-organisation. During this critical period, all employees attended a series of seminars in which the background and application of decision perception analysis were explained in some detail.

What was the result of all these changes? The most dramatic result was that, three years after the event, labour turnover had dropped from 135 per cent to 39 per cent, compared with an average in the retail industry as a whole of 56 per cent. Buyers and section managers generally reported that they were happier in their jobs, and the company moved from a net low situation to one of healthy profits. In this particular application, DPA provided an important additional dimension in raising organisational performance.

As impressive as these results were, a more important contribution to the company's continued well-being was the fact that all employees became aware of each others' frame of reference. David McLean summed up the situation very ably when he said:

*"The recognition that everyone has a different frame of reference in decision making has improved communication enormously. Nine times out of ten, conflicts are sorted out on the shop floor and never reach senior management. Previously it would have required the attention of very highly paid managers, acting as arbitrators, to sort things out."*

In fact, this matter of conflict in organisations is also more easily understood through an appreciation of DPA. Organisational conflict is largely a product of differing decisions. You make a decision, your boss won't accept it; you give your subordinates a job to do and they do something completely different. The conflict between sales and production in industry is well known.

In most cases, the conflict is sorted out by the muscle of organisational authority. The boss doesn't like your decision so he insists that his decision be carried out. You don't like this but there is little you can do because he is the boss.

What we are seeing here is a conflict between managers with different decision making frames of reference -- a 20:80 subordinate battling it out with an 80:20 boss. Unless the combatants are made aware of each other's frame of reference, they will continue on with the uneven battle until, inevitably, the subordinate resigns.

But even if DP A has not been used to identify the source of the conflict, there are a number of clues which can be identified in the 20:80 subordinate,80:20 boss relationship. These are:

- (1) A strained personal, even antagonistic, relationship between boss and subordinate.
- (2) An insistence by the boss that all his subordinate's submissions be checked "for accuracy".
- (3) A negative response by the boss to requests for attention to "people" problems e.g. extra sick leave, leave without pay, employee amenities.
- (4) A tendency for the subordinate to be "leap frogged" when promotions come along.
- (5) "Fire fighting" meetings between boss and subordinate rather than cooperative planning meetings.
- (6) A feeling by the subordinate that his boss is "cold" or "hard" or "impersonal", perhaps even "tough".
- (7) A degree of suspicion by the boss that his subordinate's judgements are coloured by personal motives.
- (8) A respect by the boss for the subordinate's ability to pour oil on troubled waters, e.g. the irate customer, the nervous employee.

All of these relationships, in varying degrees, were present in the retail store before the DPA assignment commenced. After it was completed, there was a far more ready acceptance of individual differences between the decision making frames of reference. Instead of arguing with their subordinates, managers were more able to understand the reasons for differing decision, and vice versa. As David McLean said, they were then able to sort out a lot more problems on the shop floor because of it.

The use of DPA does not mean that decision making conflict in organisations can ever be eliminated. There are far too many different frames of reference for this to occur. Figure 2 shows just four such relationships.

In Figure 2a, there will be a horizontal harmony and vertical conflict; In Figure 2b there will be horizontal conflict and vertical harmony. In both diagrams, A reports to C and B reports to D.

In Figure 2a, a typical situation would be two sales territories where both bosses, C and D, continually complain about the performance of their subordinates, A and B. When A and B get together at a sales conference, their major topic of conversation would be the unrealistic standards set by the company.

In Figure 2b, a typical situation would be a production department (A and C) and a sales department (B and D). In this case, the battles would occur between the production team and the sales team. At company conferences, neither team would be able to accept, or even understand, the reasons behind each other's decisions.

I have seen these situations replicated in many organisations over many years. They seem to be typical of every organisation whether it be in manufacturing or commerce, government or service industry, large or small.

**Figure 2. Sources of Organisational Conflict.**

Figure 2a

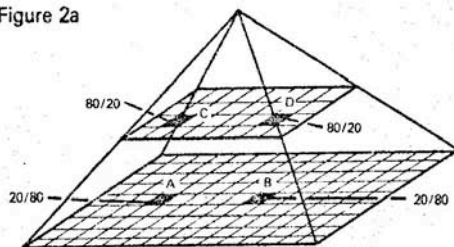
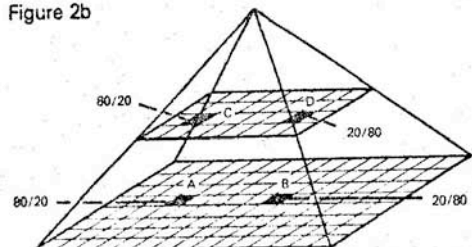


Figure 2b



In fact, one of the most successful DPA applications involved a large multi-national organisation. It was (and still is) a very successful company -- healthy profits, a full order book and high morals. There was, however, one problem which worried Peter Goodyear, the President of the company. This was the imbalance of results between regions.

Peter explained it this way. "It's either a feast or a famine. Just when we get one region running at full bore, another region goes wrong. When we bring that one back, the other one plays up. It has been like this for years. What I want to do is to get it all together and keep it there."

The company was aware of the latest management techniques and had used a number of them with varying success, both within the company and with clients.

Like most managers, they had had their fingers burnt from time to time. It was not surprising therefore that Peter expressed some concern about the use of yet another technique when we began talking about DPA. However, the results of previous DPA applications were interesting enough for him to authorise an assignment. All the company's employees were highly paid professionals, some with post graduate qualifications.

The first job, as always, was to set up a DPA training programme for all employees. During the course, all employees were introduced to DPA. Their own role in the assignment was explained. The DPA test was administered.

From the accumulated results, it was found that the following were typical of the company as a whole:

- 1) The median score was 38:62.
- 2) The typical employee had a high preference for social interaction with people and high preference for outdoor activities. The results indicated impatience with sitting in an office for too long.
- 3) There was a high preference for innovation (doing something new) and the typical employee preferred application to theory.
- 4) The preference for selling was low. To me, this did not seem to fit the image of success in this company. It appeared that most employees did not enjoy selling although it was an important responsibility. The impression I had was that most employees would have preferred to dodge selling if they could.
- 5) Scientific and clerical preferences were low - not an unexpected result in a highly qualitative company.

Having analysed all the results, the next job was to look at each region separately. At the time of the assignment, the company had two large regions and three smaller regions. Of the two large regions, one was performing satisfactorily, the other was not. It was to these regions that the assignment was then directed.

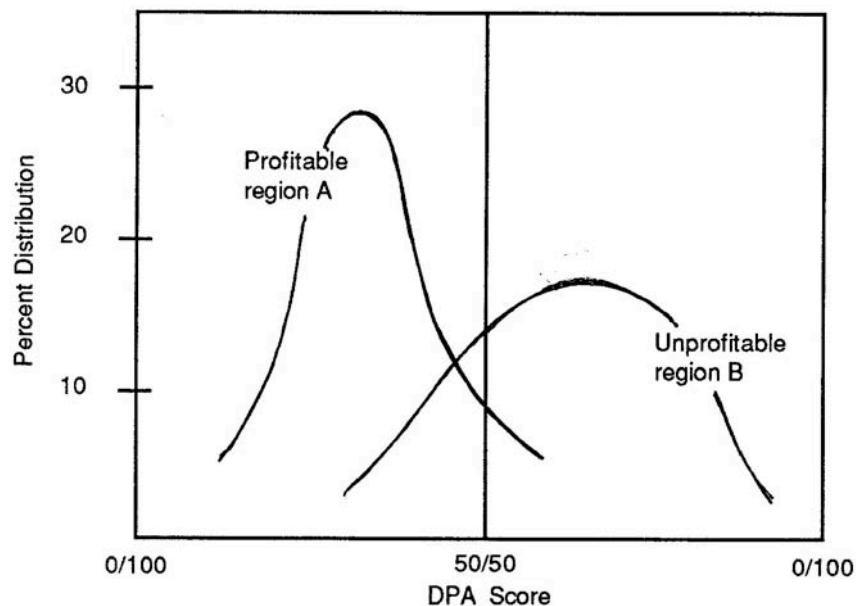
In looking at the results of the successful region, a number of observations were made, These were:

- 1) The median score for all employees in the region was 37:63, very close to the total company result.
- 2) Selling preferences were very high for most employees.
- 3) Creative and social preferences were also high.
- 4) Mathematics and clerical preferences were low.

In looking at the results of the poor performance region, the opposite preferences became evident:

- 1) The median score was 46:64.
- 2) Selling preferences were low, in one case, zero.
- 3) Creative and social preferences, although high, were not quite as high as those in the successful region.
- 4) Scientific preferences were very high.

In assessing these results, we were able to draw profiles of both regions and compare them, as shown in Figures 2 and 3.



When Peter Goodyear saw the difference between the two regions, it became obvious that there was an imbalance between them which had built up over a number of years. Employees in region A had much higher social, creative and selling preferences than their colleagues in region B. These were the important attributes in the job and were matched in the profitable region.

It was at this point that Peter dropped his bombshell. "What we have to do", he said "is to transfer some of my people from region B to region A ... "

He then paused, "... but that's what we've been doing for 20 years. All that will do is rob the profitable region of the people who are making it profitable."

He was right, of course. The solution to the problem was more long term. What the company had to do was to ensure that all new employees were tested for their preferences *before* joining the company. In this way, the profile of the profitable region would remain intact and the profile of the unprofitable region could gradually be changed by the infusion of more qualitative preferences.

Another more interesting feature of this DPA application also evolved. This is the ability of DPA analysis to identify potential as well as existing problems. In one of the smaller regions, region C, it was found that the profile was almost identical to that of the unprofitable region B. At the time the analysis was carried out, this smaller region was operating at a marginal profit but with optimistic future forecasts.

When the DPA profile was examined, we found that the region was made up almost completely of QN employees, with very low selling and social preferences. This had been brought about by recent resignations but, more importantly, by the promotion of successful employees from this region into region A. It was obvious that region C was heading for the same problems as region B was having, unless corrective action was taken.

After assessing all this evidence, Peter Goodyear began to implement the decision to bring new employees with high QL preferences into the company. The results to date have been very encouraging. The downturn in profits in region B has been arrested with sales running at 50 percent above last year; region A is still galloping along.

The changes in region C have been more subtle. About six months before the commencement of the DPA assignment, Jack Johnson, the regional manager, had requested Peter Goodyear to transfer him back into an operating capacity. Jack was having some problems in the manager's job. These had become evident soon after he had been promoted into the position.

Peter, however, was reluctant to do this because Jack had been in the new job for such a short time. Peter felt that Jack really needed additional training in management and arrangements were made to do this.

However, Jack continued to be unhappy in his new role. After the DPA analysis had been completed, the reasons for Jack's discontent became much more obvious. The most important responsibility in the new job was selling; Jack's selling preference was zero. Although he was doing a good job, he hated every minute of it. Sooner or later, he was going to resign and the company would have lost a first class operator.

When Peter Goodyear became aware of this, he immediately acceded to Jack's request, placed him back into an operating capacity and appointed another manager who had a high preference for selling. The results of this action have also been encouraging. Although region C continues to maintain a marginal profitability, the order book is now full and increased future profits are assured.

### **Management Implications**

What can we learn from the experience of John Newton, David McLean and Peter Goodyear? In the first instance, the decisions which managers make depend to a large extent on the manager's frame of references. This can be expressed along two dimensions - qualitative (QL) and quantitative (QN). This frame of reference is unique to every manager and must be matched to the requirements of the manager's job if the best possible decisions are to be made.

Next, conflict in organisations is largely a product of differences in decision making. Although conflict cannot be avoided entirely, being aware of another manager's frame of reference will enable us to better understand the causes of conflict and resolve them.

Finally, the use of the DPA technique can measure the individual preferences of Managers and unearth the causes of poor profit performance and low job satisfaction. It can then assist us in taking action to correct these adverse trends.

One other comment needs to be made. This is the apparent tie-up between DPA and the work currently being done around the world in analysing the effects of left brain/right brain dominance.

Henry Mintzberg<sup>1</sup> wrote a fascinating article. In part, he says:

*"Now scientists have further found that some common human tasks activate one side of the brain while leaving the other largely at rest. For example, a person's learning a mathematical proof might evoke activity in the left hemisphere of his brain, while his conceiving a piece of sculpture or assessing a political opponent might evoke activity in his right."*

*"So now we seem to have the answer to the first question. An individual can be smart and dull at the same time simply because one side of his or her brain is more developed than the other. Some people - probably most lawyers, accountants, and planners - have better developed left-hemispheric thinking processes, while others - artists, sculptors, and perhaps politicians - have better developed right-hemispheric processes. Thus an artist may be incapable of expressing his feelings in words, while a lawyer may have no facility for painting. Or a politician may not be able to learn mathematics, while management scientists may constantly be manipulated in political situations."*

I have quoted at some length from the article because the parallel between Mintzberg's comments and my own experience in the application and use of DP A is quite remarkable.

If the left brain/right brain dominance has any influence on the ease with which we make particular decisions (and I am convinced that this is so), then the highly QN decision maker would be expected to have left brain dominance and the highly QL decision maker would be expected to have right brain dominance.

In an attempt to measure whether such a connection exists, I have recently been comparing individual results of the DPA preference test with the hemispheric dominance of the individual. In 63 per cent of the tests carried out to date, the right brain dominant person has had a QL preference and the left brain dominant person a QN preference.

In fact, there are signs that all managers may be prisoners of their own left brain/right brain dominance. This would mean that the education process enables a manager to achieve a certain level of *ability* in management, but no amount of education can change a manager's *preference*. A left brain manager will prefer to make decisions based on quantitative, numerate, visually oriented evidence; a right brain manager will prefer to make decisions based on qualitative, social, acoustically oriented evidence.

Matching a manager's ability with the requirements of the manager's job will produce adequate results. Matching a manager's ability *and preference* with the requirements of the job will produce superlative results. The real trick lies in the matching process. And this is where the application of DPA has been found to be a valuable aid.

In yet another reference to the importance of hemispheric dominance Canadian media analyst, Marshall McLuhan has commented:

*"Logically connected estimates, bottom line, quantity and so on are all left hemisphere but the right hemisphere has no bottom line and is interested only in quality, not in quantity. "*

In this context, McLuhan was talking about the differences between western decision-making and eastern decision-making. He made the point that:

*"Right hemisphere is simultaneous acoustic and this is very favourable to the corporate identity of oriental man - people who play it by ear as opposed to those people who have a strong bias of point-of-view and who play it by eye."*

These comments are again in line with the conclusions drawn from the DPA research.

It means that DPA also as a place in assessing a manager's preferences *before* he is transferred across national boundaries rather than afterwards when it is often too late to repair the damage. In many discussions with Asian managers from Singapore through Bangkok to Hong Kong, I have often been told that some of the results of transferring managers from a western environment into an Asian environment have been catastrophic.

In one particular instance, a highly respected and active American management consultant in Bangkok told me that he spent most of his time working with multi-national corporations trying to patch up the results of poor decision making by expatriate managers. These managers had, as always, been promoted into their positions because of a high level of efficiency back home. There was no question of their competence in the western, largely quantitative environment.

But when they tried to implement this decision making frame of reference in the Asian environment, they became lost, frustrated, and unhappy. Many of them, according to my management consultant colleague, became alcoholics in an attempt to cope with an environment which, to them, was hostile.

In looking back over the development of DPA, one important point stands out - that ability in a job is not enough. We must also be aware of an individual's preference or otherwise for doing that job. The tragedy in most organisations is that this is never done. For example, we go to great lengths to check out a manager's qualifications and experience and attitudes in his present job before promoting him into a new job.

But do we ever try to assess whether he likely to obtain satisfaction in the new job? The applicant can't help, because he doesn't know, really, what the job entails. We don't know either because, until now, there has been no way of checking preferences in jobs.

The sad fact of organisational life is that managers don't leave their jobs because they can't do their jobs. They leave their jobs because they don't like their jobs. There is a world of difference between these two experiences. If only we would match the ability *and preference* of people with the required ability *and preference* of jobs, then perhaps some of the foolish and sometimes tragic decisions we make in our organisations could be avoided.

The development of DPA is an attempt to do this.

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