



By James E. Leemann, Ph.D.

Management types & planning styles

Forget top-down future forecasting

Note: this is part two of a two-part series.

As I discussed last month, management types are Reactive, Inactive, Preactive or Interactive.

Time is an obliging variable breaking down into Past, Now or Future. Attitudes toward time are even simpler being Positive (+) or Negative (-). Defining a manager's planning style reflects the manager's approach to and tolerance for change.

Preactive management and planning

Preactive managers are obsessed with the future so much so that they go to great lengths to accelerate change and exploit opportunities along the way. They are preoccupied with forecasting in order



to predict and prepare for the future. Preactivism is the most dominant management type in the United States.

Preactivists believe that it is more difficult to predict accurately than it is to prepare effectively for an accurately predicted future. Of course, perfect preparations for an inaccurately predicted future are no value.¹

Planning for the preactivist consists of top-down forecasting of the future, fol-

lowed by the development of objectives and strategies for the entire organization which are then passed down for implementation. Plans are prepared to minimize forecasted threats and maximize forecasted opportunities.²

After reading a benchmarking report of his industry's safety performance, the CEO decided to declare the coming year — "The Year of Safety." The CEO called in his VP of Safety and requested a forecast of what the VP thought the company could achieve in improved safety performance in the coming year. The VP, never once reaching out to the businesses that would be tasked to achieve the goal, consulted with his corporate safety staff and unilaterally decided that the company could achieve a 40 percent improvement in safety performance. The only support the corporate safety staff provided to the business was a slick spreadsheet to track performance and a brief injury/illness improvement plan.

The business unit's response consisted of pulling their safety pros from their normal duties and placing them in charge of implementing the plan. Virtually no training was provided, while at the same time the business encountered severe cost-reduction mandates from management.

Even though sales were deteriorating due to poor manufacturing quality, the business managers maintained pressure to meet or beat the 40 percent improvement.

At the plant site level, the plant manager realized her employees' attention to safety was diminishing, her safety pros were distracted by the 40 percent goal, and her plant was experiencing an uptick in near misses. She immediately re-directed her safety pros to focus on

plant/employee safety and not to worry about the corporate goal. She met with her first-line supervisors and instructed them to concentrate on having their employees work safely, improve quality, and that she would take the heat for the corporate goal. During the course of a routine process hazards review, a team of operators and two safety pros found the reason for worsening manufacturing quality. Repairs were undertaken averting what could have been a catastrophic accident. By year-end, the plant had achieved a respectable 28 percent improvement in safety; however, those in management and the CEO were not impressed. The CEO asked for yet another safety improvement forecast for the coming year.

Interactive management and planning

Interactive managers focus on improving performance over time rather than how well one can do at a particular point in time. In other words, interactivists believe that the future depends at least as much on what we, and others like us, do between now and then as it does on what has happened until now.

Rather than assuming the future is largely out of our control, the interactive manager ascribes to the belief that the future is largely subject to creation derived by the concept of "interactive planning." The systems thinking concept of interactive planning is defined as the *design of a desirable future and the invention of ways to bring it about.*⁴

Several years ago, a large company decided to undertake a cost reduction initiative through an Early Retirement Program (ERP). At the time, the occupational safety and health (OSH) staff

amounted to 200 professionals. With the announcement of the ERP, 80 OSH pros (40 percent) decided to retire. This group of “soon to be retired” OSH pros accounted for 65 percent of the OSH knowledge and experience in the company. Interestingly, of the remaining 120 OSH pros, 30 of them were eligible for retirement in five years.

The business climate was intense with ongoing cost reduction initiatives and continuous pressure to improve product quality, innovation and overall safety, health and environmental (SHE) performance.

Realizing the sudden loss in OSH knowledge and experience, the OSH leader undertook an interactive planning process to transform the OSH function into a value-adding asset to the business. By involving all representative levels of the business and operations, the OSH group was able to create a business case for an idealized design of the new, lower staffed OSH function.

After six months, the new OSH function established a company-wide network of OSH pros and technicians knowledge-



able in topic-specific areas, rather than just having a general knowledge of all OSH specialties. Anyone in the company had immediate access to the OSH function’s knowledge experts and their online knowledge database.

Detailed costs were maintained throughout the process, which allowed the OSH leader to demonstrate to management that the overall implementation had reduced total SHE fixed costs by 25 percent without having to add any additional personnel.

Closing thoughts

Of the four management types and planning styles, interactive management and planning can lead to a tectonic shift

in how business and operations will respect and utilize OSH professionals’ expertise and experience.

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1 Ackoff, R.L. 1981, 59, *Creating the Corporate Future – Plan or Be Planned For*. John Wiley & Sons, New York, NY.

2 Ackoff, R.L., 1999, 52, *Re-Creating the Corporation – A Design of Organizations for the 21st Century*. Oxford University Press, New York, NY.

3 Ackoff, 1999, 53.

4 Ackoff, 1981, 68, *Creating the Corporate Future – Plan or Be Planned For*. John Wiley & Sons, New York, NY.

5 Ackoff, 1999, 56, *Re-Creating the Corporation – A Design of Organizations for the 21st Century*. Oxford University Press, New York, NY.