

**THE EVOLUTION OF TOP
MANAGEMENT:
A FORECAST,
NOVEMBER 1967, 267-67**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649047352

The Evolution of Top Management: A Forecast, November 1967, 267-67 by William H. Gruber

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Edited by Trieste Publishing Pty Ltd.
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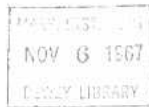
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Preliminary Draft
For Comment

THE EVOLUTION OF TOP MANAGEMENT:
A FORECAST *

by

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November 1967

267-67

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* This paper is based upon a seminar given by the author at the Fourth IBM Personnel Research Conference, January 11, 1967. The discussion at the Conference was of great assistance in the writing of this paper. The concepts developed in this paper represent a merger of the contributions received from two sets of colleagues. The organization facet of work was assisted by my work with three psychologists: Donald Marquis, George Farris and David Sirota. The systems input owes much to the work of Arnold Amstutz, James Emery and Edward Roberts. All errors in the integration of these two disciplines are the sole responsibility of the author. Leo Moore's work on the management of change in corporations was a third source of ideas for this paper. A grant from the MIT Center for Space Research (funded by NASA grant NsG 496) provided time for research. This financial support and the assistance of my colleagues are warmly acknowledged.

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ABSTRACT

Examines the relationship between top corporate management and the behavioral science and systems analysis staffs. The low contribution of these staff functions to corporate performance is explained by three factors:

- (1) the failure of top management to recognize the value of these functional areas;
- (2) the training of the professionals who staff these functions; and
- (3) the location of these functions in the corporate structure.

Corrective actions that will provide for a better utilization of the new tools available to top management are suggested, and a model of a firm is developed that indicates the nature of the contribution that might be expected from the behavior science-systems analysis staffs.

THE EVOLUTION OF TOP MANAGEMENT: A FORECAST*

During the last decade there has been a significant increase in the resources available to high-level managers. New techniques and better trained professional personnel have become available to assist executives in achieving the objectives of their companies. Studies of the utilization of the new managerial resources have begun to appear, such as The Impact of Computers on Management (Myers, 1967) and Computer Simulation of Competitive Market Response. (Amstutz, 1967). The increase in the supply of econometricians, operations researchers and psychologists and in the greater quantity and improved quality of graduates from schools of business has provided top managers with a new kind of assistance that is of only very recent origin.

Competitive pressure has increased, however, as a result of (1) these new tools available to managers, (2) the increase in foreign

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competition (Quinn, 1966) and (3) the greater competition between materials as reported recently by the President's Council of Economic Advisors (1965). The pressure for managerial effectiveness has been further increased by the actions of the United States government to hold down prices (Burns, 1965) as well as to direct the attention of executives to a "public interest" that may, at least in the short run, have an adverse effect upon a company's performance (as when the government sets safety standards that are not in popular demand).

Thus, we have a set of forces that make it necessary for top managers to improve their performance, and we have a set of new tools to help them to manage more effectively.

One might expect that the availability of these new tools would have significantly altered the manner in which top executives make decisions and manage their operations. There appears to have been only a negligible change to date, and in this paper the evolution of top management toward a closer working relationship with their professional staffs will be suggested as the direction that needs to be taken in order to bring into actuality the potential in the new tools that have been developed to improve the effectiveness of top executives. These new tools exist in the training and abilities of the professional staffs that have increased in size in many corporations.