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MANAGEMENT DEVELOPMENT IN FOOD STORE CHAINS
IN THE NORTH TEXAS AREA

THESIS

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CHAPTER I

INTRODUCTION

Food store chain organizations, because of their limited number of management positions in any one store, have a problem in management development which is peculiar to their type of business. The company may have thousands of employees, but usually not even fifty of those employees are in one store.

This situation is contrasted with companies in other industries which may have a large number of employees in close proximity, many times in one building. In these companies, the need for managerial personnel is concentrated, with several people being developed at one time to assume more responsible positions.

Studies have been made of management development in general and of management development in different industries, especially the manufacturing industry and the larger department stores. But relatively little information is available concerning the development of food store chain personnel. This study is concerned with the methods and programs in use by food store chains to develop their store management personnel.

Statement of the Problem

What are the practices of food store chain organizations in the North Texas area regarding the development of store management personnel?

Procedure

Principles and various aspects of management development were gathered from authoritative articles and books, listed in the bibliography, which were available in the North Texas State College Library, concerning the training and development of management personnel. These principles were discussed and summarized. The summaries served as a guide for collecting information from the food store chains which would be as pertinent and complete as the study would permit.

An interview form was prepared and discussed with a food store chain manager to consider possible improvements and to correct errors in the wording. After revising the form it was tested and discussed with the personnel managers of two food store chains. The information given concerning the company's development activities was written on the form as the official answered the questions. Later this information was checked for its completeness and clarity of thought. The form was again revised with more specific questions being added. This final interview form is shown at the end of Chapter II.

The names of companies having four or more food stores were gathered from telephone directories in the area. Also,

to be sure the list was complete, the food store officials who were interviewed were asked for the names of other chains in the area.

In each company an authoritative source of information was sought. In all cases the person giving the information was in a position in the company to give reliable and accurate data. The people interviewed were owners, personnel managers, general managers, office managers, and one person was treasurer.

The interviews were made during the month of April. The executives of three of the smaller chains were busy when asked to be interviewed. In these three cases the interview form was mailed or left with them, along with a letter explaining the purpose of the questionnaire and some of the more difficult questions. One of the three companies returned the interview form completed. The other two companies were contacted by letters and in person with no favorable results.

After the interviews were made the information received was written in case study form. Comparisons between the several types of chain store organizations and their methods of developing management personnel were made. After gathering information from library sources and interviews, an analysis, conclusions, and recommendations were made.

Delimitations

This study was concerned with food store chain organizations which do a major part of their operation in the North

Texas area, centering around Dallas and Fort Worth. The selection of this area was caused by concentration of population and frequent chain store locations, and included food store chains in the greater Dallas and Fort Worth area, and also one chain each from Vernon and Wichita Falls, Texas.

Another limiting factor was the definition of a "chain store organization." The 1948 Census of Business definition (2, p. 410) of four or more stores, centrally owned and operated, was used as the definition of chain stores. No complete list of food store chain organizations in the area was readily available. By using the method described in the "Procedure" section, page two, it is believed that the coverage of food store chains in this area is complete. Chains which had a few stores in the area, but with no central offices in this area, were not included in the study.

The personnel included in the study was another limitation. Management development of store personnel was the center of this study. Employees outside the individual store location are not included, such as central office personnel and warehouse employees.

The use of the interview technique has its limitations. Several disadvantages were apparent in the interview technique--the time limitation being the main disadvantage. Appointments were found to be difficult to make or keep, and in the smaller companies especially, the executives were rushed for time.

Differences in personality between the interviewer and interviewee might have hindered the exchange of ideas to some degree, but was believed to be negligible.

The interview method was used in collecting information because of several advantages which it offers. There is a wide variation in the meanings of terms used in the field of management development. Company practices in development vary a great deal; many companies have developed courses which are peculiar to their own situations. It is difficult to establish that sizeable differences occur in methods used in various companies from explanations given in mailed questionnaires or by interviews. By using the interview technique, questions and the meanings of terms can be explained easily. Also the statements can be clarified and details of development activities are easily gathered.

A limitation of considerable significance has reference to the time the study was made and its scope. The information was gathered in April, 1955, from fourteen of a possible sixteen food store chains. The results of the study will only apply to the development activities of the fourteen chains at that time. Development activities in a few companies are in the process of almost constant change and could possibly be quite different in only a short period of time.

Definition of Terms

A "food store chain" is composed of four or more retail units in which the sale of food plays a major part in sales, and is centrally owned and operated.

"Management" in its broad sense includes all persons who have formal control of others. In chain store organizations the most common management position is that of store manager. The other management positions differ in their titles in the organizations, but usually consist of an assistant manager and departmental managers.

"Development" was considered as including education, training, and experiences which improve employee attitudes, knowledge, and management skills. Efforts toward development may range in degrees from the most informal to the most formal program.

The term "program" refers to the management development activities in an organization regardless of their formality.

"Training" and "education" were used synonymously in referring to management development in this study.

Four classes of food chains have been used in this study are listed as follows:

1. "National": companies which have food stores in a large number of states;

2. "Large local": companies with ten or more stores, a total of at least 100 full time store employees, averaging ten or more employees per store;

3. "Small local": companies having fewer than ten stores and at least four, with an average of at least eight persons employed full time in the store;

4. "Drive-in": companies which operate neighborhood convenience grocery stores which have an average of five full time store employees or less.

These categories were quite arbitrary but they were based upon careful inspection of the characteristics of the food store chains included in this study.

Source of Information

Background material and information concerning principles of management development were collected from articles in magazines and reports, and from books concerning management training and development.

Primary data were collected by interview and questionnaires from officials in the food store chains. These data consisted of practices in developing management personnel and other pertinent information.

Related Studies

No similar studies were found dealing with the subject of this study. A study of training in department stores, Executive Training in Department Stores, a Simmons College, Prince School of Retailing study by Donald K. Beckley (1) was of value in planning this study. The report contained basic training considerations, kinds of executive training, limitations

of executive training, executive training in operation, and desirable features of professional training and executive training.

An article in the March, 1955, issue of Chain Store Age, grocery managers edition, entitled "Ten Years of Change at National Tea" was in part similar to this study (3). There was a discussion of the development program which consisted of four phases: (1) new and improved stores and facilities; (2) development of personnel; (3) expanded, effective management, and (4) aggressive merchandising and advertising. The discussions of personnel development and expanded, effective management were particularly useful in this study.

Treatment of Data

The statement of the problem, purpose of the study, procedure, delimitations, definitions of terms, source of information, and treatment of data are presented in Chapter I.

An outline of some management development elements is given in Chapter II. The topics included are: the purpose of management development programs, selection of participants, the time element in development, selection of subject matter, methods of training, and follow-up and evaluation. The interview form is presented at the end of Chapter II.

The results of the interviews are presented in individual case write-ups in Chapter III.

Analysis and conclusions regarding management development in food store chains in the North Texas area are made and presented with recommendations in Chapter IV.

Chapter Bibliography

1. Beckley, Donald K., Executive Training in Department Stores, Boston, Prince School of Retailing, Simmons College, 1952.
2. Converse, Paul D., Huegy, Harvey W., and Mitchell, Robert V., The Elements of Marketing, New York, Prentice-Hall, Inc., 1952.
3. "Ten Years of Change at National Tea," Chain Store Age, Western Grocery Managers Edition (March, 1955), pp. 80-81.

CHAPTER II

ELEMENTS OF MANAGEMENT DEVELOPMENT

Management development is considered as being the total education and work experience which increases knowledge and skills in the various phases of management. This total education and work experience constitutes the development of managerial personnel. While development of managerial personnel varies in practice among companies, there are a few basic elements which apply to most development programs, whether formal or informal.

In this chapter several basic considerations of management development are presented as they apply to businesses in general and then to food store chains. Not all the considerations of development are included in this discussion, but an attempt is made to present the more important basic elements. The elements which are discussed are: purpose of management development programs, selection of participants, time, selection of subject areas, methods of training, and follow-up and evaluation. These topics are presented in the first section of this chapter.

Specific reference to each of these elements is made in the discussion of their application to food store chains, which constitutes the second section. The third section is

the interview form which was prepared on the basis of the information presented in the first two sections of this chapter.

Elements of Management Development in General

Purposes of Development Programs

"Purpose" has been defined in Webster's dictionary as "that which one sets before himself as an object to be attained; the end or aim to be kept in view in any plan, measure, exertion or operation." Any two companies might have entirely different reasons for maintaining a program of management training, just as the length of the program or method of development might be different. The program may be set up as a short-term plan to help the trainee adjust to his next job or present job, or it might be a long-range plan to give him a broader understanding of the company and business economics.

Basic objectives.--The basic objectives in management development have been stated in several ways. Dale Yoder (20, p. 246) says, "The objective is to develop leadership and provide experience in dealing with major questions of policy and to familiarize trainees with the way the business or agency is directed and controlled."

Virgil K. Rowland (14, p. 4), speaking of most plans in existence for executive development, says, "They all have the same basic objectives--that is, to improve the performance of present management and to insure adequate reserves."

John H. Lumbley, Jr., in an unpublished thesis (10, p. 23) gathered statements of objectives of junior executive training programs. General objectives were, usually, to provide the executive with three assets:

1. Orientation: Needed information about the company's philosophies, policies, procedures, practices, and objectives.
2. Technical training: Needed technical or professional knowhow--the "tools" of successful management.
3. Attitudes: Needed attitudes toward leadership, their work, relations with others, and the value of self-development.

Specific objectives.--Lumbley also listed some more specific objectives:

1. Aiding the graduate to bridge the gap between theory and practice for the benefit of both men and company.
2. Recognizing an obligation to the technical graduate, who has invested large amounts of time and money to aid his professional development.
3. Obligation to the company itself to use this valuable tool effectively.
4. Orientation of the graduate more quickly and accurately.
5. Providing chance for both employee and employer to appraise the potentialities for the greatest over-all use to the company.
6. Continuing some intellectual activity during the interim period of transition from the university level to the industrial level.
7. Facilitating the personal adjustment of the trainee to his new environment.
8. Reducing turn-over by a more accurate placement.
9. Developing a succession of suitable executive and officer material as replacements become needed.

In his book, How to Train Supervisors, R. O. Beckman (1, p. 7) has summarized the purposes of executives in business and industry in foremanship training plans:

1. To give the supervisor a more complete conception of his varied responsibilities;

2. To increase the quantity and the quality of production at a lower cost through a keener appreciation of modern methods of handling labor, materials and equipment;
3. To acquaint the supervisor with the policies, plans, and ideals of the organization so that he may better interpret them to the workers;
4. To give him a better understanding of the organization in which he is employed, of its operating procedures, and of his relationship to the rest of the structure;
5. To provide him with a broader understanding of the principles of efficient business management and possibly with the fundamentals of business economics;
6. To present the supervisor with operative principles helpful in training workers on the job;
7. To prepare him for promotion and greater responsibility within his organization.

To the purposes suggested above there may perhaps be added the following educational objectives which should be sought in a suitable training program:

1. The correlation of new facts with past learning or experience;
2. The application of these newly absorbed facts;
3. The development of critical judgement;
4. An increase in the supervisor's store of knowledge;
5. Stimulation of a desire for further study.

A few objectives of executive development were listed and defined in a Conference Board Report by Stephen Habbe (7, p. 9). These were:

1. Job competence: increasing the trainee's ability to analyze and deal with management problems not directly related to personnel.
2. Human relations: increasing his skills in working harmoniously with others.
3. Personal development: increasing his personal insights so that he can correct his weaknesses and capitalize abilities and thus work with maximum effectiveness.
4. Company knowledge: increasing his understanding of all company operations and how they contribute to the final product or service.
5. Creative imagination: broadening his business and social perspectives so that he can view company problems thoughtfully and with imagination in their relation to national affairs as well as to affairs within the industry of which the company is a part.

Synthesis of statements of purpose.--The purpose of the management development activities in any company is determined by what management wants--executive development, training for prospective management personnel, orientation to the company for new management people, or to help the trainee adjust to his job.

Objectives of management development programs have been classified in basic and specific categories. The basic objective of a management development program might be stated as a plan for present and potential management people to develop attitudes and management (leadership) techniques applicable to present and future jobs for better and more profitable company operations.

Specific objectives may be summarized by a short list:

A. Development of Attitudes

1. Evaluation (appraisal of potentialities) and improvement of the individual by himself.
2. Broadening of perspectives so that the individual can view the business operations in the light of business, economic, and social principles.
3. Development of critical judgment based on facts and logical thinking.
4. Stimulation of a desire to continue development.

B. Development of Management Techniques

5. Orientation to the company, its policies, and procedures.
6. Orientation to the job, its requirements, responsibilities, and methods; and to other positions in the company.
7. Knowledge and application of management and leadership principles to the job.

The results of the program should correspond to the objectives for which the program was initiated. The success of the program depends upon how the results compare with the objectives. Usually a successful program results in better leadership and supervision, a smoother running organization, and better and more profitable company operations.

Selection of Participants

The people to be developed for managerial responsibility must be able to meet the requirements that shall be expected of them when they are given more responsibility. The quality of the employee being developed will reflect the best judgment of executives of the company, hence this employee's success is important to higher management.

There are several factors to be considered in selecting employees for participation in development activities. Some of these factors are: the number of participants, the source, their qualifications, and selection procedure.

Number.--The first factor to be considered is the number of employees to be included in the management development activities. The purpose of the program is a determining factor in considering the number of participants. If the purpose of the program is to give employees a broader knowledge and to improve their management skills, all employees might be included if facilities are available. In companies that have an intensive program of management training and development the cost might be too great for each employee to be included in the program. If the purpose of the program is to train men to fill vacancies, the exact number of men to fill the vacancies should be included in the program. If a large number of employees completed a training program with only a limited number of positions available for them, the results would likely be dissatisfaction and terminations, meaning loss of time and money to the company.

Most companies that have some form of management training or development program train to fill specific needs or positions; they do not train "extras" (8, p. 150). The number of trainees is determined usually by a personnel audit or inventory. The positions that are open and those for which a replacement may be necessary in the near future--by reason of retirement, promotions, or changes--are analyzed. This inventory of present and potential vacancies determines the number of trainees required and their specific needs for training.

Source.--A second factor to be considered is the source of potential managerial employees. There are several possible sources: within the company, other companies, high school and college graduates, temporary employees, private employment agencies and government employment agencies.

The first source to regard for selection of trainees are those employed presently in the company. Promotion stimulates a person to greater effort, enables him to develop to his capacity, and keeps him from leaving the company with his experience to look for opportunities in another company. A policy of promotion from within builds high morale because employees can see that extra effort is rewarded.

William J. McLarney (12, p. 262) summarizes the advantages and disadvantages of promoting from within:

When a man moves up the line, he brings with him knowledge and experience gained in the jobs he handled in the company on his way up. He knows the way the company operates, the way its people operate, the policies and problems of the organization, and what has not worked in the past.

His closeness to the organization is a mixed blessing though; he is not a new broom or new blood; he is not bringing in the fresh viewpoint or the new ideas that come with an executive recruited from another company. Disadvantages of inbreeding can be overcome to some extent by getting new ideas from outside sources--evening-school courses, books in the management field, trade publications, professional meetings, and business clubs.

Promotions must be made with great care because mistakes are hard to rectify. Whenever a man is promoted, someone else may be disappointed or jealous. If the wrong man is chosen for the job, there are charges of favoritism. If the man chosen does not have the ability to fill the job, the efficiency of every man under his command is impaired. If he has to be replaced, there is the problem of what to do with him; it may be impossible

to put him back on his old job. If he leaves the company, then a man is lost who was at least good enough to be considered for promotion.

Because it is not always possible to promote from within, it is usually necessary to supplement this source by recruiting limited numbers of promising graduates from the colleges and universities. In most cases, college graduates are not differentiated from other employees in any manner after they start to work. An example of a company policy of selection from within and from college graduates is given by Sears, Roebuck and Company (19). Their needs cannot be filled entirely from within, but their system of selection has proven satisfactory.

Reasons for selecting graduates from schools and colleges are several: (1) the education helps in developing and improving them on their jobs; (2) the education received helps develop and train them for promotion, and (3) many companies need a number of part-time workers for seasonal peaks and for special events (15, p. 158).

Possible sources of management trainees, though usually not used too much, are through direct applications and private and governmental employment services. Consideration of the potentials of a person should be made at the time of employment, whatever source is used.

Qualifications.--What are the qualifications necessary for a member of the management team? The specific qualifications differ in various companies. Many specifications

are contained in job descriptions of the jobs to be filled. How the prospective trainee meets these specifications might be indicated by an employee evaluation record. Consideration should be made of the kind of job now being done--initiative, ability, cooperation, and promotability--determined by ambition and capability of continued growth and advancement.

Three areas have been suggested as playing an important role in turnover and general productivity efficiency (18, p. 128).

The areas are:

1. Ability
 - a. General--intellectual ability
 - b. Specific skills--aptitudes and achievements
2. Interests
 - a. Social--leadership (persuasive, aggressive), social service
 - b. Technical--mechanical, quantitative, scientific, clerical
 - c. Cultural--creative, artistic, literary, musical
3. Personality
 - a. Motivation
 - b. Independence of thinking
 - c. Temperament
 - d. Objectivity
 - e. Emotional adjustment
 - f. Flexibility

Personal qualifications of new employees who are management potential are listed by Myles L. Mace (11, p. 23). They are:

1. He is intellectually competent:
 - a. Highly intelligent;
 - b. Creative, has an active, inquisitive mind which sees the need for improvement and searches until a way is found to effect the improvement;
 - c. Thinks clearly, logically, concisely, and expresses himself accordingly;

- d. Adaptable (capable of dealing with emergencies);
- e. Has drive (in the sense of both energy and perseverance);
- f. Has judgment--common sense;
- g. Decisive;
- h. Open-minded;
- 2. He is emotionally stable:
 - a. Consistent (people know what to expect from him);
 - b. Has insight and awareness of others;
 - c. Open (neither blunt nor insincere);
- 3. He has the ability to analyze, plan, organize, and delegate;
- 4. He has obvious good health;
- 5. He has a degree in engineering or business administration.

Note: The above specifications do not attempt to include the more ordinary requirements such as honesty, high scholastic average, or participation in extra-curricular activities, most of which are in evident possession of those meeting the foregoing qualifications.

Selection procedure.--There is usually a well-developed, definite system of selecting employees for development in a company which has a development program. Sound organization planning in terms of requirements for future needs as well as for present demands for management personnel is an important phase of selection. Organization charts, replacement charts, card index systems, and inventory of the current situation might be used in organization planning for present and future needs of management.

The selection procedure generally involves listing the specific requirements of the jobs to be filled and comparing the requirements with the qualifications of all possible candidates. The candidates are then evaluated and selected (17, p. 16).

An example of a specialized selection system in operation is the procedure of Proctor and Gamble (10, p. 17).

Proctor and Gamble Company finds its men through a definite program for hiring, training, and promoting future potential executives. This company gives the same kind of attention to developing management men as it does to developing a new product or the market through which the product is to be distributed. The executive crop of Proctor and Gamble is recruited right out of colleges with the aid of scientific testing methods. The human factor is made due allowance for when giving these tests.

Each department in Proctor and Gamble does its own recruiting of college-trained personnel to allow for a much wider choice. Most colleges and universities are covered by using this method of recruiting. Usually the manager for each district does the recruiting.

About the same technique is used by all Proctor and Gamble representatives who visit college campuses on recruiting assignments. The applicant first fills out a standard company application blank. The personal interview is then given to the applicant. If at this point the applicant seems to be a likely prospect, he is given some tests--mental alertness test and a specialized test to see how much the applicant knows about his own field. Proctor and Gamble gives full recognition that tests are infallible.

There are dangers to be avoided in selection. J. M. Bertotti (2, p. 3) lists five pitfalls in selection procedures:

1. Technical proficiency emphasized too much over leadership qualities and the ability to get along with people;
2. Seniority has been unduly emphasized;
3. No reservoir of potential candidates from which to choose in order to fully consider all important factors in making selection;
4. Organizational lines are seldom crossed, narrow viewpoint;
5. Personal knowledge of candidates is overemphasized.

Conclusions regarding selection of participants.--The selection of participants for the management development activities the company provides is an important phase of any

development program. A good training program cannot be effective without capable trainees. Some conclusions are:

1. The purpose of the program should be considered when selecting the number of participants. If the purpose is to train men to fill vacancies, the exact number of men that will fill the vacancies should be included in the program. Training "extras" would likely result in dissatisfactions among those who were not promoted immediately. Low morale and terminations would be costly to the company.
2. The number of persons to participate in the program may be determined by a personnel audit or inventory of the positions which will need replacements in the near future.
3. The first source to consider in selecting trainees is from within, from qualified personnel. Employee's potential should be considered at the time of their employment in order that outside recruiting will not be necessary to obtain the needed quality.
4. There are advantages and disadvantages to promotion from within. Promotion stimulates a person to greater effort, enables him to develop to his capacity, and builds employee morale. But promotion from within does not bring in the new ideas and different viewpoints that might come with a person from another company.
5. It is not always possible to promote from within, and is therefore necessary to supplement this source with outside

sources such as colleges and universities. College graduates are usually not differentiated from other employees in any manner after they begin work. Their education helps the graduates in developing and improving them for promotion.

6. Other sources that may be used, though they generally are not used too often, are through direct applications, private and governmental employment services.

7. Qualifications required of the trainee may be determined by job specifications obtained from job descriptions of the jobs to be filled.

8. Consideration should be made of the kind of job now being done by the potential management trainee, which includes initiative, ability, and cooperation, and promotability, which is determined by ambition and capability of continued growth and advancement.

9. Some personal qualifications are: (a) intellectually competent, (b) emotionally stable, (c) skill in human relations, (d) ability to analyze, plan, organize, and delegate; (5) obvious good health.

10. There is usually a well-developed selection procedure in any company having a development program, though not necessarily "formal" and inflexible. The procedure consists of organization planning for present and future needs of management by the use of organization charts, replacement charts, card index systems, or inventory of the current situation.

11. The specific requirements of the jobs to be filled are listed and compared with the qualifications of all possible candidates. With this information at hand, the candidates are evaluated and selected.

12. There are several dangers to be avoided in selection procedures. Some of these are: (a) undue emphasis placed on seniority, (b) no reservoir of potential candidates, (c) technical proficiency emphasized too much over leadership qualities and the ability to get along with people.

Time Element

Basic considerations.--The development of management personnel is continually in process in an organization even though it may not have a formal program. In many companies formal training programs are used continuously; but usually programs are used intermittently throughout the year or several times a year.

A survey cited by John H. Lumbley (10, p. 23) found that the average length of the training program of companies questioned was fourteen months, an average of five hours per week in classwork, conducted during regular working hours.

Training programs vary in length, and two programs of similar length may not necessarily indicate that the same amount of training occurs in both companies. As an example of the variations in time in different programs are Proctor and Gamble (10, p. 18) and Lockheed Aircraft Corporation (7, p. 28).

As soon as the man is hired as a management trainee, he starts on a training program that is scheduled and timed to fit the individual. As an example, take the case of a man being trained for factory management. The trainee's supervisor or department head and the factory training engineer set up his training program. The program usually lasts about six months. The new employee usually tries all the jobs in the departments so that he will understand where his department fits into the over-all production scheme.

The new trainee then spends about a month in the staff departments of the factory. This gives him an opportunity to get familiar with the services available and just how he can best use them when he becomes an executive. The last few weeks of the training program, the trainee works directly with his foreman and assumes responsibilities until he is qualified to take over the foreman's job.

Lockheed Aircraft Corporation's program is a full-time one and it lasts from twelve to twenty-six months, depending on the individual and on the plans of the company for his future assignments.

Conclusions regarding time.--Management development should be in continual process. The length of time a formal or informal training program is used depends upon the various company needs. Within the training period, the amount of actual training varies with different companies. In one survey the length of the programs averaged fourteen months, an average of five hours per week in classwork, conducted during regular working hours. There are several specific conclusions:

1. Training time will vary in different companies, just as the training activities in development vary because of the different needs of companies.

2. The type of program used will influence the time allotted to the program. Understudy and job rotation methods are more time consuming generally than class lecture.

3. The number of subjects covered and how thoroughly they are learned, and the trainee's ability to learn influence the amount of time used in the program.

4. Money may be a limiting factor in some companies, limiting the length of time that can be devoted to development activities.

5. The amount of time should be decided in the beginning stages of planning. Alterations can be made when necessary, but careful planning is essential.

Selection of Subject Matter

Basic considerations.--The objectives of management development determine the selection of subject areas studied in the program. Since training is usually done for a specific purpose, the subject area is narrowed somewhat.

Along with objectives, the general and specific requirements of the jobs to be filled and the qualifications of the individual, should be considered. Areas in which additional training or development is necessary or would be helpful can be determined. Each person must be developed according to what he needs to make him a better employee for the company.

The training should provide a well-rounded background to the individual. It should not be specialized to the extent

that the trainee's vision of the whole problem of the company is limited. He should obtain a knowledge not only of what his job will be, but how it fits in with the function of the company and how other activities relate to the business.

Classification of subjects.--Subjects may be classified according to areas which are significant to the company. Dale Yoder (20, p. 261) has classified subjects covered in training in five broad areas.

1. Training for individual group leadership. This particular phase of the over-all program seeks to make the foreman more efficient in his own job, partly by showing him how to do a better job of production planning and control, cost control, and efficient use of facilities, partly by better selection, placement, and training of his group members.

2. Training in company policies. This is intended to familiarize foremen with the objectives and intentions of the management with respect to operation of the business, customer relations, quality of product, working conditions, the business outlook, and community relations.

3. Employment relationships. This division is concerned with labor policy and the maintenance of favorable attitudes among employees toward the employer.

4. Cost and production information. Training in this area is designed to teach supervisors essentials of budgeting and estimating costs, of such incentive wage plans as may be used, of job analysis and employee ratings, of the maintenance and care of equipment, of quality and cost control.

5. Background information. In this area, foremen are taught the significance of economic considerations in business as a whole, with special reference to taxation, government expenditures, national income distribution, the place of profits in business, and related economic principles.

Conclusions regarding subject matter.--There are several factors which need to be considered in selecting topics for the training program. The objectives of the program, the specifications of the job, and the qualifications of the trainee

determine the areas of training and development which will be most beneficial. Other conclusions are:

1. The subject matter should be selected with the individual's needs in mind, and what training will develop him to the fullest extent. Subjects should not be selected because of their interest or because they are popular with other companies.

2. Subjects should fit into a training program in such a way that over-specialization does not take place. A broad knowledge of the functions of the business is beneficial to the trainee.

3. Subjects might be classified according to five broad areas suggested by Dale Yoder: (a) training for individual group leadership, (b) orientation in company policies, (c) employment relationships, (d) cost and production information, and (e) background information.

Methods of Management Development

Basic considerations.--A good program of management development prepares men for promotion as efficiently as possible. The degrees of formality is entirely a question of economics (9, p. 365). The scope of the development program will depend on the past experience in replacing management personnel, plans for expansion of the company, and the individuals in each management position.

The range of development might be from the simple exposure to new jobs, to formal training. Larger companies have an advantage over the smaller ones to the extent that there are probably more opportunities for employees to rise to management positions. There are also more prospective managers in closer proximity that might lend itself to a formal group method of development or training in specific areas. Advantages of learning in formalized training are in the areas of communication, the logical processes, and in breadth of view. Skills that can be taught best informally by the superior are: cost control, job knowledge, dependability, personal efficiency, initiative, and leadership techniques (9, p. 365).

How formal a method of development is depends on the characteristics of the program in actual use in the company. Job rotation might be a carefully planned program of selected positions that are designed to provide experience and opportunity for growth that will be most beneficial to the employee. Or the same method might be used in another company without much thought given to the sequence of jobs, the length of time an employee works in one department, or the particular needs of the employee. Conferences might be very well organized and carefully conducted in one company while in another the conferences might consist of meetings in which a superior talks about various events which happened to him or his family and little attention is given to development of management people.

Participants in development programs, formal or informal, are usually not designated as "trainees" even when other characteristics of the program are distinctively different than the regular activities of the company operations. In a survey of management development programs, Joseph M. Trickett found that a distinct minority of companies use formal "trainee" positions as such. The use of the trainee position was in rather wide use a few years ago, but now appears to be decreasing in use (17, p. 17).

Several methods are used in developing management personnel which overlap to varying degrees. On-the-job training, job rotation, understudy, and coaching are similar in many respects, and could be used concurrently. In discussing the types or methods of management development, a few aspects of the different types are considered.

On-the-job training.--The employee learns by doing. On the job he displays his competence for handling the details of each task and puts into practice his knowledge and experience from earlier situations. The employee will probably make many mistakes if he is not experienced, but if he is capable he will know how to correct them and find better procedures. When the employee has mastered his job then it will be possible to learn another and advance to more complex or more responsible positions.

There are several limitations to on-the-job training. A few, as already mentioned, are the deficiencies in the:

ability to communicate effectively, in the logical processes, and in breadth of view. Learning by trial and error is a lengthy process and mistakes could be costly. Without direction an employee may develop in ways which are not efficient or profitable to his future in the company.

Coaching.--Coaching by a superior of the person on the job provides experienced and seasoned direction. The extent to which people learn management skills and develop abilities on the job depends to a large part on the coaching of the employee's immediate superior. If the superior has little interest in the development of employees, has little time to devote to their needs, and does not give employees opportunity or responsibility, little growth in experience and abilities will result (11, p. 107).

Koontz (9, p. 362), in his book, Principles of Management, discusses some aspects of coaching.

Coaching subordinates is perhaps the most individual type of training. . . . Such a method requires, on the part of the subordinate manager, all the qualities managers should possess, a desire to act on his own responsibility, and an intuitive sense of timing in seeking guidance. The superior must be willing to delegate authority, take the time necessary to develop alternative ways of handling issues, refrain from telling how a job should be done, exercise patience, and forestall errors in an unobtrusive fashion.

Some advantages of coaching is the careful counseling and direction, learning by doing, and flexible assignments. Some disadvantages are those connected with informal programs. Also, some superiors are incapable of delegating authority

because of personal insecurity, distrust, or ignorance and can hardly be effective in a coaching situation.

Understudy.--The understudy method is closely connected with coaching, but usually there is a close relationship of the potential manager with a superior in a certain position. An understudy is an employee who is preparing or being prepared to fill a more responsible position and act for his superior in some of the more routine duties. He might be called an "assistant supervisor" or he may not have an official position as an understudy. The superior is a teacher; training can be tailored to the assistant's needs, and assignments can be made to test his judgment.

The trainee should be competent, having intelligence, initiative, leadership qualities, job knowledge, and reliability. Success depends in large part upon the immediate superior to whom the subordinate is responsible. The superior must be able to teach the understudy what he should know about the job. Some essential elements of the understudy method are (16, p. 25):

1. Subordinates must be given opportunities to perform.
2. The superior must counsel subordinates, using the work situation as the framework for counseling.
3. The superior must create a team of his subordinates, sometimes described as motivations.
4. The relationship between superior and subordinates must be characterized as one of mutual confidence, a climate of confidence.
5. The superior must set the standards of performance.

The advantages of the understudy method have been stated in three categories (1, p. 247):

Advantages to the supervisor:

1. Freedom for own development for jobs ahead;
2. More time for planning and study of present job;
3. Better chance for time off;
4. Satisfaction of helping others;
5. Less worry and nerve strain;
6. Relieves him of details;
7. Reputation as a good organizer;
8. Helpful ideas from understudy;

Advantages to the understudy:

1. Opportunity for special training;
2. Placed in line for promotion;
3. Recognition as a "comer"--prestige;
4. Chance for supervisory experience;
5. Lends variety to job;
6. Develops sense of responsibility;

Advantages to the organization:

1. Uninterrupted flow of work;
2. Less loss of time;
3. Less spoilage of materials;
4. Reputation for good management;
5. Better morale;
6. No need to recruit from the outside;
7. Insurance against labor turnover.

Some possible disadvantages of the understudy method are (20, p. 248): the failure of the superior to teach properly; his lack of understanding of the trainee's needs; authoritarian-minded, and feeling of being forced into the training relationship. Often the understudy does not rise above his superior and upgrading does not exist in the company.

Job rotation.--Job rotation refers to a plan according to which men receive diversified training. Several situations might be used in this method of development: rotation among non-supervisory work positions, observational assignments,

in assistant manager positions; and for varying lengths of time.

Systematic job rotation is one method of giving management men executive experience and a broader understanding of the business as a whole. Job rotation is the planned movement of men from one job to another for the purpose of developing their skills and understandings (11, p. 102). The program requires a strong coordinator who has executive prestige. The jobs should be carefully chosen to give a well-rounded background to the individual. His needs, educational background, business experience, and demonstrated ability should be considered in the selection of positions. Not all trainees will need the same experience and background training.

The details of the program, with proper sequences, general paths of progression and the particular timing and combinations of various methods and techniques of learning and development will vary with the size and type of company (13, p. 25). But in most company programs specialization is avoided in the job rotation plans, the objective being to develop know-how, understanding and judgment in approaching and dealing with people and situations of many kinds.

Some of the advantages of job rotation are:

1. The method can be used with a small number of employees who are to be trained.
2. The trainee receives actual experience in a department, perhaps actually managing it; learns problems first hand and

practices decision making; gains experience in carrying responsibility.

3. The trainee learns the departmental viewpoints and forms interdepartmental relationships; introduces new ideas, and finds new challenges and interests.

4. Out of pocket costs are not as high as some other methods of development--few actual expenditures are required.

Some disadvantages might be listed that might accompany the job rotation method (3, p. 226).

1. The program takes much executive time, along with the time of other employees; it disrupts the schedule of the departments.

2. The program may cause a lowering of morale of the department because of salary differences, attitude of the trainee, or additional work to the regular employees.

3. The selection of appropriate positions is difficult.

4. The program is time consuming from the standpoint of the trainee. He may learn the details of the job in a short period of time but be forced to work at the position for a much longer time.

5. After the rotation is completed the trainee cannot be guaranteed a supervisory position.

Conference.--The conference method is a group exposure to ideas developed by some leader or speaker. Under the title of "conference" a variety of types of meetings have been placed. The conference method of development is thought of

as a series of regularly scheduled meetings that provide for guided discussion and presentation of information (1, p. 17). The number of persons participating in the conference may vary with different companies which use the plan, but is usually limited in order that the best exchange of ideas among the group may be obtained.

The conference may be for several purposes: informational, problem solving, communication, exchanging ideas, development of critical thinking and judgment, and building attitudes. Such a program needs an expert leader who helps to determine what is to be taught, skillfully integrates the ideas and experience of all members, and will lead the group to acceptance of what is taught (1, p. 104).

Some of the advantages of the conference method are:

1. The conference results in better communication, exchange of ideas, and information.
2. The conference brings together the experience, initiative, and judgment of all members of the group to solve problems and make plans for the future.
3. Active participation helps build attitudes and makes each member of management a vital part of the management team.
4. The method permits the use of advanced teaching techniques which train the individual for effectiveness and qualifies him for advancement.

Some disadvantages that might be in evidence in the conference approach are (9, p. 375):

1. Poor teaching methods and a leader who is incompetent to keep the discussion moving in an orderly manner and on the subject to be discussed may be a great waste of time.
2. There may be a failure to understand what can be taught by this method.
3. The group may be restricted in size and in subject matter.

Classwork.--Under the category of classwork are a number of variations of teaching methods. The class may be in or outside the company and the amount of work may range from listening to the instructor's lecture to group discussion and participation in the learning activity.

The class method involves the instruction of trainees by a qualified instructor. An educational approach is used which could be compared with the college classroom. Lectures usually cover one or more of three areas: general education, orientation to the company, and procedures and systems that are used in the company's operations. The subjects that are to be taught by this type of teaching are usually those which are not efficiently learned by other methods of training.

Some advantages of classroom training are (4, pp. 75-90):

1. Larger numbers of employees can be instructed in procedures and background information in shorter periods of time.
2. Training moves relatively fast; it is compact.

3. Specific skills or procedures and new ideas can be presented to a group efficiently.

Some disadvantages are:

1. Actual experiences in learning first hand are not achieved. Limited experience hinders the transference of thoughts from the teacher to the students.

2. Lectures may easily become dull and uninteresting.

Reading programs.--Many different types of programs might be considered a reading program. Obviously, it should not be expected to be used alone in the development of management personnel. Its use is justified in broadening the perspective of employees in the realm of current events which are taking place in their particular industry and those events outside the industry which influence the company. Also, the reading program can serve to give the employee a greater appreciation for his company's policies, procedures, and general management philosophy. He may have access to articles or books maintained in a company library concerning leadership techniques which will help him to do a better job in his own department.

Most reading programs are not planned or compulsory in any sense. Usually an opportunity to read is given employees who may take advantage of it if they wish.

Conclusions regarding methods.--Methods of management training have to be suited to the characteristics and peculiarities of the company. A method or combination of methods may be used to develop potential management personnel. The

combination of methods might offer a more varied program and eliminate some of the deficiencies which would exist if one method were used. Some conclusions are:

1. Advantages of group training are in the areas of communication, the logical processes, and in breadth of view.
2. Skills that can be taught best by informal methods are along the lines of job knowledge, personal characteristics, efficiency, and leadership techniques.
3. The degree of formality to which a program is used depends upon the needs of the company and its characteristics.
4. In formal or informal programs, participants are usually not designated as "trainees."
5. Each method of management development has its advantages and disadvantages. The disadvantages may be limited somewhat by using several methods of development activities.
6. Methods commonly used are: on-the-job training, coaching, understudy, job rotation, conference, classwork, and reading programs.

Evaluation and Follow-Up

Evaluation.--Getting an accurate measurement of the effectiveness of the training activities is difficult for any company. With an accurate measuring device and evaluation of the training program the company has a sound basis for continuing the methods used or using other methods for development.

The results of the training program should be measured with the objectives which were set up at the beginning of the program. If the goals were reached, the effort might be considered worth while. Some type of evaluation should be required at the completion of every training program. An evaluation would indicate areas in which the trainee needs review and repetition and would point out opportunities for advanced training where present goals have been achieved.

There are six primary methods of evaluating trainees (5, p. 411). These methods are:

1. Measurement, or at least enumeration, of improvements that appear after training.
2. Recording the regularity of attendance at training classes and the number and insistence of requests for more training.
3. Tabulation and analysis of opinions--given either by trainees or by their superiors--through questionnaires, interviews or formal discussions.
4. Tests--paper and pencil tests or actual on-the-job tryouts.
5. Measurement or observation of the degree to which the teaching follows the laws and conditions of learning.
6. Determination of the amount of training accomplished in terms of hours in class and ground covered.

A "before and after" evaluation of training presents a measurement of some particular performance. An analysis of the results reveals the effect of training on the individual. Evaluation of the program should be made immediately, before other factors enter in. The employee should be aware of the benefits of the program and be able to apply his new knowledge to his job. He should also know how he can further develop his abilities. Research in learning has proved that betterment

comes almost rapidly when one knows where he stands and how he is progressing (5, p. 421).

Follow-up.--When a man assumes a supervisory position he has to begin immediately to demonstrate that he can handle the job and be a leader. He will in most cases have the backing of management since management put him there and has a certain responsibility to show that they did make a wise choice. Fellow supervisors will generally give the new management member friendly advice and help.

New supervisors.--Usually the graduate of the development program will start as an "assistant to" employee, learning the more routine work at first and progressing daily to the more complex duties. McLarney (12, p. 101) gives some suggestions for the new management employee. He should:

1. Make haste slowly;
2. Make sure he knows the extent of his authority and responsibility;
3. Find out why things are as they are;
4. Try to get a line on his workers from other supervisors or from the former supervisor;
5. Try to win over the natural leaders of the workers;
6. Make friends with the other supervisors; get their advice;
7. Work closely with the subordinates; get their confidence;
8. Make decisions carefully;
9. Try to find out how the previous supervisor operated;
10. Take a friendly interest in everyone from the start;
11. Give more than you take;
12. Operate according to the principles of good management.

Guides for superiors.--McLarney (12, p. 265) also lists principles for getting new supervisors started. The superior should:

1. Start him on some of the more routine activities;
2. As soon as possible, give him complete authority and responsibility for some phase of the work--give him some task he can call his own;
3. Show him how some of the management problems are analyzed and solved;
4. Show him how to plan his work;
5. Let him know the present extent of his authority and responsibility;
6. Let him know what will be the full extent of his authority and responsibility;
7. Increase his authority and responsibility gradually;
8. Keep others informed of his authority and responsibility;
9. Correct his mistakes as they occur and show him how they should be handled;
10. Keep him advised of the superior's problems;
11. Get him acquainted with the superior's associates and boss;
12. Teach him to come to his superior with decisions instead of for decisions;
13. Protect him from short circuiting;
14. Back him up.

William B. Given, Jr., (6, p. 79) states, "One of the most important factors in the development of people is the realization by the individual that if he does a good job it will be recognized."

Conclusions regarding evaluation and follow-up.--One of the greatest hindrances to evaluation of development activities is the lack of an accurate measuring device. But measurement of the effectiveness of the program should be made, and the graduate of the program helped in adjusting to his job. He should also be aided in applying what he has learned to the actual situation. Other conclusions are:

1. The objectives of the program should be used as a yardstick in measuring the effectiveness of the development program.
2. The evaluation would serve to indicate areas in which the trainee needs review and repetition, and also would point out areas for further study.
3. Some methods of evaluation are: (a) measurement of improvements that appear after training, (b) opinions of trainees or their supervisor, (c) tests or actual on-the-job tryouts, (d) observation of the degree to which the teaching follows the principles of learning; and (e) the amount of training accomplished in terms of hours in class and courses covered.
4. Evaluation should be made as soon after the training program as possible before outside factors influence the results.
5. The employee should know where he stands and how he is progressing. His responsibility for the job and relationships with others in various positions need to be known.
6. The graduate of the training program on his new job will generally have the support of management and will also need the help of fellow supervisors.

Management Development in Food Store Chains

No specific reference to elements of management development in food store chains was found in articles and books

pertaining to development in North Texas State College Library. The logical application of the elements of management development in general to the special characteristics of food store chains is considered in this section. From these considerations, the types of information to be secured from the food store chains were decided.

Purposes of Development in Food Store Chains

The purpose of management development in food store chains is probably very similar to the purposes of companies in other types of business. The basic objective would likely be to develop attitudes and management techniques applicable to present and future jobs for better and more profitable company operations. Chains might consider their employees an asset and consider their growth and development valuable to company operations both at the present time and especially in the future of the company.

The typical food store might have several management positions: store manager, assistant manager, from two to four departmental managers, and possibly more positions in the larger stores. In a group of stores, centrally owned and managed, there is likely a need for men who are able to step into these management positions, especially when there is a large number of stores and when the turnover rate is relatively high in store management positions. The purpose of management development in food store chains might be specifically to

develop qualified men to fill vacancies and to improve their efficiency on the job.

Selection of Participants in Food Store Chains

The purpose of development is the primary consideration in determining the number of participants. The needs of the firm for management personnel must be considered, and these needs must be met either through a formal or an informal program. If a formal program is in operation within the company to train men for more responsible positions, several factors should be considered. Training extra men by a formal training program for assistant or store management positions that will probably not be open in the near future will likely result in dissatisfaction and terminations that are costly to the company. However, a reservoir of capable men in the process of training should be maintained to fill the managerial needs of the company, at any specific time.

As in other companies, the food chain likes to promote from within because of the better employee relationship and employee efficiency. A difficulty probably encountered in food stores is the lack of employees with management potential. This situation can be improved when proper emphasis is given to intelligent selection of employees.

It is not always possible to promote from within. Sources of employees that may be used are colleges and other companies. These employees need not be given managerial positions, but

might be employed as regular employees and considered as part of the group when selection for promotion takes place. The practice of food store chains regarding employing personnel from other stores is a point that shall be asked in the interview of chains. A personnel inventory of promotable employees should be maintained and kept up to date. Personal qualities and work performance records might be analyzed and used profitably in developing employees in their weak points.

Time Element in Development in Food Store Chains

The need for management personnel in the organization appears to be a determining factor in the length of time the management development activities are used. If an adequate number of replacements are available to fill estimated vacancies, development might be on a long-range basis. Expansion and large turnover in the company are factors that might necessitate more intensive, short-term development activities.

The individual being developed, his rate of learning, his present knowledge, and the subject areas he is to learn are important factors in determining the length of time he is to be in the process of development. In food stores, it seems logical that a large portion of development takes place on the job, which is time consuming. Other methods of development such as classwork and conferences may speed up the process.

Some development activities are costly to conduct. Training materials, prepared courses, time of the executives and

employees may be expensive in some methods of development. The out-of-pocket expense may limit the length of some development activities.

Subject Matter in Food Store Chain Development

In management training programs specific subjects or topics are studied or discussed, while in many cases in the informal methods of management development in food stores, it would be probable that subject or subject areas are given little consideration. The subject areas would likely be covered in an informal way through regular on-the-job training and by discussions and suggestions of superiors.

Subject areas in food store chain's management development program, whether formal or informal, might be put in one of the following categories:

1. Store operating procedures;
2. Human relations skills;
3. Customer relations;
4. Broad background in company objectives, policies, and work of other departments.

Although some overlapping exists in the foregoing categories, each area appears to be significant in chain store operation.

Methods of Management Development in Chain Food Stores

Because of the characteristics of the food store chain, on-the-job training appears the most logical method of

development in food stores. Experience on the job gives employees the actual feel of the business. They learn first hand how the business functions and how they fit into the operations.

While an employee is learning on the job he might receive coaching from the manager, assistant manager or a department head. Thus his on-the-job learning would be directed to those areas which are more important to his development.

An employee might become an understudy to a person in a departmental, assistant, or store manager position. He may perform regular duties closely connected with the position he is observing and work into the job gradually.

Employees may change jobs within the store in the various departments or they may work in several stores, gaining experience and ideas from personnel in different departments and stores. The job rotation program might be within a department, initiated by the department manager; or the program might be one of planned progression, designed to give employees a sequence of experiences that will give him the background for additional responsibility.

The conference method of development is useful in communicating between higher levels of supervision and the levels of store management personnel. A limiting factor in its usefulness in development might be the tendency to have one-way communication and lectures, rather than an exchange of ideas

and discussions. The conference might be used in many chains for discussing problems and sales, with emphasis given to development occasionally.

Classes in company background, store operating procedures, management skills, and customer relations help speed up the development process and present new ideas and principles that can be practiced on the job.

Trade publications, company manuals, and management books may be provided the employee for individual development. They are broadening and beneficial when used.

The use of these methods in development should be determined by the characteristics of the company, including the number and size of the stores and its needs for management personnel for vacancies created by turnover and expansion.

Evaluation and Follow-Up of Development in Food Store Chains

Careful planning and measurement of development activities would be beneficial to food store chains as with other businesses. When a phase of development has been complete, an evaluation of its results should be made. In this way, analysis can be made of the program's effectiveness and weaknesses, enabling the organization to make improvements.

If the objectives of the program have been reached, the program may be termed a success. A food store chain might evaluate its effectiveness in developing management personnel in several ways. Some of these methods are:

1. By records of individual work performance;
2. Summary of training received;
3. Observation of employee attitudes and personal qualities; and
4. Observation of the employee before and after a particular phase of development.

Development is never completed, though some phases or activities may be completed.

The Interview Form

The interview form to be described below is designed to gather information from food store chains regarding their management development practices. The questions were drawn from the conclusions reached in the first two sections of this chapter regarding the elements of management development which seem especially applicable to food store chains.

The interview form does not follow exactly the pattern in which the elements of management development have been discussed because of the consideration given to logical sequence from the standpoint of the interview.

Some of the more detailed considerations of the elements of management development were not asked in the interview form because of the anticipated difficulty in gathering information and time limitations of the actual interviewing. However, it was possible to delve into many of these in individual interviews where they seemed to be involved in certain chains.

A few questions which might have been asked were omitted because they were believed to be common to almost all food store chains. For example, the general purpose of development activities would be to develop employees for better work performance and to improve management skills.

Specific questions are as follows:

1. "How many retail stores does the company operate?"

In the case of the large national chains, the number of stores in the division was wanted. The area in which the stores are operated and the approximate number of full-time store employees was asked.

2. "Is one person given central responsibility for developing store personnel throughout the entire organization-- or on a separate divisional basis?" The position of persons responsible for developing management people was sought.

3. "What methods are used by your company at the present time to develop store management personnel?" Several methods of development were listed with alternatives of "None" and space for other methods to be listed and explained was available. Several of the methods listed overlapped somewhat in order that the people interviewed might answer the question by what they considered more accurately described their method of development.

4. "How long has there been a management development program in operation within your organization?" Of course,

many companies do not consider they have a program of management development, while others might answer, "from the beginning of the company," although no particular methods are used. If no program of development was in operation, the person would be asked when attention or emphasis was given to management development in the company.

Other parts of the question were: "What methods of development have been previously used? When? And why the change?" Then, "Among the various methods used, which seems to offer most in terms of an efficient development program?" "Why?" If no further methods were used, the people would be asked if they thought the method being used was effective and why.

"What factors are expected in the future that will influence management development in your company?" This was a general question included to find what problems the companies will expect to face or changes that might have to be made regarding the development of management personnel.

5. "What are the prerequisites for promotion to the following positions: store manager; assistant manager; departmental manager; other positions?" The necessary qualifications of the person promoted to these positions and the lines of promotion used, if any, were sought.

6. "How is potential of the prospective management trainee measured? By actual contributions, personal characteristics?" The people interviewed were to list the factors under both

headings which were measured when selecting prospective management personnel.

"How does length of time with the company affect promotion?" The general statement of policy regarding time was sought and next the person was asked about promotion practice in a certain situation. "If a person with potential, who was formerly an assistant manager or store manager with another company, applied for a position in the company and was employed, how would he advance in relation to regular employees?" This question was asked to clarify the statement of policy concerning time with the company and promotion.

7. "To what extent do various personnel participate in developing people in the following positions: store manager, assistant manager, departmental manager, potential management people?" The question sought to determine what personnel participated in the development and if any particular phase of development was emphasized.

8. "What subject areas are covered in your management development program?" A list of areas was provided which included: store operating procedures; human relations skills; customer relations; broad background in company objectives; policies, and work of other departments. Space was provided for other subject areas. An attempt was to be made to find if any subjects were emphasized more than others or if some were handled differently.

9. "If aids were furnished individual store managers for development of management trainees, what are these aids?" Was printed material, suggestions, or other helps furnished the stores? This question might also supplement number three of the form pertaining to methods of development.

10. "How does the company evaluate its effectiveness in developing management personnel?" If an attempt was made to evaluate the effectiveness of the development activities, what methods were used? Persons answering the questionnaire were to be encouraged to state in their own words the method of evaluation used in their company. A list was also included with the question which contained some methods of evaluation. They were: records of individual work performance and potential, summary of training received, observation of employee attitude and personal qualities, observation of the employee before and after a particular phase of development; and space was provided for writing in other methods used.

11. "Approximately how many vacancies were filled in assistant manager and store manager positions in your company last year?" How many promotions are expected to these positions this year because of the usual turnover and expansion?" These questions were asked in order to arrive at a figure that would indicate the number of management personnel needed in the past and estimate the number that might be needed in the near future.

A section for comments was included at the end of the interview form.

Copy of Interview Form

1. How many retail stores does the company operate? _____
 (area)
 What is the approximate number of full time store employees?
2. Is one person given central responsibility for developing store personnel throughout the entire organization--or on a separate divisional basis? Please describe the arrangement briefly.
3. What methods are used by your company at the present time to develop store management personnel? Please describe.

- ___ Understudy
 ___ Coaching
 ___ Job rotation
 ___ On the job
 ___ Classes
 ___ Home office training
 ___ Conferences
 ___ College courses
 ___ Night classes
 ___ Reading program
 ___ None
 ___ Other methods (please list)
-
-

4. How long has there been a management development program in operation within your organization?

What methods of development have been previously used?
 (method) (when?) (why the change?)

Among the various methods used, which seems to offer most in terms of an efficient development program? Please state why.

Copy of Interview Form

page 2

What factors are expected in the future that will influence management development in your company? (problems)

5. What are the prerequisites for promotion to the following positions?

Store manager

Assistant manager

Departmental manager

Other positions

6. How is potential of the prospective managerial person measured? Please explain.

a. Actual contributions?

b. Personal characteristics?

How does length of time with the company affect promotion?

If a person with potential, who was formerly an assistant manager or store manager with another company, applied for a position in the company and was employed, how would he advance in relation to regular employees?

Copy of Interview Form

page 3

7. To what extent do various personnel participate in developing people in the following positions?

Store managers

Assistant managers

Departmental managers

Potential management people

8. What subject areas are covered in your management development program?

- Store operating procedures
 - Human relations skills
 - Customer relations
 - Broad background in company objectives, policies, and work of other departments
 - Others (please list)
-
-

9. If aids are furnished individual store managers for development of management trainees, what are these aids?

Copy of Interview Form page 4

10. How does the company evaluate its effectiveness in developing management personnel?

- Records of individual work performance and potential
 Summary of training received
 Observation of employee attitude and personal qualities
 Observation of the employee before and after a particular phase of development
 None
 Other (please list)
-
-

11. Approximately how many vacancies were filled in assistant manager and store manager positions in your company last year?

- a. Store managers b. Assistant managers

How many promotions are expected to these positions this year because of the usual turnover and expansion?

- a. Store managers b. Assistant managers

COMMENTS:

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CHAPTER III

MANAGEMENT DEVELOPMENT PRACTICES

Case studies of the fourteen food store chains are presented in this chapter. Each case follows the general pattern of the interview form except in some instances when continuity of thought along a particular line necessitated a departure from the regular pattern. Some of the statements and terms used by the person interviewed are used in the case study. In some cases actual quotations of the people appear in the write-up to express the feelings of the people who direct the company.

The size of the company and the amount of time allowed by the executive of the company for the interview appeared to be correlated. The three largest companies' executives each spent approximately two hours for the interview, while the smaller companies' executives each averaged from thirty to forty-five minutes, with some smaller ones giving fifteen to twenty minutes to the interview. The two companies not included in the survey were in the small local chain category, one having ten stores and the other having seven stores. This correlation may be explained to some extent because of the limited management development activities of some of the

smaller stores, but this was not the situation in all the cases of the smaller stores.

Because of time limitation, the executives of the food stores did not give full information concerning the companies' development activities. Some of the case studies are more complete than others, but in each study the main elements are presented.

Company A

This company is a large national chain which has its food stores divided into regional units with a unit office in the North Texas area. There are about 107 stores in the unit which includes the states of Texas, Louisiana, Oklahoma, and Arkansas. There are approximately 2,200 full time store employees, averaging twenty people per store.

Ten supervisors in the unit are over ten or eleven stores each. Each one has the responsibility for preparing men for management positions and for maintaining an adequate reserve of qualified management personnel in his district. When a vacancy does exist in one territory which cannot be filled from within, a person is transferred from another territory.

The company relies upon on-the-job training for the development of management people. This method includes the use of the understudy, coaching, and job rotation. Employees learn on the job with the person over them in the store coaching them individually. Men are rotated within the departments

of the store and are sent to different stores for several weeks after they have shown their ability to advance.

The development of management personnel has been important in the company almost from the beginning. Its policy of promotion from within necessitates the adequate preparation of management prospects to fill all positions in the company. Training classes were held in the unit from 1950 to 1952. They consisted of store operating procedures for store employees and for those in management positions. A change in policy, brought about by the completion of a phase of training, expenses of the program, and the limited number of trainees, brought an end to this training program. It is possible that similar training may be done in the future, but no immediate prospects are seen.

Executives in the company prefer on-the-job training for developing management personnel and are in favor of using a management training program that would coincide with the employee's on-the-job training. They stated that on-the-job training takes a long time and development could be speeded up with a training program.

The executives of the company believe that one of the main problems facing all companies in the food industry is obtaining and retaining the right type of people. In the future more prestige will need to be given store personnel, especially to those in assistant manager and manager positions. One executive said the competitive situation will cause the

chains to install intensive development programs in order to get the right type of people.

No outsiders are hired for any important positions in the company. The prospective employee must have a fairly good education, usually high school, and college work is encouraged. The employee must be personable, with a normal amount of intelligence. People who are in management positions are those who show initiative, personality, are able to handle and work with people, have a satisfactory past experience with the company, and are above average in most of their abilities. The qualifications of assistant managers, third men, and departmental managers are not as strict as those for store manager; usually less experience in the company is required.

A person's potential for managerial responsibility is considered at the time of employment. If he is considered to be able to assume a managerial position in the future, he may be hired. His ability to meet and get along with people is considered as being very important in determining how far a person may advance in the company.

Seniority is not a basis for promotion and each man has the same opportunity for promotion to any position in the store. No set length of time is required before a person is eligible for promotion to an assistant manager or manager position, but usually a person must have been with the company about three and one-half years to become assistant manager and

from five to ten years to be promoted to store manager. Exceptions have been made to this average length of time.

If a person who was formerly a store manager or assistant store manager with another company was hired, he would be employed as a clerk. He would have to prove his ability and be able to adapt himself to the operating procedures of this company before he is considered for promotion.

Development begins with the store supervisor who coaches and makes suggestions to the store and assistant managers. He sees that the necessary development and training in the store is done. All key personnel train and prepare men under them to fill their jobs. The company also has supervisors over the meat and produce departments in the stores. Their responsibility for development is similar to that of the store supervisor. All store management personnel coach potential management people, which usually includes all store employees.

Store operating procedures, human relations skills, and customer relations are stressed in the development program. Printed material dealing with company policy and procedures, public relations, and sales promotions are sent to the stores. Manuals are maintained and bulletin board material is used.

The company makes extensive use of evaluation forms for each employee, who is rated at six month intervals. The evaluation is made by the store manager and is discussed with the employee and with the supervisor. Evaluation of development is made by observation of the employee's attitudes and personal

qualities, and by records of individual work performance and potential.

In 1954, in the unit, four manager positions were opened because of new stores and retirement, and five assistant manager positions were filled. Military service has its effect on the turnover in assistant manager positions.

In 1955 the executives of the company estimated there will be six store managers and about eight assistant managers needed to fill probable vacancies. There will be two new stores in the unit; the other vacancies will be caused by terminations for different reasons.

Company B

There are 108 food stores in the zone of this chain which includes the North Texas area. The zone covers the state of Texas with the exception of parts of West Texas and South Texas. There are about 2,000 full time store employees, an average of eighteen per store. The zone is divided into six districts, each supervised by a district manager who reports to the zone retail operations manager. Location managers and relief location managers operate the stores.

Responsibility for developing management people is delegated along the organizational lines of the company and each executive has a part in the development of personnel. The employee relations manager coordinates the training activities.

The district manager and location manager are primarily responsible for developing store management personnel.

On-the-job training and job rotation are the methods used in developing management people. The employees learn by doing assignments that are given them. When an employee shows promise of being a manager, he is given a battery of tests. The results of the test, the employee's background, and personality are weighed in considering him for the job rotation program.

The job rotation program is designed to give the qualified employee broad experience in the backstage operation of the company and of the work of other departments, for approximately two weeks of observation. The entire program of job rotation, which includes working in several stores and some time spent as relief location manager, lasts usually from three to five years. The trainee must finish the program once it is begun. If he does not develop as he should, he is dismissed.

The trainee is not given a distinctive title or position in the company, and the training program is not discussed with him. He is considered a regular employee by all store personnel.

Management development has been given more emphasis in this company since 1945 because of the expansion of the company. Basically, the company feels that their approach to development has always been the same, although changes in store operations have been taking place. The same methods have been

used with more intensified job rotation being used in the last eighteen months.

The company is growing and in the process of modernizing store locations. This expansion program presents a problem to the company in selecting competent, qualified employees who can grow with the organization.

Employees who are considered management potential are expected to have at least a high school education and a college education is much preferred. They must have good health, no marked physical disabilities, a nice, clean appearance, and be alert and aggressive. How the employee advances depends on what he can get done. More attention is given to how he handles people rather than how much work he can do. The channel of promotion is usually from the relief location manager, but it is not unusual for a clerk to become location manager without first becoming relief location manager.

In measuring the potential of prospective managers, more attention is given to his actual contribution to the company. The employee is periodically evaluated and must maintain satisfactory work. Under the new job rotation program, the company feels that if the individual completes it, he is definitely management material. The employee must meet standards throughout the entire program in order to complete this phase of training.

Promotions are made from within, but time has nothing whatever to do with promotion. Seniority does not stand in the way of ability in the company. If a person came from another company where he was manager or assistant manager of a store, his past experience with the other company would be evaluated. If his experience was satisfactory, he would be employed at approximately the same rate he was making and would be considered with the regular employees for promotion. After employment, merit is considered in selecting employees for promotion.

The development of store personnel is the responsibility of the district manager and location manager primarily. Both of these people are responsible for developing the relief location manager. The location manager is given the responsibility for the successful operation of each department in the store and makes suggestions to people in those departments.

Guides and manuals are available in the stores for all employees and may be used in their homes overnight. These manuals are rather comprehensive and cover store operating procedures, human relations skills, customer relations, and company policies, objectives, and company background. Also, booklets containing information about the company and company policy are given each new employee.

The evaluation of the development program is made by observing the employee after a particular phase of development

and by the use of records of individual work performance and potential. An evaluation of the new job rotation program has not been made as yet. Three persons have been graduated and present indications point toward success of the program.

The company lost through terminations, fifteen relief location managers and ten location managers, approximately, in 1954. In that year four stores were opened. The relief location manager position is used in the process of development of potential managers. About twenty people were put in the relief location manager position for a period of time for the experience.

In 1955, ten stores are to be opened which will require the same number of location managers and relief location managers. It is estimated that approximately fifteen promotions will be made to both positions in 1955.

Company C

This company operates twenty-four retail stores in the North Texas area and employs approximately 935 full time store personnel. The retail units are large stores with the average number of employees being thirty-nine people.

Three supervisors are over the twenty-four stores. They have the responsibility of developing management personnel in the stores in their district.

The company uses several methods of developing store management personnel: coaching, job rotation, and conferences.

The job rotation program has been set up for college graduates who work in the produce, meat, and non-food departments for three months each and for six months or longer in the grocery department. At the end of the rotation program, the successful graduate is ready to assume an assistant manager position.

Store managers' meetings are held once a week, during the afternoon for about two hours. Topics for regular discussion concern last week's business and special promotions. The assistant managers and department heads have similar meetings which are held monthly.

Particular attention has been given the development of management personnel since 1945. Prior to that time on-the-job training has not been used. Because of expansion of the company and the need for more management personnel, the program of job rotation was initiated. The company believes the program has been proven successful in their operations.

Lack of the qualified manpower to develop is one of the problems facing the company. It is aware of a need to draw better men to the company, which the officials believe might be done as the working conditions in the food industry improve.

Management personnel need to be able to handle people and administrate, direct, and supervise. Sales consciousness, aggressiveness, and diplomacy are required. The management person must be a natural leader and ready to

change with the times. The store manager usually comes from the assistant manager position.

The potential of the prospective management person is determined by his general reactions in different situations, his loyalty, fairness, honesty, and actual work. He must be civic minded, have a good attitude, show initiative, and have a neat personal appearance.

A person has to work with the company for a reasonable period of time before he is promoted. When he has proven himself to the satisfaction of the company he is considered with the other personnel when vacancies are to be filled. It might be necessary at times to hire a person for a managerial position who was formerly a store manager or assistant manager with another company. A person has to work at least six months with the company before he could be promoted.

The supervisor, store manager, and assistant manager coach departmental managers and potential management people. The supervisor coaches the store manager, and with the store manager, develops the assistant manager.

Store operating procedures, human relations skills, and customer relations are taught managerial personnel through the conferences and by continuous counseling.

The methods used by the company for the evaluation of its effectiveness in developing management personnel are: records of individual work performance and potential; observation of employee attitude, personal qualities, and

reactions; and observation of the employee after a particular phase of development.

There were vacancies for about three store managers and six assistant managers in the company in 1954 because of new stores and terminations. In 1955, five stores are scheduled for opening. The company estimates its needs will be for four store managers and eight assistant managers.

Company D

There are twenty-one retail stores with approximately 500 full time store employees in this food chain. The average store has twenty-four employees.

The two supervisors, with the personnel manager and store managers are responsible for developing management personnel. Because of the closeness of the supervisors to the store operations, no set procedure is used in developing managers.

Understudy, job rotation, on-the-job training and conferences are the methods used in the company to develop store management people. Employees who show initiative are rotated within the store and then they work in several stores in order to gain experience under different managers. Managers attend occasional meetings throughout the year and teach classes for regular store employees a few times a year. On-the-job training is considered the most efficient method of developing store personnel. Other kinds of development activities are used when they are convenient, such as

attending lectures held outside the company concerning retailing or selling.

The company believes that more attention will be given in the future to the capability and adaptability of a manager in handling human relation situations, both involving customers and employees. Human relations is of more importance in this company than is the mechanics of running the store.

There is a dual management situation in the stores in this company--the store manager and meat manager are considered partners in the store operations. There is no assistant manager position; the duties are delegated to different employees which gives all qualified employees a chance for advancement.

A potential manager shows by his work performance that he has the ability to do good work. He must have a fairly good education, high school equivalent and preferably college work. He must have a neat appearance, the capacity for handling people, the willingness to work, interest in the job and in the company.

With two persons of equal ability, the person who has the most satisfactory past experience and seniority is promoted. If a person was hired who was formerly an assistant manager or manager of a store for another company, his opportunity for advancement would depend on his ability, his interest, and his ability to make himself valuable to the company.

Subjects taught in the classes for regular store employees cover store operating procedures, human relations skills, customer relations, and company policy. Sales manuals, lectures at the university in the city, and refresher courses are used to teach these subjects.

The manager evaluates the development of employees by observing their attitude and personal qualities and by using individual records of work performance.

In 1954 there were two store manager positions filled, one because of a new store. In 1955 three or four new stores are planned to be opened and will create that number of store managers. The executive interviewed estimated that probably one or two store manager positions will be open because of terminations.

Company E

This company operates sixteen food stores and employees approximately 250 store employees, an average of sixteen employees per store. These stores are located in one city.

The general manager of the company assumes the responsibility for developing management personnel. There are two training stores in which all new personnel are trained. The new employee works in all departments in both stores for a period of time ranging from two weeks to thirty days. But no particular program has been set up for developing managerial employees. The prospective management person usually

begins his preparation in the smaller stores and works up to the larger stores of the company.

Little thought had been given to developing management personnel until in the last three years. On-the-job training is the principal method used in development. In the future the company feels sure that more formal development activities will be installed.

A person who is considered for promotion to store manager receives the recommendations of officials of the company, the supervisor, and the store manager. The latter two recommendations are given considerable weight. Usually the store manager has previously been in the capacity of assistant manager.

A managerial prospect must be capable, have a "business head", and must have been successful in his previous job. He must have a good personality and have the ability to get along with people. The prospect has no certain length of time that he must work in the company before he can be promoted; but he must demonstrate his capability to do the work required of him. A former manager or assistant manager from another company would also have to prove himself and his capability before he is considered for promotion.

The supervisors and the general manager participate in developing managerial personnel in the store. The supervisors teach and discuss methods of store operation,

employee and customer relations, and suggests possible improvements to the managerial employees.

Managers of the stores attend super market meetings which are sponsored by a voluntary chain group. They also receive trade publications which are designed to keep them informed about the food field.

Evaluation of the employee is made by observing his attitudes and personal qualities, and by work performance records.

Five anticipated new stores in 1955 will require that many store managers and assistant managers for the stores. The company does not expect to have any vacancies because of terminations in those positions during the year. In 1954 there were no vacancies created by terminations, but two new stores created jobs for four management people.

Company F

Ten stores are in Company F, located in the North Texas area. There are 250 full time store employees, averaging twenty-five employees per store.

Three people are responsible for developing management personnel: the store supervisor, the meat and produce supervisors. The president of the company also participates in the development of store managers.

The company uses several methods of developing its management employees. First of all, checkers and other store

personnel are occasionally given training in store operating procedures at one of the stores. This training consists of short lectures given twice a week for several weeks.

Coaching and job rotation are the regular development methods used in the stores. Conferences are held with the managers and assistant managers about every two months.

Attention has been given management development in the company since about twenty years ago. Coaching on-the-job is preferred over the other methods used by the company. The president of the company believes that growth and development comes by the employee's working and learning on the job with direction given when it would be beneficial.

Promotion to management positions comes from satisfactory work performance. The store manager might previously have been an assistant manager or departmental manager, and before that a clerk.

Satisfactory work performance, desirable personal characteristics, and the capacity of the employee are the important determining factors in the promotion of an employee to a managerial position. The length of time a person has been with the company is important, but not as important as the foregoing factors. A person who had been a manager or assistant manager with another company and who was hired by the company, would work as a regular employee and would be considered with the others when selection is made for promotion to management positions.

The development of employees is delegated along the line from the supervisor, store manager, assistant, and departmental managers. Each man in these positions participates in coaching and developing the employees under him.

Printed material and bulletins are furnished weekly to the stores concerning store operating procedures and customer relations.

The company evaluates its effectiveness in developing management personnel by observing the employee's attitudes and personal qualities, and by observation after a particular phase of development. No set procedures are used in these observations.

The company had one promotion to an assistant manager position in 1954. In 1955 the company expects to have three promotions of assistant managers to store managers for new stores being opened. In all, promotions are expected to three assistant manager and three store manager positions.

Company G

This company has fourteen retail stores which are located in some of the smaller towns and cities in North Texas and Southern Oklahoma. There are approximately 135 store employees, averaging about ten employees per store.

The individual store managers are responsible for the development of employees within the store. They use coaching, job rotation, and understudy methods. Conferences are held occasionally for store managers.

The company feels it has always had a program of management development, and has improved that program in the last five years by adding the conference and job rotation methods. The owner of the company believes the most efficient methods for the company are the understudy and coaching techniques.

The owner believes that more and better education will be brought into the food industry by developing more interest in the field and broadening the incentives.

The store manager must be able to do book work connected with the store's operations; know every department, seasonal buying habits, how to merchandise, and detect theft and pilferage. Honesty and hard work rate high in the list of traits required of management personnel. Personality is also important. The assistant manager must be able to do the record keeping and have the same qualifications as the store manager, but is not given as much responsibility. Departmental managers must know buying, pricing, and merchandising.

A potential management person must be interested in the work, have a good attitude and ability, along with a good education. Honesty, personality, cleanliness, and judgment are also requirements for promotion. Length of time with the company does not affect promotion to an appreciable extent. If a person was hired who was formerly an assistant manager or store manager with another company, he would advance according to his ability and not according to the

length of time he was employed. The owner said, "Managers are hard to find and hard to train; very few people really have the ability to run the entire operation."

The development of managerial personnel is entirely the responsibility of the manager, who may delegate others to help. He develops potential managers, and with the assistant and departmental managers, develops all employees.

By the use of conferences and coaching, the subject areas including store operating procedures, human relations skills, and customer relations are taught prospective store managers. Also magazines and bulletins are distributed to the stores for broadening the perspectives of store personnel.

Evaluation of the effectiveness in developing management personnel is made by observing employee attitude and personal qualities, and by observing the employee after a particular phase of development.

About three to five vacancies will exist for management personnel in 1955, compared with about six in 1954. This figure included persons in both store manager and assistant manager positions.

Company H

This is a young chain organization with seven stores. There are ninety-two full time store employees in the company, an average of thirteen people per store.

The owner of the chain, the head supervisor, and the departmental supervisor direct the operations of the stores. The owner has the responsibility for developing store management personnel, but each of the supervisors assists in the actual development activities.

On-the-job training and classes are used in developing personnel. Classes in the operation of grocery, meat, and produce departments are conducted for regular employees in their respective departments. Prospective management personnel attend classes in all the departments. The owner, supervisors, and store managers conduct the classes, which are held at night during one week, usually once in each quarter.

Material for the training course is taken from the Super Market Institute's training course. It covers store operating procedures, human relations skills, and customer relations.

This training program has been in operation sixteen months. Prior to its installation, no methods other than on-the-job training were used. The owner would prefer training schools if the company were larger, but at the present this method would be too costly. Competition and growth of the company are expected to cause the company further expand its development activities.

The store manager, assistant manager (who is usually the grocery manager), and three departmental managers make

up the management personnel in the store. The store manager usually comes from the assistant manager position when promotion is made.

The potential of the prospective managerial employee is determined by observation and rating the employee's work performance and personal qualities. The rating form is prepared by the Super Market Institute.

There is no set length of time a person has to be employed in order to be considered for promotion to positions of importance within the store. The owner feels that an employee has to be with the company for a period of about one year before an adequate evaluation of the employee may be made. Promotions to fill managerial positions in the stores with people outside the organization have been necessary because of the growth of the company.

The supervisors and the owner participate in developing the store manager and assistant managers. The departmental supervisors also assist in developing store personnel under them. Store managers, assistant store managers, and departmental managers develop potential management people by the regular on-the-job activities. Each store has a store manager's guide for use in the development activities.

The company evaluates its effectiveness in developing management personnel by the use of the rating form. It hopes to use tests in the future.

Two store managers and two assistant managers were placed in those positions in 1954 because of new stores. The same number of positions are expected to be opened in 1955 because of new stores. Vacancies in these management positions because of terminations are not expected in 1955.

Company I

There are six food stores in this company with a total of ninety full time employees in the stores, an average of fifteen people per store.

The store manager is responsible for personnel development in his store. There is no set program for development. An employee learns on the job and is an understudy to the position just above him. Job rotation is used within the store for indefinite periods of time in the separate departments. The length of time an employee works in one department and the sequence of departments is decided by the store manager. Conferences are held irregularly with the store managers. The operations of the stores and current problems are the usual topics for discussion.

The development of personnel has always been by on-the-job training. No formal development activities have been used. The needs of the company for management personnel have been filled almost entirely from within the company, which occur, its present development program has been satisfactory. No changes in the method of developing store personnel are seen by the company at the present time.

Promotion in the company to store manager is made from assistant managers and sometimes from departmental managers. The assistant and departmental managers are promoted from regular employees. Management personnel must have the ability to direct employees, must be cooperative, friendly with customers and know the store operations. He must also have a nice, neat, clean appearance, have integrity, and be honest.

Length of time does not have too much to do with promotion; ability and previous experience are more important factors. A person with experience outside the company, if employed, might be placed in the store as an assistant manager or department manager and would then be considered with other employees for promotion to store manager.

The owners, who supervise the stores, develop store managers and assistant managers, and to a lesser extent, develop departmental managers. The store manager participates in the development of assistant managers and departmental managers, as well as other potential management personnel.

Specific subject areas are not covered by the program, except as they might come up in the day-to-day relationship of the employee and his superiors. Store managers receive trade publications and Super Market Institute bulletins.

No attempt has been made to evaluate the company's effectiveness in developing management personnel. In so far

as hiring managers from the outside has not been necessary, the development activities have been satisfactory.

In 1954 there were vacancies in the organization of one assistant manager and one store manager position because of retirement. In 1955 the company does not anticipate any vacancies in these positions, but might expect possibly one assistant manager position to be vacant because of termination.

Company J

Four stores with approximately 200 full time store employees, an average of fifty people per store, are included in this chain. The stores are open twenty-four hours a day, which would be the equivalent of twelve seventeen employee shifts. There are two store managers for each store.

The general manager directs the operations of the four stores and selects the management personnel. The two store managers in each store are responsible for developing the employees who work with them.

No formal method of development is used by the company. The managerial personnel learn by experience on-the-job, and by the example of people over them. The general manager of the company referred to the organization as a "freak operation" with unorthodox methods. Development in the company was a matter of service with the company and directed learning on-the-job.

The store managers and assistant managers have to possess ability and intelligence, the assistant managers to a lesser degree than that required of the managers.

An employee's personal characteristics are important in managerial positions. Because the company stresses personal service and wants a friendly atmosphere, the manager must be able to handle the public, meet people, know how to cash their checks; be intelligent, honest, and have good moral character. He must be a good mixer and watch the customer to see that she is satisfied.

Length of time with the company makes the employee eligible for promotion, but promotion is made according to ability. No set procedures are followed for promoting. Promotions are made by the general manager's judgment and are quite flexible.

Development of managerial personnel is left up to the individual store manager. Development activities are not considered consciously as a phase of operating the business, customer relations being the only subject area stressed in development.

No aids are furnished individual store managers and the company does not attempt to evaluate its effectiveness in developing store management personnel. The company considers itself flexible and does not tie itself down with set procedures. Since the business has been profitable, the company sees no immediate change in plans for a program of management development.

In 1954 there were approximately five or six assistant manager vacancies filled and the same number of store manager positions. These vacancies were created through various causes and are expected to be about the same number this year.

Company K

This company is a "drive-in" concern which operates approximately 200 stores, located in several of the larger cities in Texas. About 450 people are employed in the stores on a full time basis, averaging two people per store.

A division consists of the stores in one city, and a division manager directs the business operations in the territory. Under the division manager is the supervisor and store manager. The division manager is responsible for the development of management personnel in his division.

Aptitude tests are given new employees and they begin training in store operating procedures in special training stores. After this training period, select men are trained specifically in managing a store and in human relations skills. Training courses are conducted by the supervisors once a week for a period of several weeks.

The development of managers has been important in the company for many years, but until the present program was installed in the beginning of 1955 there were no set programs for management development. The company prefers the method it is now using in developing its personnel. The

development activities are flexible and new techniques may be tried, but no major changes are contemplated in the near future. A factor which influences management development in the company is keeping abreast of competition.

In the stores are the manager and his helper; in some stores there is a third man. The manager of the store usually begins with the company as a helper. His experience, capacity, and training qualify him for the store manager position. The helper, or assistant manager, must have experience and training, but is not expected to be as qualified as the store manager.

Potential of prospective management personnel is determined by the aptitude test results and by observation by the supervisor.

Length of time with the company is usually not considered in making selection for promotions. Ability of the men is the main factor which is considered. How fast a man advances depends on his ability as compared with ability of other persons who are qualified for promotion.

A man who was formerly an assistant manager or store manager in another company, if employed by this company, would advance according to how well he performed. The official of the company pointed out that the operations of the larger stores and the "drive-in" were quite different and that a person from another company would have to adapt himself to the different situation.

Although the division manager is responsible for the development of store management personnel, the supervisors participate in the development activities of teaching in the training stores and coaching store managers and personnel.

Store operating procedures, human relations skills, and customer relations are covered in the development activities. The qualities of a good salesman and cleanliness are also stressed.

Each division manager evaluates the individual by examining records of individual work performance and by observing the employee after he has been trained in the special stores.

New stores are going into operation at a fast pace in this company. In 1954 there were an estimated forty-five new stores and the same number is expected in 1955. This expansion will create vacancies for a few assistant managers as well as store managers.

Company L

This company operates thirty-seven "drive-ins" in two cities. They employ approximately 125 full time store employees, an average of three people per store. The stores are divided into four groups, each one under a supervisor. The personnel director is responsible for the development of store personnel.

Conferences are held monthly for an hour and a half for the manager and assistant manager and occasionally for the

third man also. Employee relations and sales training are the main subjects of the conference. The company also subscribes to a weekly employee relations periodical for its management personnel. The periodical deals with day-to-day employee relations.

The company's manager trainee program at the present time consists of from three to five trainees who are in the process of job rotation. The length of the program is three months and the details are planned by the supervisor. During this time the trainee is directly responsible to the supervisor and is an understudy to him. While he is training, the trainee receives a higher salary than the regular employee.

This program has been in use approximately one year. Prior to this program, no formal training was used, only occasional meetings. The company feels that its manager trainee program has been effective in obtaining and maintaining the right type of person. One of the company's main problems is that of keeping enough good men on hand to work into the manager positions of new stores.

A person in the store manager position must have a sense of responsibility, the right customer approach, the ability to do the bookkeeping connected with the store, and must have a good education, generally a high school diploma. His honesty must be unquestionable and he must have good personal habits. An assistant manager must possess these

same qualities and capacity, but is usually a younger man with less experience.

Potential of the prospective manager is determined by an evaluation at the end of the ninety day training period. A rating sheet is used by the supervisor to measure the performance of the prospect, which is compared with the standards prescribed.

Length of time with the company has little to do with promotion in the company. Usually the older person is considered for advancement rather than the younger person, other factors being equal. If a person began working with the company who was formerly a manager or assistant manager with another company, before being promoted to store manager he must prove himself adaptable and must fit his line of thinking to that of the company. Since the operations of the "drive-ins" and the supermarket type chains are somewhat different, a person from the larger store would have to be able to perform and prove himself before promotion is considered.

Supervisors and store managers participate in developing store personnel. The manager is encouraged to develop the people under him.

Human relations skills and store operating procedures are the main subject areas covered in management development activities. Other subjects are covered in the monthly meetings of the store personnel and by the advice and suggestions of the store supervisors.

The company evaluates its management personnel development by the use of observation of the employee's personal characteristics and by ratings of individual work performance. The supervisor keeps a record of the training each employee has received and may recommend additional training for an individual.

In 1954, approximately twelve store managers and twelve assistant managers were promoted to those positions. Twelve of these vacancies were because of six new stores and twelve were because of terminations relating to incompetence. In 1955, five new stores are planned to be opened, which will create five vacancies in each of the two positions. No estimate of vacancies created by terminations was made.

Company M

This company is a small "drive-in" chain of six stores, all located in one city. There are twelve full time store employees, six managers and six helpers, in the stores.

The owner supervises all operations of the chain and selects employees. He feels that all the employees are qualified to run the stores. The employees develop through on-the-job training which he receives every day and by the coaching of the owner. The store manager has no responsibility for developing his helper and he does no coaching of store personnel.

The company has had no formal development program and little attention has been given to the development of managers.

The owner feels that changes will not have to be made in the way of developing management personnel.

Personality is the main factor an employee must have in this company; other qualities are less significant. Promotion in the company is determined by the owner, who places a great deal of importance on the length of time a person has been employed. No definite promotion policy is used.

The owner does all the development activities in the company. No certain subject areas are covered and no aids are furnished store managers. The owner said, "Whatever they know, I tell them."

There were no vacancies in the store manager positions in 1954. In 1955, two stores are scheduled for opening, which will necessitate the filling of two manager positions, from within the company.

Company N

There are five "drive-in" type stores in this company with a total of from twelve to fifteen full time store employees, averaging about three employees per store. In about three of these stores, a man and his wife operate the store.

The supervisor is responsible for the development of store personnel, which consists mostly of selection and occasional coaching. There are no particular development activities. The store manager is independent in his store

as far as developing the people under him. Because of the size and type of business and because it does not anticipate an expansion, they do not give much attention to development.

When a vacancy in the store manager position occurs, a person is hired for that position. Experience and references are required of the prospective manager. Vacancies in store manager positions are very infrequent. One person was hired in 1954 for store manager because of the retirement of the manager. No vacancies are expected in 1955.

CHAPTER IV

MANAGEMENT DEVELOPMENT IN THE NORTH TEXAS AREA FOOD STORE CHAINS

This chapter consists of the analysis of management development in the North Texas area food store chains, conclusions reached, and recommendations.

Data collected from the interviews were presented in case write-ups in Chapter III and are summarized in Table I and Table II of Chapter IV. In Table I, information concerning characteristics and practices of development of fourteen companies is presented. Table II is a list of qualities the companies look for in management personnel. The information included in these tables and possible correlations among different characteristics are noted.

Conclusions regarding management development in the food store chains in the survey are stated after the analysis.

Recommendations make up the third section of this chapter.

Analysis of Management Development

This section is presented in three parts. The first includes explanations of individual company data, responsibility for development, participation in development, methods used, methods preferred, subject areas covered, methods of

evaluation, qualities of management personnel, and factors influencing development.

The second part of this section is an analysis of development practices which relates the size of the companies, the number of vacancies, the development methods actually used, and the methods preferred in the development of store management personnel.

Explanation of Findings on Management Development

Company data.--The four classes of food store chains used in the survey were: national, large local, small local, and drive-in chains. The characteristics of the stores in each of the classes are presented here.

Company data for national chains.--There are two companies in the national chain category, each having over 100 stores in their territories, with headquarters in the North Texas area. The two chains are similar in the number of stores and the average number of employees per store, nineteen people. Company A has generally had the same approach to developing store personnel that it had in the earlier days of the company. At certain times in the past, methods have been used in development which are not used at present, such as training classes. Company B has intensified its management development program in the last few years, beginning in 1955 a new program for developing store management personnel.

The vacancies existing in the store manager and assistant manager positions differ in the two companies considerably. In 1954, Company A had four manager and five assistant manager vacancies, while Company B had fourteen manager and nineteen assistant manager vacancies. Total vacancies in both companies amounted to 10 per cent of those total management positions in both stores; these were the result of terminations and new stores. The estimated number of vacancies in 1955 in these positions was similar to the number in 1954, although a little higher.

Company data for large local chains.--Five companies in this survey were large local chains. The number of stores in the chains ranged from 10 to 24, with a range in the number of employees from 135 to 935 people. The average number of employees per store in this group was about 23.

Management development was given important attention almost from the beginning in two of the companies, and no important changes have been made in development activities in recent years. In the other three companies, management development activities have been initiated or intensified in the companies within the last ten years.

One company did not have an assistant manager position in its stores. The total number of assistant manager and store manager positions in this category was 149 positions. There were 25 managerial vacancies in 1954, 16 per cent of the total

TABLE I

MANAGEMENT DEVELOPMENT PROGRAMS IN FOOD STORE CHAINS
IN THE NORTH TEXAS AREA, APRIL, 1955

Company	Development Information															
	Company Data							Responsibility	Personnel Participating in Management Development***							
	Number of Stores	Number of Employees	Average Number of Employees per Store	Year Program Began	Number of Vacancies		Owner General Manager District Manager Supervisor Personnel Director Store Manager		Store Manager	Assistant Manager	Departmental Manager					
					1954	1955										
				Store Manager	Assistant Manager	Store Manager	Assistant Manager									
National																
A	107	2200	20	*	4	5	6	8	X	S	S,M	S,M,A				
B	108	2000	18	1945	14	19	15	20	X	D	D,M	M				
Total	215	4200	19		18	24	21	28	1	1	S,D	S,D,2M	S,2M,A			
Large																
Local																
C	24	935	39	1945	3	6	4	8	X	S	S,M	S,M,A				
D	21	500	24	*	2	-	4	-	X X X	S	--	--				
E	16	250	16	1952	2	2	5	5	X	S,G	S,M	S,M				
F	10	250	25	1935	0	1	3	3	X	S	S,M	M,A				
G	14	135	10	1950	2	4	2	3		O	M	M,A				
Total	85	2070	23		12	13	18	19	1	1	3	1	2	4S,G,O	3S,4M	2S,4M,3A
Small																
Local																
H	7	92	13	1953	2	2	2	2	X		O,S	O,S,M	S,M			
I	6	90	15	*	1	1	0	1		X	O,S	O,S,M	O,S,M			
J	4	200	50**		5	6	5	6		X	M	M	M			
Total	17	382	15		8	9	7	9	1	1	1			20,2S,M	20,2S,3M	0,2S,3M
Drive-In																
K	200	450	2	1955	45	45	45	45	X	X	S	S,M	--			
L	37	125	3	1954	12	12	5	5		X	S	S,M	--			
M	6	12	2	--	0	--	2	--	X		O	--	--			
N	5	14	3	--	1	--	0	--		X	S	--	--			
Total	248	601	2		58	57	52	50	1	1	2	1		3S,O	2S,2M	--

*There was no definite year a program was begun.

**Stores are open twenty-four hours a day.

***Personnel participating: "O"--Owner, "G"--General Manager, "D"--District Manager, "S"--Supervisor, "M"--Manager, "A"--Assistant Manager.

TABLE I--Continued

Potential Management People	Development Information																						
	Methods Used in Development							Method of Development Preferred				Areas Emphasized in Development				Methods Used in Evaluating Development							
	On-the-Job Job Rotation	Coaching	Understudy Classes	Training Stores Conferences	Reading Programs	Outside Lectures	None	On-the-Job Job Rotation	Coaching	Understudy	Training Courses Conferences	Training School	No Preference	Operating Procedure	Human Relations	Customer Relations	Company Background	Selling	None	Work Performance	Summary of Training	Observation of Attitudes	Observation of Development
M,A	X	X	X	X		X		X					X	X	X	X			X		X	X	
M	X	X				X		X	X	X			X	X	X	X			X		X	X	
2M,A	2	2	1	1		2		2	1		1		2	2	2	2			2		1	2	
M,A	X	X	X		X			X	X				X	X	X				X		X	X	
M	X	X		X	X	X		X	X	X	X		X	X	X	X			X		X	X	
M,A	X	X	X	X	X	X		X		X	X		X	X	X	X			X		X	X	
M,A	X	X	X	X	X	X		X	X	X	X		X	X	X	X			X		X	X	
5M,3A	5	5	3	2	1	1	4	2	2			1		5	4	5	3		3		5	4	
S,M,A	X			X								X		X	X	X	X		X				
M	X	X	X	X	X	X		X	X	X	X		X	X	X	X			X				X
M	X	X	X	X	X	X		X	X	X	X		X	X	X	X			X				X
S,3M,A	3	2	2	1	2	2	1		2	1	1	1	1	2	2	2	1		1				2
--	X		X	X									X	X	X		X		X		X		
--	X	X	X		X	X		X		X			X	X	X	X	X		X	X	X		
--	X		X										X	X	X		X		X				X
--						X						X	X					X	X				X
--	3	1	3	1	1	1	1	1		1	1	2		2	2	2	1	2	2	2	1	1	2

available positions, as compared with almost 10 per cent in the national chain companies. Some of these chains were expanding, Company C at a rapid rate. In 1955, the number of vacancies expected is twelve more than in 1954.

Company data for small local chains.--Three companies are classified as small local chains. The number of stores range from 4 to 7, and they have from 92 to 200 full time store employees. The chain with 200 employees operates its stores on a twenty-four hour basis, with 2 store managers and an equivalent of 3 shifts of employees in each store. The average number of employees per store is 15 people, considering the shifts used in the one chain.

One chain has given emphasis to management development since 1953, which was almost from its beginning. The other two chains did not consider that they had a formal program of management development; the activities which are now used in these companies have been used since the beginning of the chains.

There were 17 vacancies in manager and assistant manager positions in this group in 1954 which was 47 per cent of the total number of those management positions. Two of the three companies had a relatively large number of vacancies. Company H vacancies were caused by expansion mainly, and Company J, also with a large number of vacancies, had a large number of terminations. About the same number of vacancies as appeared in 1954 are expected in 1955.

Company data for drive-in chains.--Four drive-in food store chains were in this category of chains. The number of stores ranged from approximately 5 to 200 stores. The number of employees averaged from 2 to 3 people per store. The two larger companies have intensified their development activities since the beginning of 1954. The smaller companies have given little attention to managerial development.

The larger companies are expanding rapidly, and the number of vacancies has been high in the store management positions. An approximation of the total number of vacancies in three companies and those vacancies created by new stores in the fourth company was 70 management positions. This figure represents 14 per cent of the total positions available, although it is hardly comparable with the percentages given for the other chain groups. The person interviewed in the company declined to estimate the number of vacancies in the company resulting from terminations.

Responsibility for development.--Generally, the supervisors had the responsibility for developing store management personnel. In four companies they held the responsibility alone and in three companies they shared the responsibility with other personnel either with the owner, with the district manager, or with the store manager and personnel director. In two companies the owner assumed the responsibility for development; in two other chains the development was delegated

to the store managers. Other companies had either the general manager, personnel director, or district manager in charge of development.

In the national food store chains a person who was over a group of stores was given the responsibility for developing store personnel. The title of such an official was either "district manager" or "supervisor."

In the large local food store chains, three supervisors, two store managers, one owner, one general manager, and one personnel director had the responsibility for development. In two companies this responsibility was shared.

Responsibility was carried by either the owner, supervisor, or store manager in the small local chains. In the drive-in companies, the district manager and supervisor shared the responsibility in one company and in the others it was carried by the owner, personnel director, or the supervisor.

Participation in development.--Information was given concerning the personnel who actually participated in developing store management personnel and potential management people, either by coaching or by formal teaching. It was found that the supervisor usually participates in developing the store managers and, with the store manager, assists in developing assistant managers and departmental managers. The manager and sometimes the assistant manager participates in developing

potential management people. Variations did occur in some of the companies, such as in the small local chains where the owner participates in developing the management personnel, and in one company in which the owner assists in developing departmental managers.

In the national chains, participation in development of store personnel followed a similar pattern. A difference in the company policies and organization explains one difference in the participation of personnel in development activities. Company B managers are given full responsibility over the local store, and with the exception of the assistant manager, the manager develops all store personnel alone.

Supervisors were active in development in four of the five companies in the large local group. They usually assisted in developing store managers, assistant managers, and departmental managers. Managers also took an active part in developing personnel under them. In three companies assistant managers helped in the development of departmental managers and potential management people.

In the small local chains the owners and supervisors took an active part in developing managerial personnel. Store managers assisted in developing personnel under them. The supervisor and assistant manager helped in the development of potential management people in one company.

The drive-in stores had a store manager and usually an assistant manager. In the two larger chains the supervisor

developed the manager, and with the manager developed the assistant manager. In the two smaller chains, the owner and the supervisor developed the managers.

Methods used in development.--Several methods of management development were used by the companies: on-the-job training, coaching, understudy, job rotation, classes, training stores, conferences, reading programs, and outside lectures. Some of these methods overlapped such as coaching and understudy, and coaching and on-the-job training.

The degree of formality of a method was determined by its characteristics. The more formal methods were planned programs, using selected personnel for the purpose of developing them for management positions. There were five companies which had more normal methods of development; three of these included job rotation and two provided for classes. Other chains used these same methods but did not use selected personnel or the method was not designed to develop personnel for a certain position. None of the chains used "trainee" positions, even though the programs were selective.

Thirteen of the fourteen chains in this study had some type of development activity, whether formal or informal. The one company in which no planned development took place was a neighborhood drive-in with five stores. All of the thirteen companies had two or more types of development activities, and most of them used four or five methods.

On-the-job training was used in the thirteen companies; nine of the chains had job rotation; seven chains used coaching; six chains used conferences of one kind or another; five chains had understudies; five companies had some form of reading program; three chains held classes; two chains operated training stores, and two chains encouraged attendance of outside lectures.

Job rotation was used in all the thirteen chains except in one small local chain and in two drive-in organizations.

Methods used in national chains.--The national food chains, along with on-the-job training and job rotation, also had reading programs for store personnel. These programs consisted of store manuals covering wide areas of store operation and policy, trade publications sent to store managers, and bulletin board material. One of the two stores used understudy and coaching along with on-the-job training.

The difference in the two job rotation methods used in Company A and Company B is significant. Job rotation in Company A consists of an informal program of rotation between the departments in the store and to different stores for several weeks time. In Company B the rotation plan is a long range program of three to five years, after which the trainee is considered for promotion to assistant manager or manager positions. Only a relatively few employees are selected for the rotation program.

Methods used in large local chains.--On-the-job training and job rotation were used in all of the large local chains. Four of the chains in this group used some form of conference and three chains used coaching. Understudy, reading programs and outside lectures were used in two companies, and classes and training stores were used in one company each. Three companies stated they used five methods while one used six and one had four methods of development.

The degree to which development activities were used differed in the companies considerably, especially the job rotation method. Company C had college graduates in a rotation program, after which they were promoted to assistant manager or possibly store manager positions. In Company E the job rotation method was a program of rotating within departments of the store and progression from smaller to larger stores. In the other companies job rotation consisted of informal transfer to different positions within the store.

Conferences usually consisted of meetings with store managers and sometimes assistant managers. The topics discussed pertained to sales and the current problems facing the company and the store manager.

The classes used in one company were primarily for regular store personnel in store operating procedures, but might be considered as development of potential management personnel.

Methods used in small local chains.--The totals of the methods of development used in the small local chains show that in the three companies, along with on-the-job training, two companies have job rotation, coaching, conferences, and classes; and one chain each uses the understudy method and a reading program. The significant differences in the development activities in the chain stores were in the use of training classes. Company H and Company I used classes, the latter in store operating procedures. The classes held in Company H were in the areas of store operating procedures, human relations skills, and customer relations. These classes were conducted at regular intervals and potential managers attended all classes.

Methods used in drive-in chains.--One drive-in chain had no method of development according to the officer of that company. In the other small drive-in chain, no effort was made to develop personnel, but development took place on the job and by coaching by the owner.

In the two large chains, a considerable amount of attention was given management development and formal programs were used. One company used classes and training in a special store for developing store managers. The other uses a job rotation method and conferences which are designed for a three month period for each potential store manager.

The three companies with management development activities all used on-the-job training and coaching.

Method of Development Preferred

When chain store officials were asked the method or methods of development which they actually preferred, some answered with a certain method; some thought that two or more methods were more efficient; and others said they were satisfied with present methods in the company.

In the national chains, one company official preferred on-the-job training and training classes. The other company official said he believed the program they had recently begun in job rotation and on-the-job training would be more efficient.

In the large local chains, three of the five companies preferred on-the-job training, and two companies each preferred job rotation, coaching, and understudy methods of development. One company included conferences as well as other methods.

One owner of a small local chain said he would prefer to have a training school if the company were larger, but at the present time, because of the size of the company, its use could not be justified. An official of another company said he preferred on-the-job and coaching methods. The other company was satisfied with its present development activities.

Two companies in the drive-in group had no preferences regarding development methods. The large ones preferred their principle method, a training course and job rotation.

Subject Areas Emphasized in Development

Four subject areas in which topics or subjects included in management development programs could be classified were: store operating procedures; human relations skills; customer relations, and broad background in company objectives, policies, and work of other departments. Officials of the companies were asked what subject areas were covered in their management development activities. Most of them said they covered all these areas.

The national chains covered the four subject areas in their development activities by store manuals and printed material sent to the stores. Large local chains generally covered all the subject areas, although in each of three of the five companies in this group, one of the subject areas was not covered--human relations skills in one company and company background in two companies.

One of the three small local chains emphasizes all four subject areas. One covered operating procedures and one covered human relations skills and customer relations. The two large drive-in chains covered these subject areas with the exception of company background in one company. These companies emphasized selling in the customer relations phase of their development program. The two small drive-in chains did not cover any subject in their development.

Methods Used in Evaluating Development Efforts

Officials of the food store chains were asked how they evaluated their effectiveness in developing store management personnel. Four methods of evaluation were listed, but officials were encouraged to use their own words in describing their system. The four methods were:

1. Records of individual work performance and potential;
2. Summary of training received;
3. Observation of employee attitude and personal qualities;
4. Observation of the employee before and after a particular phase of development.

These methods are here referred to as: work performance, summary of training, observation of attitudes, and observation of development.

The two national chains used the records of work performance and observation of development; one of the chains used observation of attitudes.

Five of the large local chains used observation of attitudes, four of the five observed employee development, and three used work performance methods of evaluation. Two companies used all three of these methods.

One of the small local chains evaluated its effectiveness in development by work performance of the employee. The other companies did not attempt to evaluate their development practices.

The two drive-in chains that attempted to evaluate their effectiveness used records of work performance. One also used observation of development while the other used summary of training and observation of attitudes.

Qualifications of Management Personnel

From the answers to several of the questions in the interview pertaining to the prerequisites for promotion and measurement of potential of employees, a list of qualities looked for in management personnel was made. These qualities are presented in Table II.

High on the list of qualities were satisfactory work performance, skill in human relations, and personality. Nine, seven and six officials of the companies interviewed listed these factors, respectively.

Qualities mentioned by five officials were: ability, adaptability, honesty, and leadership. Those factors mentioned by four officials were: appearance, capability, experience, and education. Other factors were initiative, attitude, good judgment, intelligence, interest in the job and company, sales consciousness, dependability, loyalty, good health, and youth.

Related to qualifications of management personnel is the length of time an employee might work in the company before being promoted to assistant manager or store manager. Most of the companies stated that they promoted strictly from within, although some said they have had to employ store management personnel from the outside occasionally.

TABLE II

QUALITIES IN MANAGEMENT PERSONNEL EXPRESSED BY NORTH
TEXAS FOOD STORE CHAIN OFFICIALS IN MANAGEMENT
DEVELOPMENT INTERVIEW, APRIL, 1955

Quality Expressed	Number of Comments
Satisfactory work performance	9
Skill in human relations.	7
Personality	6
Ability	5
Adaptability.	5
Honesty	5
Leadership.	5
Appearance.	4
Capability.	4
Experience.	4
Good education.	4
Initiative.	3
Attitude	2
Good judgment	2
Intelligence.	2
Interest in the job and company	2
Sales consciousness	2
Dependability	1
Loyalty	1
Good health	1
Youth	1

Usually an experienced, new employee would be hired as a regular clerk and would be considered with the other employees for promotion when selection was made. The practices of starting pay and the length of time experienced employees are expected to work in the company vary in different chains.

Factors which are expected to influence management development.--The food chain officials were asked in the interview what factors or problems they expected in the future that

will influence management development in their company. Their reactions to this question were interesting and might give an insight into the future development of management personnel in food store chains.

Most of the replies centered around the obtaining and retaining of competent, qualified employees. Seven of the officials commented on this problem and the competitive situation. They gave several results that could be expected in the future: more prestige given management personnel in the food stores, better working conditions, development of interest in the food industry, and longer, more intensive development programs to attract capable personnel.

The expansion of the companies and the need to obtain qualified personnel was a big problem to many companies. Competition for qualified personnel was mentioned by several officials. One person said that more emphasis will need to be given to the human relations aspects of management rather than to the operation of the store itself.

Analysis of Development Practices

Number of stores and employees.--The number of stores in a chain and the average number of employees per store are referred to here as the "size of the stores." This part of the analysis concerns the broad correlations between the general size of the companies and their management development

practices. There seemed to be little correlation between number and size of stores in chains with the number of vacancies which existed in assistant and store manager positions in 1954. Companies with a similar number and size of stores differed in their number of vacancies in management positions. This difference generally could be accounted for by expansion and terminations.

In companies that had a large number of stores and in a few of the smaller chains, a supervisor of a group of stores was responsible for developing management personnel. The smaller chain's personnel development was the responsibility of the owner or manager usually, although sometimes responsibility was divided among several officials.

Supervisors of groups of stores and managers participated in developing store personnel in the larger companies. In smaller companies usually the owner, manager, and supervisor took part in development. In all sizes of chains the managers, and in some chains the assistant managers, helped develop potential management people.

There was no apparent correlation between the number of stores and employees and the formality of the methods used in development. One or more chains in each group had more formal methods of development. The small and medium size chains usually had more variety of methods in their development.

Seven companies preferred on-the-job training and six of these companies preferred on-the-job training combined with one or more other methods. Generally the methods preferred were one or several of the methods presently being used. Two companies, one a large one, the other small, would have preferred training courses and a training school, respectively, that they did not have at the time.

The larger chains generally covered the four subject areas in development which were suggested in the interview form as shown in Table I. There appeared to be a slight correlation between subject areas covered and the size of the stores, but there were exceptions. One of the smaller chains covered the four areas and five of the small and medium size chains covered one or more areas. Two small chains did not attempt to cover any certain subject in development.

Large chains generally used records of work performance, observation of development, and observation of attitudes in evaluating the effectiveness of their development activities. Usually, the small medium size chains used observation of attitudes and observation of development. The four smallest chains did not attempt to evaluate their development of management personnel.

Number of vacancies.--The number of vacancies in 1954 in management positions in the stores varied in the companies, the most significant reason being the addition of new stores.

Terminations were also a factor accounting for a few vacancies in some companies. The estimates of 1955 vacancies were somewhat higher generally than in 1954.

In most of the companies which had a relatively high number of vacancies in the stores, increased attention has been given management development in recent years, from 1945 in two companies and since 1953 in three companies. There was one exception in which little attention was given development of store personnel in one company. Expansion in the companies was an important factor which accounted for the high number of vacancies in the companies which had given attention to development, although there were in most of them some terminations for various reasons.

Attention has also been given since 1950 to development in companies that have not expanded their number of stores. But in those two chains and others, there are relatively few vacancies in store management positions.

Of the six chains which had a relatively high number of vacancies in 1954, the five chains which expanded had the supervisors, district managers, the owner or personnel director responsible for developing store personnel. The other chain which had a high number of vacancies gave the responsibility for developing personnel to the store managers, and managers alone developed store personnel. There apparently was no appreciable difference in the placement of responsibility or participation of personnel in development.

In these five expanding chains, the methods of development were similar to the methods used in other companies, but they were usually more formal. Personnel were selected for the purpose of being developed through planned procedures for promotion to store management positions. These five chains used mainly, job rotation and classes along with other more general methods of development. The chains preferred the methods they were using. One chain owner said he would prefer a training school if the company were larger, rather than the classes he was using.

All five companies evaluated development by records of work performance; three chains used observation of development; two chains used observation of attitudes, and one chain used summary of training received.

Methods used in development and methods preferred.--Companies used on-the-job training, job rotation, and coaching methods in that order, in developing management personnel. The methods preferred, in order were: on-the-job training, job rotation, coaching, and understudy. Training courses and conferences were preferred by two companies. One company preferred a training school and two companies had no preference.

Ten food chains mentioned one or two methods which they preferred, while two stated they were satisfied with the methods they were using and had no particular preference of those methods used.

Summary

1. Of the 14 food store chains in this survey, of the 16 chains in the area, there are 2 national chains, 5 large local, 3 small local, and 4 drive-in chains. In the national chains, the average number of store employees was 19 people; large local, 23 people; small local, 15 people; and drive-in, 2 people.

2. Seven of the 14 chains had begun or emphasized management development activities in their stores since 1944, 5 of these since 1951.

3. Vacancies in store manager and assistant manager positions in 1954 were almost 10 per cent of the total number of those positions in the national chains, 16 per cent in the large local chains, and 47 per cent in the small local chains. Incomplete information regarding vacancies in the drive-in companies makes accurate comparisons impossible; but the figure is over 14 per cent of the total store management positions in the chains.

4. Supervisors over a group of stores usually had responsibility for developing store management personnel alone or they shared the responsibility with other personnel. In 3 companies the owner assumed the responsibility for development and in another company he shared in the responsibility.

5. In the smaller chains, the owner or store manager often had the responsibility for development and took an active part in developing store personnel.

6. The store supervisor generally participated in developing managers, and with the store managers assisted in the development of assistant managers and departmental managers. The manager and assistant manager usually participated in developing potential management people.

7. The methods of development, in the order of frequency of use were: on-the-job training, job rotation, coaching, conferences, reading program, understudy, classes, training store, and outside lectures. One chain did not attempt to develop store management personnel.

8. Some methods were more formal in their operation than others, such programs being more selective as to participants, and being designed to develop personnel for certain positions. One company in each group and 2 chains in the drive-in group had formal programs. Three of the programs centered around job rotation and 2 provided classes. There were no formal trainee positions.

9. Methods, other than the more formal methods used in 5 companies, were similar in the 4 groups of chains; but variances in the methods used and different emphasis given to methods was noted between individual chains.

10. Most of the chains in this survey included subjects concerning store operating procedure, human relations,

customer relations, and company background in their development of management personnel.

11. The most frequently mentioned qualities of store management personnel were: satisfactory work performance, skills in human relations, and personality. Ability, adaptability, honesty, leadership, appearance, capability, experience, and education were mentioned by officials of several chains as being some of the qualifications of personnel.

12. Although most chain officials said they had a policy of promoting from within, new employees who had previous experience were considered with regular employees in selection for promotion.

13. Factors which chain store officials expect to influence management development in their companies most strongly in the future were: the problem of obtaining and retaining qualified employees, and expansion in the company. Solutions were expected to involve longer and more detailed management development activities, more prestige to store management personnel, and better working conditions.

14. There was no apparent correlation between the number and size of chain stores and the emphasis given development of personnel, the relative number of vacancies, methods used in development and methods preferred in development.

15. The larger chains usually covered the four subject areas: store operating procedures, human relations, customer relations, and company background; the smaller chains covered three or less subject areas. Two small chains did not attempt to cover any certain subject in development.

16. The 4 smallest chains did not attempt to evaluate the effectiveness of their development activities. Chains used several systems of evaluating their effectiveness in developing personnel; the larger chains usually used records of work performance, observation of attitudes, and observation of development. Two of the medium size chains did not use records of work performance with their other methods of evaluating.

17. In most companies the number of vacancies in store manager and assistant manager positions were expected to be higher in 1955 than they had been in 1954. The number of vacancies in these positions was relatively high in 6 chains. The reasons given by 5 chains were additions of new stores. One chain's vacancies were because of terminations. In the 5 chains, increased attention has been given management development from 1945 and in 2 companies, since 1953. Two other companies had also given attention to development since 1950.

18. The chains which were expanding and the other companies in this survey had similar methods for developing store management personnel, but the actual practices were

considerably different. The 5 chains used more formal procedures; personnel were selected for the purpose of being developed through planned procedures for promotion to store management positions. These chains generally covered the 4 subject areas in development. All 5 companies evaluated their effectiveness in development by records of work performance; 3 chains used observation of attitudes, and 1 chain used a summary of training received.

19. Some chains preferred one method of development over others, some preferred two or more. The methods preferred most often in development of store personnel were: on-the-job training and job rotation. Coaching and understudy were also popular with several chain officials. Training courses, conferences, and training schools were also preferred. Usually a combination of these methods were selected.

Conclusions Regarding Development

The relative number of vacancies in assistant manager and store manager positions in food store chains was higher in the small local chain group and lowest in the national chain group. Chains within these groups varied in number of vacancies in these positions.

The vacancies in the chain stores resulted from terminations and expansion of stores. The relative number of vacancies was high in 6 chains--terminations were the

principle cause in 1 of the chains and expansion accounted for the high rate in the remaining 5 chains. The latter 5 chains and 2 others had given particular attention to development of store personnel since 1945. The 5 chains used more formal methods of development than did the other chains in the survey. Their programs were more selective as to participants and were designed to develop personnel for management positions.

On-the-job training, job rotation, and coaching methods were more widely used and preferred in developing store management personnel in the chains included in the survey.

There was no apparent correlation between the number and size of chain stores and the methods used in development of personnel.

Recommendations as to Further Research

Areas in which further research might be profitable include in the reasons for vacancies in store management positions, the formality of methods used in development, and methods used to evaluate the effectiveness of management development activities.

A study of the vacancies in store management positions in chain food stores since 1945 could possibly determine the reasons for terminations of managerial personnel; if a significant number of terminations resulting from incompetency were found, the needs for development of personnel might be

ascertained. If there has been expansion in the companies, have the store management needs been filled from within?

A measurement of the degree of formality in a development program might be determined by further study. The methods used by chains in this study ranged from very formal to very informal. How formal a program can be efficiently used in small, medium, and large food store chains?

A measurement of the effectiveness of management development activities would coincide with the recommendation above. Knowing the value of certain development activities from the standpoint of developing personnel efficiently would be beneficial to food store chains.

Studies similar to this might be made in other population centers to determine if there are new trends in development activities. Such a study would be of value to chains in areas other than the one in which the study was made.

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